the Department of State says the house is the "finest example of a Second Empire (Victorian) style house in the Thumb region of Michigan." Patterned after designs popular in mid-19th-century Paris, the house was designed locally, made with local materials and features elaborate craftsmanship, especially the interior woodwork and gingerbread or wedding cake exterior trim.

The two-story house, which has not been altered since it was built, has brick walls a foot thick and features a slate mansard roof, an excellent example of the Second Empire style. Originally built on a 40-acre plot, which Mr. Burtis operated as a small farm, the house is still located on its original foundation, but much of the original land has been sold, although enough remains to accommodate a carriage house and barn which were built shortly after the house was constructed.

The exterior features a turreted gable over a bay on the right side of the facade and a covered porch on the left. The trim of the gable, porch, and windows features elaborate Italianate wood carvings. There is also an elaborate system of gutters on the roof which feed a huge cistern used to store water.

The interior features high-ceilinged rooms. The front parlor contains multicolored wooden scrollwork and an Emerald-green marble fireplace. The dining room contains a rich wood floor with alternating bands of light and dark wood. The woodwork, which the history division calls excellent, is a fine example of the craftsmanship found in many Michigan homes of the period when lumbering was king of Michigan.

The history division has informed me that there are several more structures in the vicinity which are of equal historical value and interest. I am pleased that the U.S. Government sponsors a loan grant program to historical sites so that they may be maintained providing everyone an opportunity to view the important cultural and structural mementos of America's past.

Mr. Speaker, I cordially invite you and my colleagues to view the R. C. Burtis House the next time you are in the vicinity of Vassar, Mich. This national historic site is located at 2163 South Ringle Road and is owned by Mrs. Victoria Bettinger.

CONGRESS NEEDS TO RECOGNIZE CERTAIN INEQUITIES IN PRESENT OSHA LAW

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 8, 1975

Mr. HANNAFORD. Mr. Speaker, I agree with the need to exempt the small businessman from certain provisions of the Occupational Safety and Health Administration until Congress has had an opportunity to correct certain inequities in the present law.

The problem is that the law presently requires an OSHA compliance officer to issue citations on first-instance inspection even for minor and often innocent violations of vague regulations.

For the small businessman who is unable to hire a consultant to review the numerous and complex regulations this can result in expensive and inequitable fines.

Extensive communications with citizens of my district, both the small businessman and their employees, have convinced me of the validity of exempting the small firms from the issuing of first-instance citations.

I think that it is the responsibility of Congress to correct the present inequity and to recognize that these otherwise desirable regulations often impose an enormous burden on the small businessman.

Mr. Speaker, I believe that the best manner to provide adequate safety for our employees is to appropriate adequate funds to provide onsite consultation and to allow sufficient time for an employer to make the necessary correction.

SENATE—*Wednesday, July 9, 1975*

(Legislative day of Monday, July 7, 1975)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. JAMES ABOUREZK, a Senator from the State of South Dakota.

PRAYER

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

The Lord is nigh unto all them that call upon Him, to all that call upon Him in truth.

He will fulfill the desire of them that fear Him: He also will hear their cry, and will save them.—Psalms 145: 18, 19.

Eternal Father, as we draw near to Thee, do Thou draw near to us, not only in the moment of prayer but in each thought and act of our lives. Thou knowest us better than we know ourselves. Without Thee our judgments are frail and our spirits weak. But in Thee we would live and move and have our being. Give us here a passion for wisdom above winning, a concern for truth which is more than proof, a patriotism above party, a prayer which emanates from a pure heart. Help us now and always.

We pray in the name of Him who is the Light of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 9, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES ABOUREZK, a Senator from the State of South Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, July 8, 1975, be approved.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today until the New Hampshire contest is once again taken up.

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

Mr. HUGH SCOTT. Mr. President, I assume all committees and subcommittees will be so notified.

Mr. MANSFIELD. Yes.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, all is quiet in the Chamber, and I wish to keep it that way; therefore, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 15 minutes.

COMMITTEE ON COMMERCE INVESTIGATORS' VISIT

Mr. TAFT. Mr. President, I bring up a matter this morning that I mention reluctantly, but something that I think ought to be called to the attention of the Senate. Hopefully action will be taken to correct the situation that has arisen.

Last week I received a very disturbing letter from the Sandusky, Ohio, area chamber of commerce. This letter outlined very serious charges relating to Senate Committee on Commerce investigators making an unannounced visit to Sandusky, Ohio, to investigate a newspaper ad which ran in a Sandusky area newspaper. I shall ask unanimous consent to have a copy of this advertisement printed at the end of my remarks.

The ad was signed by 10 business lead-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ers in the Sandusky area urging their two U.S. Senators to support legislation to deregulate natural gas. They argued in this ad that deregulation was necessary to save up to 8,000 jobs in the Sandusky area.

Apparently the Senate Commerce Committee sent out two investigators, W. Donald Gray and Craig Cartwright, allegedly to solicit support for the Senate bill S. 692. What came out during the trip by these two investigators to Ohio indicates that this was really an effort, on the other hand, to undermine general support for the position of deregulation of natural gas.

The two investigators who came to Ohio came completely unannounced and were not experts on the energy bill. In fact, when the investigators met with the representatives of the business community they were unable to answer the simplest questions regarding the bill.

The two investigators met with some of those who signed the open letter ad to Senator GLENN and myself. Mr. Jerome P. Stein, general manager of Grill Meats, Inc., was the first office to be visited and he was asked if notes and tape recordings could be made of his remarks. Mr. Stein agreed to this and gave the investigators his full cooperation. On leaving Mr. Stein's office the investigators visited the plant manager for the General Motors installation in Sandusky. At the end of their visit with Mr. Rowley, he noted taping devices in the briefcases of the investigators but was uncertain whether or not his conversation had been taped. At no point in the conversation was he advised that his visitors had tape recording devices.

While the investigators allegedly came to solicit support for the bill, S. 692, they only had one copy of this mammoth legislation to show to the businessmen. They admitted that they were not staff members of the committee who worked on energy matters, and were unable to answer questions on the bill during a session that was arranged with the business leaders.

At my request, Mr. Art Pankopf, chief minority counsel of the Commerce Committee, has called on the majority staff to obtain a report of this visit to Ohio by Commerce Committee investigators.

Mr. Pankopf was told that the reason for the investigation was that the committee wanted to make sure that the ad was not a manufactured ad similar to the mailgrams that flooded the Senate offices over no-fault insurance last year. The majority staff also stated to minority staff that the meeting with community leaders was at the request of the local chamber of commerce following their arrival in Sandusky and that they had notified the office of my colleague, Senator GLENN, about the investigation. This was not the case as I have confirmed with Senator GLENN.

I note that Senator GLENN is present and I am sure may wish to make his own comments upon the situation in a few moments when I complete mine.

I know my office was never contacted.

The facts of the matter are that this ad was not manufactured but a project of the local chamber of commerce, the investigators were not invited by the chamber but came completely unannounced, and the meeting was only a courtesy to the Senate investigators. The chamber states it sent a copy of the advertisement to Senator GLENN but had not received a reply from the Senator's office and, as far as I can ascertain, was never called by Senator GLENN's office concerning this entire matter.

I know we had received a copy of the ad, also, and I think had made no reply to it at that point.

It appears to me that the majority side of the Commerce Committee has a staff that is running away from the supervision of the Senators and what we have may be a legislative version of the plumbers' operation of Watergate days.

There simply can be no legitimate reason for the Senate to investigate ads run in papers merely because they express an opinion which is counter to those held by the committee chairmen or staff. The plain effect is to threaten free expression of opinion by private citizens on national issues of the deepest significance.

I think that there are some very serious ramifications to the idea of Senate committees trying to intimidate local community leaders by sending out investigation teams. Even if this ad had been manufactured, which it was not, the local community still has the right to run the ad without questioning by big brother investigators.

I would hope that the chairman of the Commerce Committee would provide me with a complete report of this investigation in Ohio, that he would provide me with any transcripts that are made of the various interviews, and that this practice can be stopped here and now.

I supported legislation to provide additional staff help to the Senators; however, it was never my intention that we would be establishing Senate plumber teams to go out and harass citizens who are trying to participate in the legislative process. I am confident that this activity must have gone on without the knowledge of the chairman and that he and the leadership of all of the committees of the Senate will insure that this kind of action stops, and stops today.

Mr. President, I ask unanimous consent that a copy of the advertisement to which I made reference earlier from the Sandusky Register of Thursday, June 12, 1975, be printed in the RECORD.

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

AN OPEN LETTER TO THE HONORABLE JOHN H. GLENN AND TO THE HONORABLE ROBERT TAFT, JR., U.S. SENATE, WASHINGTON, D.C.

DEAR SENATORS: We are deeply concerned about the energy situation facing Ohio. Here are some facts we ask you to consider as the Senate prepares to vote on the decontrol of oil and natural gas in the coming weeks.

Fact: We have already been informed by Columbia Gas of Ohio that a 60% curtailment will be imposed on our operations effective November 1, 1975. This follows an initial 40% cutback last fall which rose to 55% this past winter.

Fact: A number of our major employers are vitally dependent on natural gas to process their various products. Furthermore, we are competing with many firms in Southern states that have an abundant supply of gas because they are purchasing INTRAstate gas, gas which is exempt from federal price controls. Our gas is INTERstate gas, whose price is being kept at unnaturally low level by the Federal Government and the Natural Gas Act passed in 1938.

Fact: As long as price controls exist on INTERstate gas, our supply of gas will continue to diminish. We must be able to compete with Southern industry for the abundant supplies of gas found in those states, and remove the unfair advantage they currently enjoy over Ohio. A sampling of the seriousness of our problem is as follows:

"Our fastest growing product lines are pre-cooked foods; and we are dependent on gas for our roasting, broiling, frying, and kettle-cooking operations. Currently there is no technology available which permits us to use any other fuel besides natural gas for broiling operations. Five hundred thirty (530) employees representing an annual payroll in our community of over $7,000,000 will be affected by our ability to obtain natural gas. Any new plants we build in the future will be located where we can be assured of an adequate supply of natural gas."

JEROME P. STEIN,
General Manager, Grill Meats/Chefs Pantry.

"In the final analysis, the most important consideration must be jobs. Unless there is an adequate amount of natural gas, there is no way that layoffs and plant closings can be prevented. I encourage all those interested in their job—and the job of their neighbor, to write to our Senators and Congressman."

FRANK PELEHACH,
President, Union Chain.

"Natural gas is needed for our manufacturing operations since every one of our bearings has to be heated to a red-hot 2300 degrees, then cooled, reheated to temper, and recooled. Without the availability of gas we cannot make bearings. I am very much concerned about the shortage of natural gas and I personally visited both Senators Taft and Glenn to discuss this problem with them. Every area citizen should contact our Senators and let them know they too are concerned about their jobs."

PHILIP B. ZEIGLER,
General Manager, New Departure Hyatt Division-GM.

Fact: We realize that decontrol of prices will mean an increase in the price we must pay for this precious energy. For example, it is estimated the annual increase in residential gas bills because of deregulation of new gas would average nationwide only about $13. The preservation of jobs and continued operation of our plants is worth the price.

Fact: Unemployment is not a partisan issue. Our Erie County labor force is largely dependent on the jobs we provide, and we are very dependent on an adequate supply of energy to stay in business.

Fact: Members of Congress passed the Natural Gas Act, and it is up to the present Congress to act again. Only you, and your colleagues in the Congress can act to deregulate the wellhead price of new natural gas. Your utmost consideration is urged as you determine how your vote will be cast . . . jobs and our businesses may depend on the outcome of this vital issue . . .

Signed:

American Crayon Company, Max L. Smith, Vice President and General Manager.

Bay-Con Corporation, Marshall G. Browne, President.

Farrell-Cheek Steel Company, John O. Bossart, President.

Ford Motor Company, Roy L. Cummings, Plant Manager.

Grill Meats, Inc., Jerome P. Stein, General Manager.

Industrial Nut Corporation, J. B. Springer, President.

New Departure-Hyatt Division, General Motors Corporation, Philip B. Zeigler, General Manager.

Scott Paper Company, James D. Murphy, General Manager.

Union Chain Company, Frank Pelehach, President.

Westvaco Corporation, E. J. Kiddie, Plant General Manager.

AREA RESIDENTS AND JOBHOLDERS

Won't you join with us in conveying to our Ohio Congressional Delegation the need to act on the crucial energy situation we face. Help us save our plants and preserve your jobs by writing to the following and urging them to vote for deregulation of gas prices:

Honorable John H. Glenn, United States Senate, Suite 1203, Dirksen Senate Office Bldg., Washington, D.C. 20510.

Honorable Robert Taft, Jr., United States Senate, Suite 405, Russell Senate Office Bldg., Washington, D.C. 20510.

(A vote for deregulation is a vote for jobs in Ohio.)

(These 10 firms alone represent over 7,000 jobs in Sandusky and Erie County.)

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

Mr. TAFT. I am glad to yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I do have some comments on this. I do not have a formally prepared statement, but I do have a couple of remarks.

I start off by saying that we were not notified in advance of the investigation that was to be conducted in Sandusky. The only contact with my office prior to the investigating team's going to Sandusky was, apparently, when they called our office to find out if we had received other ads through our clipping service which would indicate that this was part of a general statewide, or more than one State, campaign. We had received no such ads, but we did at that time alert our clipping service to give us such ads as might be published in places besides Sandusky.

I think the concern of the committee staff investigators at that time, at least, was generated by some of the ad and letter-writing campaigns on previous legislation that had backing from undisclosed sources which should be brought to public and Senate attention.

We had no indication that that was the case, but I can only presume that was their motivation at that time, from questions they asked my office. We did not have any indication then that they were planning a trip to Sandusky. We were not notified of that at all.

I want to do two things in following up this matter. No. 1, I have asked for a copy of the report of the investigators, so that I will know exactly what their intent was; also, what the results of their investigation have shown. We have been promised a copy.

I have been informed, too, that the Committee on Commerce is scheduling an executive session to be held on this specific subject so that we will know exactly what transpired and what actions the staff members took when they were in Ohio. I will follow up on that, also.

I share the concern of my senior colleague from Ohio that we cannot have people going around, whether they are on a legitimate mission or not, using techniques which indicate in any way, shape, or form that we have our citizens under some kind of surveillance because they may happen to be placing ads in the newspapers that are not in complete harmony with the actions of a committee of the Senate or of the House, here in Washington. I detest this type of activity as much as anyone else and if the allegations that such techniques were used here are confirmed, I will be the first to condemn them.

Putting this one incident in terms of a Senate plumber team, I thought, might overstate the problem considerably; but my senior colleague has chosen to put it in those terms. I would not have chosen terms quite that harsh, although I certainly do believe that extremely important civil liberties questions are involved. It certainly does confidence in Government no good, confidence in the Senate no good, and confidence in those of us who represent the people of Sandusky no good if staff representatives are leaving this impression, whether it is intended or not.

I think we might follow up, and I am sure that my senior colleague will join me in this, to get a copy of the investigators' report, to read it, and to get it back to the people of Sandusky. We should follow up, also, with the outcome of the investigation of the Committee on Commerce, the executive session which will be held. We want to get to the bottom of this and make sure we are not leaving the impression with citizens in Ohio, or other places around the country, that undue pressure is being brought on local organizations or groups not to express themselves fully with regard to issues before Congress.

I have taken great pains to invite all the citizens of Ohio, on whatever measure is before Congress, to express themselves and write me with their opinions. Hopefully, we can get some dialog going again, a more meaningful dialogue, between the people and their elected representatives here, that will help us to know how people feel on these vital measures.

Residents of northwestern Ohio are going to be particularly hard pressed this winter with regard to natural gas. I have been working almost full time in the energy field since I came to the Senate. The field of natural gas, of regulation or dergulation, or whatever legislation is necessary to get natural gas back into pipelines for the people of northwestern Ohio, is absolutely mandatory.

We have had repeated meetings with the Federal Power Commission and authorities in Ohio, with pipeline officials, with natural gas experts, in trying everything we know to make sure that we get adequate supplies of natural gas. These people are legitimately concerned, because it means jobs in northwestern Ohio—in areas like Sandusky, in particular—for this coming winter. That is the reason they are so concerned, and we are working on this problem. I share those concerns, as I am sure my colleague does. We want to get to the bottom of this incident. We can do that best by getting the committee report and reviewing the outcome of the Commerce Committee executive session. Then we will be able to make a judgment as to why staff went out there, what their operation consisted of, whether it was conducted properly, and make a full report to the people of Sandusky and Erie County.

I thank the Senator for yielding.

Mr. TAFT. I concur in what the Senator has said.

This situation does not apply only to Sandusky but to the entire State as well. It is a sensitive issue. I think this is a misuse of Senate authority by staffers who are involved, because they are dealing with a tremendously sensitive issue.

Judging by the communications I have received from around the State, there is a very broad and widespread and grassroots feeling growing that deregulation and other steps to try to assure more natural gas in the State must be taken.

Mr. President, I have communicated with the ranking minority member of the Committee on Commerce, and I have advised the chairman that I was going to make this statement this morning. I know that the ranking minority member is pursuing the matter with the committee.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

ROUTINE MORNING BUSINESS

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

Mr. MANSFIELD. Mr. President, does the Senator desire additional time?

Mr. TAFT. I thank the distinguished majority leader, but I have completed my remarks.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

DETERMINATION OF SENATE ELECTION IN NEW HAMPHIRE

Mr. ALLEN. Mr. President, the Senator from Alabama, on the floor of the Senate and in the Committee on Rules and Administration, of which he is a member, has sought to decide every question coming before the Senate or the committee on the basis of principle and not on the basis of political expediency.

Pursuant to that policy, the Senator from Alabama owed a duty to honor the certificate of election held by Mr. Wyman, issued by the duly constituted authorities of the State of New Hampshire, and voted to seat Mr. Wyman provisionally, subject to a determination by the Senate of the outcome of the November election in New Hampshire for the

office of United States Senator, which was contested or objected to by Mr. Durkin.

The Senator from Alabama has felt that under article I, section 5, of the Constitution, it is incumbent upon the Senate to judge the election returns and qualifications of its Members, and to that end he has consistently voted against sending this question back to the people of New Hampshire. The Senator from Alabama feels, though, that this power given to the Senate to judge the election returns and qualifications of its Members is a power that must be used within limits of what is reasonable, what is proper, what is sound, what is for the best interests of the Senate and the best interests of the country.

We have been considering this matter for more than 5 months and have reached very little in the way of progress toward a conclusion of the matter. The compromise, so-called, that has been offered and which has tied the resolution up, and which must be acted on before other matters are considered, is no compromise at all. As the Senator from Alabama said on yesterday, this so-called compromise is illogical, is cynical, is grotesque, because it throws out the window the law of the State of New Hampshire and would have the election decided on the basis of which candidate received the fewer so-called skip-candidate votes. If that is the way the Senate is going to approach this problem—not decide who got more votes, but decide who got fewer votes of a given type—the Senator from Alabama feels that the Senate is not acting with due regard for reaching a proper decision in this matter and coming to a certain conclusion.

SENATE RESOLUTION 202—SUBMISSION OF A RESOLUTION TO DECLARE A VACANCY IN THE OFFICE OF U.S. SENATOR FOR STATE OF NEW HAMPSHIRE FOR TERM COMMENCING JANUARY 3, 1975

Mr. ALLEN. Mr. President, the Senator from Alabama feels that the time has now come to send this matter back to the sovereign people of the sovereign State of New Hampshire and, with the parliamentary situation at the present time such that this motion could not be offered, the Senator from Alabama sends to the desk a resolution and he asks unanimous consent for its immediate consideration.

Before the question is put, the Senator from Alabama understands that the distinguished majority leader is going to object to the immediate consideration of the resolution. It will be carried over, under the rule, and, hopefully, will be reached in the next day or so.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield the Senator my time.

Mr. ALLEN. I thank the distinguished majority leader.

The time has now come for the Senate to judge this matter, that judgment being that the Senate cannot, without an undue use of political power, without the creation of animosities and bitterness that will last for many years, reach a decision that is reached with a reasonable degree of certainty. I challenge any Member of the Senate to say, after this thing has been disposed of, "I can say with reasonable certainty that Mr. Wyman or that Mr. Durkin was elected."

What is wrong with letting the people speak? The Senate has had its opportunity. It has a right to judge that the matter should be sent back to New Hampshire. That is the way that I believe that this matter, at this time, should be resolved.

Mr. HUGH SCOTT. Will the Senator yield without losing his right to the floor?

Mr. ALLEN. Yes, I am glad to yield.

Mr. HUGH SCOTT. I wish to express my congratulations to the distinguished Senator from Alabama for the statement he has just made. He has reached the opinion which is held now by a good many Senators and by virtually the entire press of the United States, that the Senate cannot decide this; it can only be decided by the people of New Hampshire.

The work of the distinguished Senator in the Committee on Rules should be especially noted, because his position there, as I recall it, consistently was that if there is any way by which the Senate can do justice to its constitutional responsibility, if there is any way in which the Senate can find out who won, it ought to do it. The Senator from Alabama has taken the position that he was not then ready to say, go back to New Hampshire, until he had exhausted all the possible remedies.

Now, months have passed. We are tied up here with what looks to be a hopeless tangle. I think the fact that the Senator has come to a conclusion of this kind indicates that, as with other reasonable men, it is now clear that we have tried every way we can to find a fair solution. At all times, I have said that we had one of two choices: either to go back to New Hampshire or to arrive at a solution which would not give an undue advantage to either side, but would leave the tally up to whatever the ballots themselves show once they are returned to the committee for that purpose, assuming that certain elements which we believe to be unfair to one or the other candidate are correctly determined by the Senate. It is pretty obvious now that those are not going to be determined.

I ask the Senator if he feels that the people of the United States will ever be satisfied that the New Hampshire election was actually determined in favor of anybody under the present situation?

Mr. ALLEN. I have, over the last 5 months, finally come to that conclusion. I should hate, and I believe it would be a travesty, if the Senate decided this matter on the basis of which candidate got fewer "skip candidate" votes cast with reference to his total. I thought we were supposed to decide this on who got the most votes.

I think it would certainly be improper to throw out legal ballots in arriving at who got more votes. That is what this compromise would seek to do, throw out votes that, admittedly, are good under New Hampshire law, and then decide who got the fewer of such votes. We would not be deciding it on the basis of who got more votes, but who got fewer votes. I do not believe that is a decision that the Senate will want to live with in history. That is the judgment of the Senator from Alabama.

Mr. HUGH SCOTT. I thank the Senator from Alabama.

The ACTING PRESIDENT pro tempore. The time has expired.

Mr. ALLEN. I offer the resolution and ask that it be immediately considered.

Mr. MANSFIELD. Mr. President, I object.

Mr. ALLEN. Mr. President, I ask unanimous consent that the resolution be stated.

The ACTING PRESIDENT pro tempore. The Chair did not hear the request.

Mr. ALLEN. I asked first that the resolution be stated. Then I am going to ask unanimous consent that it be immediately considered.

The ACTING PRESIDENT pro tempore. The clerk will state it.

The assistant legislative clerk read as follows:

S. RES. 202

A resolution to declare a vacancy in the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975.

Resolved, by the Senate that the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975 is hereby declared vacant.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. MANSFIELD. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ALLEN. Parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ALLEN. What is the status of the resolution, in order that the Senator from Alabama may act accordingly?

The ACTING PRESIDENT pro tempore. The resolution will go over under the rule.

Mr. ALLEN. A further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. ALLEN. If there is an adjournment, or the first day that there is an adjournment of the Senate rather than a recess, this matter will be brought up in the period from the end of the period set aside for the transaction of routine morning business and the close of the morning hour; is that not correct?

The ACTING PRESIDENT pro tempore. There is already a resolution that has gone over under the rule, and this resolution will take a second priority, a second status.

Mr. ALLEN. I thank the Chair.

The ACTING PRESIDENT pro tempore. Is there further morning business? The Senator from Michigan is recognized.

THE CONTESTED SENATE ELECTION IN NEW HAMPSHIRE

Mr. GRIFFIN. Mr. President, the Washington Star has spoken editorially

a number of times on the matter of the contested Senate election in New Hampshire, and today's Washington Star contains another editorial comment which I should like to read. It is entitled "Ridiculous Senate Spectacle."

I read it, I say, because it accords quite closely with some of the things that the junior Senator from Michigan said on the floor yesterday.

The editorial reads:

A RIDICULOUS SENATE SPECTACLE

It should be obvious by now that if the New Hampshire election dispute is pursued to a conclusion in the U.S. Senate, the seat will be awarded on the basis of politics rather than fairness or objectivity. There is no way that 61 Democrats and 38 Republicans can put aside their partisanship on an issue that has become so inflamed.

Republicans, feeling with considerable justification that the Democrats are out to steal the seat, have dug in their heels. Democrats, while finally making some concessions to try to end the GOP filibuster, have not made a persuasive argument against the notion that they mean to have the seat by fair means or foul.

Is it any wonder that garbagemen get a higher rating than members of Congress in public opinion polls, when the self-styled "world's greatest deliberative body" engages in such a partisan spectacle? While the nation waits for legislative action on energy and other pressing problems the Senate haggles full time over a political issue that it should have disposed of months ago. Moreover, it has for more than six months deprived New Hampshire of its right to be represented by two senators in the U.S. Senate.

The Democrats in the Senate are being uncommonly slavish to a constitutional provision that says the Senate shall be the final judge of the qualifications of its members. They insist that members would be shirking their duty if they don't decide the issue on the Senate floor.

There is nothing in that constitutional provision that says the Senate can't send a disputed election back to a state for a rerun. The race in New Hampshire between Republican Louis Wyman and Democrat John Durkin was so close that the sensible thing would have been for the Senate to have declared the seat vacant last January and asked the state to conduct another election.

It's still the sensible thing to do.

Mr. President, I also ask that an article which appeared in the London Economist on July 5, 1975, indicating much the same view from a country abroad about the situation here in the Senate be printed in the RECORD. I will refer to one particular paragraph in here which, I think, is the impression, unfortunately, that so many people have gotten out of this spectacle. It says:

(One Midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

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

SHENANIGANS IN THE SENATE

The United States Senate is not without its pretensions. "The greatest deliberative body in the world" it likes to call itself, and political differences notwithstanding, most Senators are agreed that they are fortunate indeed to belong to such an exclusive club. With few exceptions—a recent one was Mr. William Saxbe, who did not enjoy his seat from Ohio and happily left it to become first Attorney General and then ambassador to India—they can imagine no other job they would prefer to have. The Senate's superiority complex towards the House of Representatives is notorious, and frequently nurtured by the press and public; whereas ordinary Representatives in the House are often portrayed as inarticulate stumblebums, the 100 Senators are presumed to dedicate themselves to penetrating and lucid discussion of the highest matters of state.

Just now, alas, there are only 99 Senators, and therein lies the problem—and the current subject of a discussion that is not very statesmanlike. Last November, while Democrats were sweeping to a landslide victory in most parts of the country, the voters of New Hampshire divided almost evenly in selecting a successor to Mr. Norris Cotton, the Republican who had held one of the state's two Senate seats for 20 years. The first count of the 220,000 votes cast awarded victory, by a slim margin of 355 votes, to Mr. Louis Wyman, the Republican candidate, who had already served five terms in the House. But his Democratic opponent, Mr. John Durkin, a former state insurance commissioner, objected. A recount by the New Hampshire secretary of state showed him to be the winner by 10 votes. Mr. Wyman in turn appealed to the Ballot Law commission, which, after reviewing 400 disputed ballots, declared that there was actually a Republican edge of two votes. Before Mr. Wyman could be seated, however, Mr. Durkin appealed about the entire matter to the Senate itself.

The Constitution provides that "each house (of Congress) shall be the judge of the elections, returns, and qualifications of its own members", and that is a power which the Senate has always taken seriously. More than 25 times this century it has been called upon to resolve election challenges, usually based on charges of corrupt practices or election law violations, and once in the 1920s a Pennsylvania seat lay vacant for nearly three years while a disputed vote was reviewed. But those were simpler days when the Senate, very much a club, met for only a few months a year, and hardly anyone noticed when there was a vacancy. Today Congress has year-round sessions, and whether or not it plays a crucial role in the formulation of public policy—the point is much in dispute—it is highly visible. The public is often aware of, and remembers, how the Senators divide on hotly contested issues. One empty seat out of a hundred is an embarrassment to the Senate and a source of anger to some citizens of New Hampshire. The bicentennial consciousness being what it is, they have been heard to argue that they are being subjected to taxation without equal representation.

As it happened, the dispute between Mr. Wyman and Mr. Durkin came along just when the Senate was polishing up its image as a body of statesmen. Having gained a reputation in recent years for talking endlessly—filibustering—while urgent problems festered, the Senators opened this year's session with a discussion of rule 22, which governs the procedures for cutting off debate. After devoting more than seven weeks to the subject, the Senators voted in March to permit cloture—the end of discussion—in the future by a vote of three-fifths of the entire membership (60 Senators) rather than two-thirds of those present and voting (potentially 67 Senators). Then it went about its other business, while the New Hampshire election dispute was referred to its committee on rules and administration.

The rules committee held hearings and debates—212 hours' worth, to be exact. But on 35 separate matters, including 27 individual disputed ballots and eight procedural issues, its eight members split evenly. Generally voting on the side that favored Mr. Durkin were four of the committee's Democrats, and on the side favorable to Mr. Wyman were the three Republicans and Mr. James Allen, a Democrat from Alabama who fancies himself a new "conscience of the Senate". Unable to solve the problem definitively, the committee asked the full Senate to resolve these disputes and then send it back to work counting ballots with more precise instructions. That was what Mr. Mike Mansfield, the majority leader, had in mind when he scheduled the New Hampshire election on the Senate calendar for mid-June. The timing seemed ideal and, even better, limited, what with a Fourth-of-July holiday recess scheduled two weeks later and with 14 Senators planning to use that occasion for an official visit to the Soviet Union.

PARTY GAMES

How should the New Hampshire Senate election be resolved? Somehow, after the floor debate began, agreement was not immediately forthcoming. It depended on how you looked at things, and how you looked at things depended on what party you happened to belong to. Republicans, citing the highest constitutional principles and an unwavering regard for the wishes of the voters, insisted that the only fair way to settle the matter would be to declare the seat vacant and send the whole issue back to the state for a new vote. Democrats, invoking the same statesmanlike concerns, said that would be shirking a constitutional responsibility to count the ballots already cast: "There has been an election, and all we have to do is figure out who won it." Each side piously disavowed any partisan motive. To hear the Republicans talk, it made no difference that New Hampshire is a traditionally Republican state with a Republican governor who would try to dominate the new election; the Democrats seemed hardly aware of their own majority of 61 senators (as against 38 Republicans) in any ultimate vote on how to count the existing ballots. (One midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

The decorous and dignified Senate deteriorated rather quickly. Republicans withdrew their consent for standing Senate committees to meet while the full body was in session (a standard procedure). Democrats repeatedly voted against proposals by the Republicans and by Mr. Allen to hold a new election if neither candidate was seated before August 1st. A Saturday session, convened by Mr. Mansfield as a sort of punishment for a group of bad boys, fell apart when the Senate was unable to muster a quorum and the Republicans would not agree to proceed without one. Most other business was suspended, and at one stage it was uncertain whether the Senators would vote to extend the national debt ceiling in time to permit the federal government to meet its payroll.

The Senate was at its rhetorical best. Mr. Hugh Scott, the Republican leader, contending that the Democrats were trying to steal an extra seat, said that "If this Senate can take a seat away from New Hampshire, it can take a seat away from Delaware, it can take a seat away from New York, a seat away from Alabama, and a seat away from any other state". Mr. Robert Byrd, the Democratic whip, remarked that "at this day no man on God's footstool can say who won that election". All the while, Mr. Durkin and Mr. Wyman sat at tables in the back of the Senate chamber, on the Democratic and Republican sides respectively—unable to speak, collecting no salary, but each coaching his supporters on. Several times the Democrats attempted to invoke the new cloture rule, but fell a few votes short, as Mr. Allen and three other southern Democrats opposed in principle to the cutting off of debate on any issue voted with the Republicans. Eventually Mr. Mansfield relented and let the Senate

go on holiday and that junket to the Soviet Union, with the understanding that the New Hampshire Senate race would be the first item on the agenda when it returns on July 7th.

The House of Representatives, for its part, was not about to be outdone. The chairman of the elections subcommittee of the "lower body" announced that 3,916 disputed ballots for a House seat from the state of Maine would be flown to Washington in early July so that a challenge to that election could be considered. He did not say to what extent the House was planning to emulate the Senate.

Mr. Wyman's name came into the news in another connection this week, when it was revealed that Mrs. Ruth Farkas, the American ambassador to Luxemburg, had told a grand jury that he was the intermediary in her purchase of her ambassadorship with a $300,000 contribution to Mr. Richard Nixon's reelection campaign in 1972. Mr. Wyman dismissed the allegation as a political one intended to "besmirch my integrity".

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

PROPOSED LEGISLATION BY THE PRESIDENT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. ABOUREZK) laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975," which, with the accompanying papers, was referred jointly, by unanimous consent, to the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works. The message is as follows:

To the Congress of the United States:

I am transmitting today proposed legislation entitled the "Comprehensive Oil Pollution Liability and Compensation Act of 1975."

This legislation would establish a comprehensive and uniform system for fixing liability and settling claims for oil pollution damages in U.S. waters and coastlines. The proposal would also implement two international conventions dealing with oil pollution caused by tankers on the high seas.

I consider this legislation to be of high national importance as we seek to meet our energy needs in an environmentally sound manner. Those energy needs require accelerated development of our offshore oil and gas resources and the increased use of tankers and deep water ports. This proposal would provide a broad range of protection against the potential oil spills necessarily associated with these activities.

In recent years, we have taken significant steps to limit and control oil pollution in the waters of the United States. Yet, in 1973 alone, there were 13,328 reported oil spills totalling more than 24 million gallons. One-third of the oil spilled is from unidentified sources, where compensation cannot be obtained under existing law. The ability of claimants damaged by spills to seek and recover full compensation is further hampered by widely inconsistent Federal and State laws. Various compensation funds have been established or proposed, resulting in unnecessary duplication in administration and in fee payments by producers and consumers.

This legislation would help protect our environment by establishing strict liability for all oil pollution damages from identifiable sources and providing strong economic incentives for operators to prevent spills. Equally important, the bill will provide relief for many oil-related environmental damages which in the past went uncompensated. For example, State and local governments will be able to claim compensation for damages to natural resources under their jurisdiction.

This legislation would replace a patchwork of overlapping and sometimes conflicting Federal and State laws. In addition to defining liability for oil spills, it would establish a uniform system for settling claims and assure that none will go uncompensated, such as in cases where it is impossible to identify the source of the spill. The legislation provides for a fund of up to $200 million derived from a small fee on oil transported or stored on or near navigable waters.

This legislation would also implement two international conventions—signed in 1969 and 1971—which provide remedies for oil pollution damage from ships. These conventions provide remedies for U.S. citizens under many circumstances where a ship discharging oil that reaches our shores might not otherwise be subject to our laws and courts. Protection of the international marine environment is basically an international problem since the waters, currents, and winds that spread and carry ocean pollution transcend all national boundaries.

In proposing implementation of the conventions, I am mindful of the fact that the Senate has not yet given its advice and consent to either of them. I urge such action without further delay. The 1969 convention came into force internationally on June 19, 1975, without our adherence, and the continuing failure of the United States to act on such initiatives may weaken or destroy the prospects of adequate international responses to marine pollution problems.

GERALD R. FORD.

THE WHITE HOUSE, *July 9, 1975.*

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a message from the President transmitting proposed legislation entitled "The Comprehensive Oil Pollution Liability and Compensation Act of 1975" be referred jointly to the Committees on Commerce, Interior and Insular Affairs, and Public Works.

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

MESSAGES FROM THE HOUSE

At 1:28 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the joint resolution (S.J. Res. 100) to authorize the Secretary of the Senate to pay compensation to Phan Thi Yen.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 7405) to amend section 3620 of the Revised Statutes with respect to certain disbursements to be made by banks, savings banks, savings and loan associations, and credit unions.

The message further announced that the House has passed the bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, in which it requests the concurrence of the Senate.

At 3:45 p.m., a message from the House of Representatives by Mr. Hackney announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3922) to amend the Older Americans Act of 1965 to establish certain social services programs for older Americans and to extend the authorizations of appropriations contained in such Act, to prohibit discrimination on the basis of age, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PERKINS, Mr. BRADEMAS, Mrs. MINK, Mr. MEEDS, Mrs. CHISHOLM, Mr. LEHMAN, Mr. CORNELL, Mr. BEARD of Rhode Island, Mr. ZEFERETTI, Mr. MILLER of California, Mr. HALL, Mr. QUIE, Mr. BELL, Mr. PEYSER, Mr. JEFFORDS, and Mr. PRESSLER were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

At 5:30 a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the enrolled bill (S. 1462) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ABOUREZK).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

APPROVAL OF LOAN BY THE RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a survey in connec-

tion with the approval of a commitment to guarantee a non-REA loan in the amount of $265,553,000 to Alabama Electric Cooperative, Inc., of Andalusia, Ala. (with accompanying papers); to the Committee on Appropriations.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE AIR FORCE

A letter from the Assistant Secretary of the Air Force transmitting a draft of proposed legislation authorizing at Government expense, the transportation of house trailers or mobile dwellings, in place of household and personal effects, of members in a missing status, and the additional movement of dependents and effects, or trailers, of those members in such status for more than 1 year, to make it retroactive to February 28, 1961 (with accompanying papers); to the Committee on Armed Services.

REPORTS OF THE ASSISTANT SECRETARY OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, reports on the number of rated members by pay grade who (1) have 12 or 18 years of aviation service, and of those numbers, the number who are entitled to continuous monthly incentive pay under the law; and (2) are performing operational flying duties, proficiency flying, and those not performing flying duties (with accompanying reports); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to permit persons from selected foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to repeal sections imposing certain restrictions on enlisted members of the Armed Forces and on members of military bands (with accompany papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation to eliminate the dates for submission of nominations to the United States Academy (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE NAVY

A letter from the Secretary of the Navy transmitting a draft of proposed legislation relating to the appointment to the grades of general and lieutenant general of Marine Corps officers designated for appropriate higher commands or for performance of duties of great importance and responsibility (with accompanying papers); to the Committee on Armed Services.

REPORT OF THE SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission transmitting, pursuant to law, the annual report of the Commission covering the fiscal year July 1, 1973 to June 30, 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to extend for two years the authority of Federal Reserve banks to purchase United States obligations directly from the Treasury (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE FEDERAL MARITIME COMMISSION

A letter from the Chairman of the Federal Maritime Commission transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Commerce.

REPORT OF THE FEDERAL POWER COMMISSION

A letter from the Chairman of the Federal Power Commission transmitting a report entitled "Hydroelectric Plan Construction Cost and Annual Production Expenses" (with an accompanying report); to the Committee on Commerce.

REPORT OF THE DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce transmitting, pursuant to law, a report of the Department on the administration of the Marine Mammal Protection Act of 1972 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to improve the old-age, survivors, and disability insurance program, the supplemental security income program, and the program of health insurance for the aged and disabled (with accompanying papers); to the Committee on Finance.

REPORT OF THE ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

A letter from the Chairman of the Advisory Commission on International Educational and Cultural Affairs transmitting, pursuant to law, the annual report of the Commission (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF THE EAST-WEST TRADE BOARD

A letter from the Chairman of the East-West Trade Board transmitting, pursuant to law, the first quarterly report of the Board covering the first quarter of the calendar year 1975 (with an accompanying report); to the Committee on Finance.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

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

REPORT OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

A letter from the Administrator of the Agency for International Development reporting, pursuant to law, on efforts to provide African countries with an equitable share of development economic assistance administered by the Agency for International Development; to the Committee on Foreign Relations.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury transmitting a draft of proposed legislation to provide for the entry of nonregional members, and the Bahamas and Guyana, in the Inter-American Development Bank, and for other purposes (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Seven letters from the Comptroller General of the United States transmitting, pursuant to law, reports of the following titles: "Report to the Congress As Required by the Legislative Reorganization Act"; "Balance of Payments Deficit for Fiscal Year 1974 Attributable to Maintaining U.S. Forces in Europe Has Been Offset"; "Improvement Federally Assisted Business Development on Indian Reservations"; "Unsafe Bridges on Federal-Aid Highways Need More Attention"; "Outer Continental Shelf Oil and Gas Development—Improvements Needed in Determining Where To Lease and at What Dollar Value"; "Need for a Comparability Policy for Both Pay and Benefits of Federal Civilian Employees"; and "Improvements Needed in the Mobile Home Park Mortgage Insurance Program" (with accompanying reports); to the Committee on Government Operations.

SOLAR ENERGY PROGRAM DEFINITION

A letter from the Administrator of the Energy Research and Development Administration proposing a delay in the submission of the final report setting forth a comprehensive solar energy program definition until mid-July; to the Committee on Interior and Insular Affairs.

REPORT OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a report entitled "A National Plan for Energy Research, Development, and Demonstration" (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior transmitting, pursuant to law, a report on the need for a national system of transportation and utility corridors across Federal lands (with an acompanying report); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a report on the status of the Colorado River Storage Project and Participating Projects (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to protect Federal mine inspectors in the performance of their official responsibilities (with accompanying papers); to the Committee on the Judiciary.

REPORT OF THE NATIONAL MEDIATION BOARD

A letter from the Chairman of the National Mediation Board transmitting, pursuant to law, the annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board (with accompanying reports); to the Committee on Labor and Public Welfare.

REPORT OF THE NATIONAL COMMISSION FOR MANPOWER POLICY

A letter from the Director of the National Commission for Manpower Policy transmitting, pursuant to law, a report entitled "Public Service Employment and Other Responses to Continuing Unemployment" (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report to the Congress on the administration of Sections 304, 305, 314(a), 314(b), 314(c), 314(d), 314(e), and Title IX of the Public Service Act for fiscal years 1973 and 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

PROPOSED REGULATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a no-

tice of proposed rulemaking for grants to State educational agencies for programs to meet the special educational needs of migratory children (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend the Randolph-Sheppard Act Amendments of 1974 to extend the date for promulgation of standards for the use of set-aside funds and the date for completion of the evaluation of the method of assigning vending machine income (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF THE EQUAL EMPLOYMENT OPPORTUNITY COORDINATING COUNCIL

A letter from the members of the Equal Employment Opportunity Coordinating Council in the nature of the Fourth Annual Report of the Council, pursuant to law; to the Committee on Labor and Public Welfare.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Chairman of the Water Resources Council in the nature of the third annual report required by section 209 of the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works.

COLUMBUS, OHIO, FEDERAL BUILDING

A letter from the Administrator of General Services transmitting, pursuant to law, a prospectus for alterations at the Columbus, Ohio, Federal Building—U.S. Courthouse (with accompanying papers); to the Committee on Public Works.

REPORT OF THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

A letter from the Administrator of the Energy Research and Development Administration transmitting, pursuant to law, a draft environmental impact statement concerning expansion of U.S. uranium enrichment capacity in the United States (with an accompanying report); to the Committee on Public Works.

PROPOSED LEGISLATION BY THE ATTORNEY GENERAL

A letter from the Attorney General transmitting a draft of proposed legislation to provide for interim designation of United States marshals by the Attorney General (with accompanying papers); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE DEPARTMENT OF DEFENSE

Two letters from the General Counsel of the Department of Defense transmitting drafts of proposed legislation to clarify provisions relating to annuities for dependent children; and to authorize the Commandant, Defense Intelligence School, to award the degree of Master of Science of Strategic Intelligence (with accompanying papers); to the Committee on Armed Services.

PROPOSED ACTS BY THE COUNCIL OF THE DISTRICT OF COLUMBIA

Six letters from the Chairman of the Council of the District of Columbia each transmitting a copy of a proposed act, as follows: An act repealing the law requiring every male high school student to participate in the cadet corps of the senior high schools; an act amending the Air Quality Control Regulations of the District of Columbia; an act amending certain provisions of Title 44 of the D.C. Code; an act repealing the law authorizing the Board of Education to accredit junior colleges operating within the District; an act extending the provisions of the D.C. Campaign Finance Reform and Conflict of Interest Act; and an act defining certain terms for all acts and resolutions of the Council of the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

REPORT BY THE MAYOR OF THE DISTRICT OF COLUMBIA

A letter from the Mayor of the District of Columbia responding, pursuant to law, to a Comptroller General's report entitled "What Is Being Done About Individuals Who Fail To File a District Income Tax Return?"; to the Committee on the District of Columbia.

ALTERATIONS OF CERTAIN PUBLIC BUILDINGS

Four letters from the Administrator of General Services each transmitting, pursuant to law, a prospectus for alterations at the Kansas City, Missouri, Federal Building; the Portland, Oregon, U.S. Customhouse; the Amarillo, Texas, U.S. Post Office and Courthouse; and the lease acquisition of space to be occupied by the Federal Trade Commission in Washington, D.C. (with accompanying papers); to the Committee on Public Works.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the Chairman of the Export-Import Bank of the United States reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during May 1975 to Communist countries; to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Actions Required To Improve Management of United Nations Development Assistance Activities" (with an accompanying report); to the Committee on Government Operations.

REPORTS OF THE INTERNATIONAL TRADE COMMISSION

Two letters from the Chairman of the International Trade Commission each transmitting, pursuant to law, a report; the first referring to the impact on U.S. imports of granting most-favored-nation treatment to Romania; and the second reporting on trade between the United States and the nonmarket economy countries (with accompanying reports); to the Committee on Finance.

REPORT OF THE CIVIL SERVICE COMMISSION

A letter from the Chairman of the Civil Service Commission transmitting, pursuant to law, a report of the Board of Actuaries of the Civil Service Retirement System (with an accompanying report); to the Committee on Post Office and Civil Service.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, an international agreement (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE SECRETARY OF THE ARMY

A letter from the Assistant Secretary of the Army transmitting, pursuant to law a report of the Secretary of the Army relating to visitor protection sevices at Corps of Enginees Lakes (with an accompanying report); to the Committee on Public Works.

REPORTS OF THE IMMIGRATION AND NATURALIZATION SERVICE

Four letters from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered by the Commission and lists of persons involved in such orders (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S.J. Res. 102. An original joint resolution amending section 5(c) of the Home Owner's Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts (Rept. No. 94–266).

By Mr. TUNNEY, from the Committee on the Judiciary, with amendments:

S. 565. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes (Rept. No. 94–267).

By Mr. HOLLINGS, from the Committee on Commerce, with amendments:

H.R. 5447. An act to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder (Rept. No. 94–268).

H.R. 5522. An act to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes (Rept. No. 94–269).

By Mr. HOLLINGS, from the Committee on Commerce, without amendment:

H.R. 5709. An act to extend until September 30, 1977, the provisions of the Offshore Shrimp Fisheries Act of 1973 relating to the shrimp fishing agreement between the United States and Brazil, and for other purposes (Rept. No. 94–270).

H.R. 5710. An act to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal year 1976 and for the transition period following such fiscal year, and for other purposes (Rept. No. 94–271).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. Res. 196. A resolution to amend rule XXXIII.

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 203. An original resolution to pay a gratuity to Harold R. and Frances K. Weitzel.

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 83. An act to exclude from gross income gains from the condemnation of certain forest lands held in trust for the Klamath Indian Tribe (Rept. No. 94–272).

H.R. 7710. An act to amend the Tariff Schedules of the United States to provide duty free treatment to watches and watch movements manufactured in any insular possession of the United States if foreign materials do not exceed 70 percent of the total value of such watches and movements (Rept. No. 94–273).

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

H.R. 7728. An act to suspend until the close of October 31, 1975, the duty on catalysts of platinum and carbon used in producing caprolactam (Rept. No. 94–274).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. RANDOLPH, from the Committee on Public Works:

Stanley W. Legro, of California, to be an Assistant Administrator of the Environmental Protection Agency.

(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.)

By Mr. LONG, from the Committee on Finance:

Sidney L. Jones, of Michigan, to be an Assistant Secretary of the Treasury.

(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

The bill (H.R. 5608) to extend until the close of 1983 the period in which appropriations are authorized to be appropriated for the acquisition of wetlands, to increase the maximum amount of such authorization, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

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. BIDEN:

S. 2067. A bill to limit the period of authorization of new budget authority and to require comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of the Congress. Referred to the Committee on Government Operations.

By Mr. METCALF:

S. 2068. A bill to provide for public disclosure of lobbying activities to influence decisions in the Congress and the Executive Branch, and for other purposes. Referred to the Committee on Government Operations.

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

S. 2069. A bill to regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes. Referred to the Committee on Commerce.

By Mr. DOLE:

S. 2070. A bill to amend the Act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Commerce.

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

S. 2071. A bill to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes. Referred to the Committee on Public Works.

By Mr. DOMENICI:

S. 2072. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe. Referred to the Committee on Interior and Insular Affairs.

By Mr. ABOUREZK:

S. 2073. A bill to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes. Considered and passed.

By Mr. BEALL:

S. 2074. A bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit funds. Referred to the Committee on the Judiciary.

By Mr. BAYH:

S. 2075. A bill to amend the Internal Revenue Code of 1954 so as not to allow a deduction for amounts paid under certain disability compensation plans if such plan reduces disability benefits to compensate for increases in social security benefits paid to disabled employees. Referred to the Committee on Finance.

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

S.J. Res. 102. An original joint resolution amending section 5(c) of the Home Owner's Loan Act of 1933 to clarify the authority of Federal savings and loan associations to act as custodians of individual retirement accounts. Ordered to be placed on the Calendar.

By Mr. NUNN (for himself and Mr. TALMADGE):

S.J. Res. 103. A joint resolution to authorize the Secretary of the Interior to designate the site of the Battle of Savannah of 1779 as the "Savannah Battlefield National Memorial." Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON THE INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 2067. A bill to limit the period of authorization of new budget authority and to require comprehensive review and study of existing programs for which continued budget authority is proposed to be authorized by committees of the Congress. Referred to the Committee on Government Operations.

Mr. BIDEN. Mr. President, these are hard times for many Americans. The Congress must do what it can now to meet their problems. However, while doing that, we must never lose sight of the longer range effort to reform our legislative and fiscal processes in order to prevent such things from happening again. We must accept the fact that, to some degree, it has been our failure in the past to impose adequate budget control that has led to our present situation. As economic conditions improve, we must strive to bring the Federal budget into balance. In particular, we must continue our efforts to bring the growth of Federal expenditures under control, that was begun in the summer of 1974 with the passage of the Budget Reform Act of 1974.

It is not just the size of our budget that is staggering, but even more the rate at which it is increasing. We cannot long continue such growth rates in expenditures. Just to illustrate the severity of the problem, it took this country 185 years to reach an annual expenditure from the Federal budget of $100 billion. Just 9 years later, we had reached the $200 billion level, and after 4 more years, we have exceeded $300 billion.

To look at the problem from another perspective, consider the fact that from 1955 to 1965, Federal expenditures increased at roughly 6 percent per year. From 1965 to 1974, however, Federal expenditures reached a 10-percent annual growth rate. At these rates, it will not take even another 4 years to add another $100 billion. This is intolerable.

One thing that we must do is to begin reviewing existing programs to determine whether they are still effective, and whether they are worth the money that we are putting in them. We must eliminate the wasteful ones. One thing that we have all observed is that once a Federal program gets started, it is very difficult to stop it, or even change its emphasis, regardless of its performance in the past. It is time for us to require, on a regular and continuing basis, that both the administrators of these programs and we legislators who adopt the programs, examine their operations with care and detail.

This bill proposes to require such an evaluation of existing programs.

In brief, this bill limits to 4 years the length of any spending authorization for a program. Furthermore, it requires that each committee make a detailed study of the program before renewing it for another 4-year period. The purpose is to assure a uniform scrutiny of all programs on a regular basis.

First, this bill would limit the authorization of funds for any program to not more than 4 years. The 4-year period was chosen carefully. It is long enough so that each committee will have sufficient information about the operation of each program before it is required to evaluate its continuation. On the other hand, it could cut off a wasteful program within a relatively short time after its wastefulness becomes clear. On grant-in-aid programs to State and local governments, 4 years would assure them of reasonable program stability.

Second, this bill applies to all authorizations for spending, not just to "major" expenditure programs. It does this, because I am concerned that many small spending programs might otherwise automatically be continued without careful scrutiny. Because there are so many of these, the total dollars wasted could be large, even though each individual program may not cost much. In other words, a lot of bad small programs could add up to a lot of wasted money.

Finally, the bill provides for a careful analysis of the success of each Federal program, including an evaluation by the agency that administers the program. While the exact matters to be considered are left to the discretion of each committee, among the items suggested for consideration are whether the program, in fact, has adhered to the original purpose; whether the program has made any substantial progress toward meeting the original objectives; the feasibility of alternative programs; and whether further benefits to the country would be achieved by the continuation of the program.

This bill is not a cure-all. But it does add one essential building block to our fiscal controls. It requires that every program be looked at freshly at least once every 4 years. The examination is not just of the increased cost of the program, but of the worthiness of the entire program. I am convinced that a process such as this will greatly enhance the soundness of the budget and will slow its growth. In this way, the budget will become a much more effective instrument in preventing both inflation and recession.

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

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

S. 2067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) no law enacted after the effective date of this Act which authorizes new budget authority may authorize such new budget authority for a period of more than four fiscal years.

(b) All provisions of law in effect on the effective date of this Act which authorize new budget authority for a period of more than four fiscal years, beginning with the first fiscal year which commences after such date, shall cease to be effective at the end of the fifth fiscal year beginning after such date.

(c) All provisions of law in effect on the effective date of this Act which authorize new budget authority for an unspecified number of fiscal years shall cease to be effective at the end of the sixth year beginning after such date.

SEC. 2. (a) No Committee of the Senate or House of Representatives shall report legislation authorizing new budget authority for an existing program for which authorization has previously been enacted until it shall have conducted a comprehensive review and study of the existing program for which continued budget authority is proposed to be authorized. If the authorizing legislation for any program is enacted for periods of less than four fiscal years, the comprehensive review and study of that program required by this Act need only be conducted prior to reporting legislation that would extend the authorization for budget authority for the fifth fiscal year commencing after the effective date of this Act and each four years thereafter.

(b) The results of such comprehensive study shall be included in the committee report on the authorizing legislation.

(c) Whenever a committee of the Senate or House of Representatives is conducting a comprehensive review and study of a program, the head of the department or agency of the Government which administers the program or any part thereof, shall submit to the committee, upon its request, an evaluation and analysis of the program.

(d) The committees of the Senate and House of Representatives having jurisdiction may conduct jointly the comprehensive study and review required by subsection (a) of this section and may conduct joint hearings.

(e) The report of a committee on a comprehensive review and study of a program shall contain an analysis of the program and the committee's evaluation of the effectiveness of the program, and may include the following matters:

(1) Whether the program objectives are still relevant.

(2) Whether the program has adhered to the original and intended purpose.

(3) Whether the program has made any substantial progress toward meeting the objectives originally intended.

(4) The impact of the program on the economy.

(5) The feasibility of alternative programs and methods for meeting the objectives of the program under consideration and their cost effectiveness.

(6) The relation of all other Government and private programs dealing with the objectives of the program under consideration, including tax expenditure programs.

(7) An examination of proposed legislation pending in either House seeking to achieve the same objectives.

(8) Whether the program should be extended and the further benefits that may be achieved thereby, in the light of previous experience.

SEC. 3. It shall not be in order in either the Senate or the House of Representatives to consider:

(1) Any bill or resolution which authorizes the enactment of new budget authority for any fiscal year beginning four years after the effective date of this Act, until the committee which has jurisdiction has submitted the report thereon required by Section 2, or

(2) Any bill or resolution which authorizes the enactment of new budget authority for a period of more than four fiscal years.

SEC. 4. This Act shall take effect on the first day of the first regular session of the Congress which begins after the date of the enactment of this Act.

SEC. 5. Sections 2 and 3 of this Act are enacted by the Congress—

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply; and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

By Mr. METCALF:

S. 2068. A bill to provide for public disclosure of lobbying activities to influence decisions in the Congress and the executive branch, and for other purposes. Referred to the Committee on Government Operations.

FEDERAL LOBBYING DISCLOSURE ACT OF 1975

Mr. METCALF. Mr. President, today I am introducing, for appropriate reference, a bill that will provide for meaningful public disclosure of lobbying activities without in any way inhibiting the exchange of information between citizens and public officials.

It is no secret, of course, that existing law in this area is seriously flawed. The language of the improbably named Federal Regulation of Lobbying Act is ambiguous, at best. Its "principle purpose" threshold requires a subjective judgment on the part of whoever is engaged in attempting to influence the legislative process. Its scope has been severely limited by court action to those activities involving direct communication with Members of Congress. And its administration is the responsibility of the Senate secretary and House Clerk, who have no corresponding authority to monitor its reporting requirements and to investigate their fulfillment.

All things considered, Mr. President, the Federal Regulation of Lobbying Act can only be described as "inoperative." It promises what it cannot deliver—disclosure. Even if it could be enforced, we would gain little meaningful information about who is attempting to influence what kind of decisions.

Certainly, we have lived with this legal anomaly for years. But we can ill-afford to do so any longer. The citizens of this Nation have made it clear they need to know—and want to know—how decisions are made on their behalf. They need to know—and have a right to know—which groups they may happen to be associated with are actively speaking for them, and on what sort of issues.

Moreover, in the aftermath of Watergate, the existence of a statute which is both unenforced and unenforceable is harmful to our democracy. Because this act is blithely ignored, because lobbying is widely misunderstood to be a sleazy activity, because it is also widely believed that public officials benefit either financially or in other tangible ways from the status quo—for all these reasons, the present situation contributes to the general decline in confidence in governmental institutions and elected public officials.

The time has come to replace this unworkable act with one that can and will work. In doing so, however, we must be entirely clear as to that our objectives are. And we must insure that the methods we employ in achieving them do not have any unanticipated, adverse consequences or impinge on the first amendment rights of any citizen to petition the Government.

I mention this, Mr. President, because there is a tendency in the present climate of distrust and skepticism to overreact, to justify—at least politically—the establishment of rigorous controls in the name of reforms that somehow will prevent another Watergate scandal. And in my judgment, overreacting in this context—to cover every contingency identified in connection with what was a historicaly unique situation, a brief hiatus in the responsible use of power by officials at the highest level—could be far more costly to our democracy than a failure to correct a flawed lobbying law.

Let me spell out what I am convinced should be the basic objectives of a new statute:

First, the emphasis should be on public disclosure and reporting of expenditures for those lobbying activities which are not now readily identifiable as to their source;

Second, filing and reporting requirements should be limited in their application to the larger interest groups and corporations which are actively engaged in lobbying and can be presumed to exert significant influence in the making of national policy decisions;

Third, notification, recordkeeping, and reporting requirements should provide the decisionmaker and citizen with necessary information but should not be so costly, burdensome, or detailed as to constitute a mechanism for regulation or punitive action.

And, fourth, the responsibility for administering the act must be accompanied by the authority to monitor filing and reporting requirements, to conduct investigations, and to hold hearings on complaints.

Throughout, we must recognize that a disclosure net cast too broadly—with correspondingly extensive recordkeeping and reporting requirements—can only have a chilling effect, freezing the smaller, less well staffed citizen's group or the public spirited individual out of the process of decisionmaking.

Surely all of us are acutely aware that, as public officials, we need to know far more, not less, about what concerns the people of this Nation. Surely we are equally aware that a healthy representative democracy requires that citizens

have the freest possible access to both factual information and a diversity of opinion on pending and proposed national policy decisions.

Mr. President, the bill that I am introducing carefully balances the need for disclosure against the need for free and open communication. It will not tell us everything we always wanted to know about lobbying but were afraid to ask. It will, however, disclose what the public interest requires that we know, without restricting in any way the exchange of information and opinion between the citizens and the public officials who must act in their behalf.

I have had prepared a description of the reporting provisions of this bill, the Federal Lobbying Disclosure Act of 1975, and ask unanimous consent that this material appear 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:

SUMMARY OF REPORTING PROVISIONS OF FEDERAL LOBBYING DISCLOSURE OF 1975

DEFINITION OF LOBBYING

For purposes of this Act, lobbying is broadly defined as a communication—or the solicitation or employment of another to make a communication—with a Federal officer or employee intended to influence a decision of that officer or employee.

Activities which are not subject to the Act's notification of representation, recordkeeping and reporting requirements, however, include communications by:

1. Any individual acting solely on his own behalf for redress of his grievances or to express his own opinion;

2. Any person upon request by Congress its Members, committees or officers;

3. Any person in an appearance before a committee of Congress, or the submission of a written statement thereto;

4. Any person to an Executive agency at the request of such agency, or the submission of a written statement to an executive employee or officer which becomes a part of the record.

5. A Federal officer or employee, or similar official of a state or local government acting in his official capacity;

6. A candidate for local, state or Federal office, or by a local, state, or national party committee;

7. A newspaper, book publisher, magazine, other periodical publication, and by radio and television broadcasts, in the form of news articles, editorial views, advertising—except where an advertisement expressly solicits lobbying activity—letters to the editor, and the like.

8. Any person relating only to the status, purpose, or effect of a decision.

Influence means to attempt to promote, effectuate, delay, alter, amend, withdraw from consideration, or oppose any decision by a Federal officer or employee. Decision is defined to include any action taken with respect to any pending or proposed bill, resolution, amendment, nomination, hearing, investigation, or other action in Congress, or with respect to any pending or proposed rule, adjudication, hearing, investigation, or other action in any Federal agency.

Solicitation is narrowly defined, to cover oral or written communications urging, requesting, or requiring another person to make a communication intended to influence a specific decision in a specified manner.

WHO MUST FILE AS A LOBBYIST

Lobbyist is defined to include both the person employed to communicate with Federal officers or employees, and the person or organization which solicits or employs others to make such communications. But the income and expenditure thresholds, beyond which those who engage in lobbying must file notice of representation, are relatively high, covering persons who either:

1. Receive $250 or more for lobbying during a quarterly filing period (or $500 in one year), whether such income is the prorated portion of total income attributable as compensation for lobbying or is received solely for lobbying; or,

2. Spend the same amount or more for the solicitation or employment of another person to engage in lobbying.

Payment for or reimbursement of actual transportation costs for travel within the U.S., plus a limited per diem allowance for meal and lodging expenses, are excluded from these income and expenditure thresholds.

NOTICES OF REPRESENTATION, MAINTENANCE OF RECORDS, AND REPORTING REQUIREMENTS

Within five days after reaching the income and expenditure thresholds, a lobbyist must file a notice of representation, in accordance with the form and at a level of detail specified by the Federal Lobbying Disclosure Commission, including the following information:

1. An identification of the lobbyist (the name, address, occupation, place of business, and position held, if an individual, or the name of the firm, corporation, or association, etc., the principle place of business, officers, and board, if other than an individual);

2. The financial terms and conditions under which the lobbyist is employed or retained, and an identification of his or her employer;

3. A description of each decision, insofar as practicable, on which the lobbyist is engaging or is to engage in lobbying.

Voluntary membership organizations, which are defined to include only organizations which require regular dues payments as a condition of membership, must also state:

1. The approximate number of individual persons who are members;

2. The name and address of each person, other than individuals, who is a member; or,

3. A combination of the above, if applicable.

If the lobbyist's circumstances or conditions of employment change, the lobbyist must file appropriate amendments within five days with the Commission.

Moreover, the lobbyist must maintain records, in the form of books of account (in accordance with generally accepted accounting principles and standards), preserve these for at least two years after the quarterly filing period, and make them available to the Commission upon request.

The records must include the following:

1. The total income attributable to lobbying received by the lobbyist;

2. An identification of each person from whom income for lobbying is received, and the amount received from that person;

3. The total expenditures of the lobbyist attributable to lobbying.

Where expenditures are concerned, the Act also requires the lobbyist to itemize any amount of at least $50 for:

1. Employment of lobbyists (and the amount received by each lobbyist employed or retained);

2. Solicitation (and the amount expended for travel and lodging, advertising, addressing, postage and mailings, telephone and telegraph, and publications); and

3. Research (and staff, office space, entertainment, travel, telephone and telegraph, postage and mailings, and publications, which are not otherwise attributable to solicitation).

Upon request, the Commission is to furnish lobbyists with assistance in the development of accounting procedures and practices to meet the reporting requirements of the Act. And the Commission may permit and prescribe regulations for joint filing.

The lobbyist must file a report describing specified activities with the Commission within 15 days after the close of the quarterly filing period. The Commission is empowered to prescribe the form and detail of these reports, but they must include the following:

1. An identification of the lobbyist;

2. An identification of each person by whom the lobbyist is employed or retained;

3. A description of each decision on which the lobbyist is engaged in lobbying.

Additionally, these reports must include all of the information contained in the records the lobbyist is required to maintain under the Act, with these exceptions:

1. A lobbyist need not identify any person from whom less than $100 in income is received during the filing period but must only state the number of such persons together with the aggregate of such income.

2. And in the case of a voluntary membership organization, the organization need not identify any member whose payments in the filing period to the organization for lobbying purposes did not exceed five per cent of the organization's total expenditures for such purpose.

In both instances, in determining whether the income received is $100 or more or the payments by a member exceed the five per cent threshold, a member shall be treated as having paid to the organization for lobbying purposes an amount which bears the same ratio to the total dues, subscriptions, or other sums he paid as a condition of membership as the total expenditures by such organization for lobbying bears to its total expenditures for all purposes.

However, voluntary membership organizations which are excluded by this formula from identifying their membership and dues structure, must report the number of members involved and the aggregate amount received from them.

In the case of all lobbyists reporting, if any item of income or expenditure is attributable in part to lobbying and in part to other purposes, the lobbyist, in accordance with regulations prescribed by the Commission, may either report the item:

1. By a reasonably accurate allocation setting forth the portion of the item received or expended for lobbying, and the basis on which the allocation is made; or,

2. By showing the amount of the item together wtih a good faith estimate of that part of the item reasonably allocable to income or an expenditure for lobbying.

Mr. METCALF. Mr. President, there are those who argue that reporting requirements should remain limited to lobbying activities involving direct communication with Members of Congress.

I believe that such a limitation is unrealistic, however, since a major part of any lobbying effort—perhaps even the lion's share of all lobbying activity—is directed toward the executive departments and the Executive Office of the President. I also believe that within the legislative branch we must cover communications with staff employees, whose number has grown steadily and whose activities have become increasingly important in the legislative process in recent years.

Accordingly my bill closes these loopholes in the Federal Regulation of Lobbying Act, covering lobbying—a concept that is carefully defined—in the executive and legislative branches, and

extending the coverage to employees of both branches at whatever level.

Both the person hired to communicate with and influence Federal officers and employees, and the person who retains a lobbyist or solicits others to engage in lobbying are required to file notices of representation, to keep records, and to report quarterly.

But to make sure that we do not amass a mountain of irrelevant information about tens of thousands of people whose activities in this area are infrequent or inconsequential—in the sense of their impact on national policy decisions—the income and expenditure thresholds at which a person who engages in lobbying must file are relatively high. Filing, recordkeeping, and reporting will be required only those who either—

Receive $250 or more for lobbying during a quarter—or $500 in 1 year; or,

Spend the same amount or more for the solicitation or employment of another person to engage in lobbying.

Travel and limited meal and lodging costs are excluded in both instances, so that we do not bring the reporting requirements into force for the individual who, for example, might be making one or two trips across the country each year to see his Congressman or someone in an executive agency and who otherwise would have to file a notice of representation.

Certain other activities also are exempted from reporting, either because of their relationship to first amendment rights or because they are by their nature conducted openly and already are readily identifiable as to their source.

For instance, any individual speaking solely on his own behalf—exercising his right of petition and seeking redress of his grievances, or using his own money to express his own opinions—will not be subjected to my bill's disclosure provisions. And to insure the free flow of information and opinion to Federal officers and employees, its provisions exempt, among others, communications by anyone appearing before or submitting a statement for the record of a congressional committee, or by anyone making an "on the record" presentation to an officer or employee of any executive agency.

With one important exception—advertising expressly soliciting others to engage in "grassroots" lobbying—my bill also exempts all communications appearing in regularly published newspapers and periodicals.

I am well aware that this blanket exemption raises a number of questions, particularly as it applies to the publications of the various voluntary membership organizations and trade associations. There is every reason, however, to encourage the type of lobbying activity that places the positions of the various lobbying organizations on the record, where there are readily available to anyone who wants to see them.

What I am suggesting is that an exemption in this area is a positive benefit, making it more convenient for interest groups to maintain regular publications that let all of us—the public official as well as the members of the group involved—know precisely where they stand. And, at the same time, we require full reporting on the one-shot, fly-by-night, and sometimes anonymously published circular.

As I said a moment ago, my bill contains an exception to the exemption for publications. Reporting will be required for advertising which conveys, not a general position on policy issues or problems, but a specific request for the reader to communicate with a Federal officer or employee to influence a specific decision in a specified manner.

Clearly, a compelling case can be made for distinguishing between the kind of communication that describes a factual situation and expresses an opinion regarding it, leaving it up to the citizen to decide how or whether to act on this information, as opposed to the communication that attempts to tell him what to think, what to do, and perhaps gives him a form letter to send along to Washington. Such "ready made" opinion devices add little where general public understanding of public policy questions is concerned. Nor do they do much for the dialog between the citizen and public official, who as often as not gives stimulated form mail short shrift.

Thus, advertising as well as other facets of "grassroots" lobbying—such as mailings, irregular publications, and payments for travel and lodging—are treated as covered communications, requiring full disclosure of the money spent for them.

Mr. President, in developing new legislation in this area, we must recognize that an all-encompassing filing requirement, covering even the citizen who makes a few telephone calls, plus massively detailed reporting, will inevitably choke off the flow of information to Federal employees and officials.

Some citizens, of course, because of their professions or business interests simply cannot afford to be identified publicly as a "lobbyist," a designation that, unfortunately, suggests a less than honorable occupation in the minds of many.

Other citizens—as well as smaller organizations—simply cannot afford the out-of-pocket costs of extensive recordkeeping and reporting.

As is indicated in the materials accompanying my remarks today, my bill requires filing, recordkeeping, and reporting by those individuals, firms, and groups which have the necessary administrative base to meet such requirements without undue hardship.

The requirements themselves are carefully limited to essentials, to tell us what we actually need to know without imposing an onerous and unnecessary burden on those engaged in lobbying. They cover those whose lobbying activities are extensive and continuing. The agent who receives substantial income for speaking on behalf of others, the corporate, union, or trade association executives who engage in lobbying, along with their employers, and the individual, firm, or other organization whose business it is to solicit others to engage in lobbying—all are subject to these requirements.

What my bill will not do is to require filing by the citizen who spends his own money and time to advance his own opinions, or by the ad hoc group of citizens who chip in nominal amounts to send one or several of the number to Washington to see their Congressman or to talk to someone in one of the executive departments. Nor will it require, under most circumstances, filing by the small businessman or private university president who may come here seeking a contract or grant of one kind or another.

Mr. President, we need more than a new statute to alleviate citizen concern and cynicism.

Strong and equitable administration of lobbying disclosure is essential, and enforcement must be given prominent attention. We must not only make certain that the law is observed, we must do everything possible to let the American people know that lobbying disclosure is working.

Assigning this responsibility to an existing Federal agency, where it will have to compete for attention with other well established and unrelated activities, is not the answer. The General Accounting Office, for example, is frequently mentioned in this context, as is the Federal Election Commission.

But in my judgment neither agency would be likely to give lobbying disclosure the necessary prominence. GAO already has a wide range of functions, perhaps too many in areas that are not closely related. And the FEC is just getting under way. Adding on lobbying disclosure, a distinct and essentially unrelated activity, might well detract from this commission's ability to carry out the vitally important responsibilities it has with regard to Federal elections.

I do believe, however, that the approach taken in setting up the FEC is the best alternative for lobbying disclosure. We need an independent Federal Lobbying Disclosure Commission, equipped for and devoted entirely to this activity.

As envisioned in my bill, the commission will be similar in structure and will have somewhat the same powers as the FEC. I recognize, of course, that the FEC is facing a serious challenge in the courts. But I am convinced that the basic design of such a bipartisan commission—with the Senate President pro tempore, the House Speaker, and the President each appointing two Members—is sound. And, while I am not wedded to the necessity of giving the commission control over civil enforcement, I am including this concept to stimulate further discussion of the issue.

Additionally, the commission is empowered to receive and investigate complaints, initiate its own investigations, hold hearings, and render advisory opinions at the request of lobbyists who are concerned with aspects of their operations that may require reporting and disclosure. The commission also is directed to formulate and issue regulations, monitor compliance with the act's filing and reporting requirements on a continuing basis, and report quarterly to Congress and the American people on the activities of lobbyists.

Finally, Mr. President, I believe that lobbyists themselves can do more to

make the average citizen aware of the informational and representational service they perform in our democratic system.

Those of us in public life know that the reputable lobbyist—the professionals who faithfully reflect their group's interest, who present their case truthfully, who openly and vigorously advocate their position—are indispensable. Their contribution to our work seldom is recognized, however.

I have dealt with lobbyists for many years, calling upon the business groups and the labor groups equally for factual information and opinion on every conceivable kind of legislation. Certainly, I have been deliberately misinformed on occasion—but only infrequently, and then never more than once by any particular lobbyist.

In the overwhelming majority of instances, I have found lobbyists to be informed and informative, helpful to the point of supplying information useful in knocking down their own arguments. These professionals have one asset which they guard jealously—their reputation for truthfulness.

To recognize the importance of their function, and to assist them in improving general public understanding of their profession, my bill authorizes the Federal Lobbying Disclosure Commission to cooperate with an organization or association of lobbyists in developing a code of professional conduct and maintaining a registry of those whose activities are in conformance with its provisions.

Let me emphasize this point: The code will be developed by lobbyists, not by Federal employees, and compliance will be subject, not to the judgments of the Commission, but to the determination of an organization of lobbyists which presently exists or may be created by lobbyists to undertake this responsibility. And, finally, the registry feature will be entirely informational, indicating only that a lobbyist has been deemed by his peers to be conforming to the code, and will not be a condition for engaging in lobbying.

Mr. President, the time has come to provide for meaningful disclosure of lobbying activities in both Congress and the executive branch. I believe that my bill will accomplish this, and ask unanimous consent that the bill be printed in the RECORD.

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

S. 2068

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 "Federal Lobbying Disclosure Act of 1975".

TITLE I—DISCLOSURE OF LOBBYING ACTIVITIES DEFINITIONS

SEC. 101. As used in this title, the term—

(a) "person" includes an individual, corporation, company, association, firm, partnership, society, or any other organization or group of persons;

(b) "decision" means any action taken by a Federal officer or employee with respect to any pending or proposed bill, resolution, amendment, nomination, hearing, investigation, or other action in Congress, or with respect to any pending or proposed rule, adjudication, hearing, investigation, or other action in any Federal agency;

(c) "Federal agency" means an Executive agency (as defined in section 105 of title 5, United States Code), the United States Postal Service, the Postal Rate Commission, and government-controlled corporations now in existence or which may be created in the future, the Executive Office of the President, and any regulatory agency of the Government which is not otherwise an Executive agency;

(d) "Federal officer or employee" means an officer or employee of any Federal agency, of the Senate or the House of Representatives, or of any agency in the Legislative branch, and includes a Member of, or Delegate to, the Congress, and the Resident Commissioner from Puerto Rico;

(e) "income" means—

(1) a salary, gift, donation, contribution, payment, fee, loan, advance, service, or other thing of value received; and

(2) except for purposes of applying sections 103 and 104, a contract, promise, or agreement, whether or not legally enforceable, to receive any item referred to in paragraph (1)(f) "expenditure" means—

(1) a salary, gift, donation, contribution, purchase, payment, fee, distribution, loan, advance, service, or other thing of value made, disbursed, or furnished; and

(2) except for purposes of applying sections 103 and 104, a contract, promise, or agreement, whether or not legally enforceable, to carry out any transaction referred to in paragraph (1).

(g) "congressional committee" means a standing, select, or special committee of the Senate or the House of Representatives, a joint committee of the Congress, and a duly authorized subcommittee of any such committee or joint committee;

(h) "voluntary membership organization" means an organization composed of persons who are members thereof on a voluntary basis and who, as a condition of membership, are required to make regular payments to the organization;

(i) "identification" means, in the case of an individual, the name of the individual and his address, occupation, principal place of business, and position held in the business, and, in the case of a person other than an individual, the name of the person and its address, principal place of business, officers, and board of directors;

(j) "lobbying" means a communication to, or the employment or solicitation of another to make a communication to, a Federal officer or employee in order to influence a decision of that officer or employee, but does not include—

(1) a communication by an individual, acting solely on his own behalf, for redress of his grievance or to express his own opinion;

(2) a communication to a congressional committee in an open hearing or which becomes a part of the record of any such hearing;

(3) a communication to the Congress or either House thereof, a Member of, or Delegate to, the Congress, the Resident Commissioner from Puerto Rico, or an officer of the Senate or the House of Representatives, made at the specific request of the body or individual to whom such communication is made;

(4) a written communication to an officer or employee of a Federal agency which becomes part of the record upon which a decision is made;

(5) a communication to a Federal agency made at the specific request of such agency, or in the exercise of a right to petition granted by section 553(e) of title 5, United States Code;

(6) a communication or solicitation by a Federal officer or employee acting in his official capacity or by an officer or employee of a State or local government acting in his official capacity;

(7) a communication or solicitation made in the normal course of business by—

(A) a newspaper, magazine, or other periodical available to the general public in the form of news, editorial views, advertising, letters to the editor, or like matter;

(B) a radio or television broadcast station in the form of news, editorial views, advertising, editorial response, or like matter; or

(C) a publisher or author in a book published for the general public;

(8) a communication or solicitation by or authorized by a candidate (as defined in section 591(b) of title 18, United States Code) made in the course of a campaign for Federal office;

(9) a communication or solicitation by or authorized by—

(A) a national political party or a national, State, or local committee or other organizational unit of a national political party regarding its activities, policies, statements, programs, or platforms;

(B) a political party of a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or a committee or other organizational unit of such a political party, regarding its activities, policies, statements, programs, or platforms; or

(C) a candidate for political office of a State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States, or a committee or other organizational unit acting on behalf of such candidate, regarding the activities, policies, statements, programs or platforms of such candidate;

(10) a communication by an attorney of record on behalf of any person made in connection with any criminal investigation or prosecution of such person;

(11) a communication which relates only to the status, purpose, or effect of a decision;

(k) "lobbyist" means, with respect to a quarterly filing period, a person—

(1) whose income from lobbying during such period is $250 or more, or whose income from lobbying during such period, when added to his income from lobbying during the three preceding quarterly filing periods, is $500 or more, or

(2) whose expenditures for the solicitation or employment of another person to engage in lobbying during such period are $250 or more, or whose expenditures for the solicitation or employment of another person to engage in lobbying during such period, when added to such expenditures during the three preceding quarterly filing periods, are $500 or more, except that exempt travel expenses shall not be taken into account;

(l) "Commission" means the Federal Lobbying Disclosure Commission established by section 201 of this Act;

(m) "influence" means to attempt to institute, promote, effectuate, delay, alter, amend, withdraw from consideration, or oppose any decision by a Federal officer or employee;

(n) "exempt travel expenses" means any payment or reimbursement of expenses for travel solely from one point in the United States, or its territories or possessions, to another point in the United States, or its territories or possessions, but only if such payment or reimbursement does not exceed the actual cost of the transportation involved plus a per diem allowance for other expenses in an amount not in excess of the maximum applicable allowance payable under section 5702(a) of title 5, United States Code, for Government employees;

(o) "quarterly filing period" means a calendar quarter; and

(p) "solicitation" means to urge, request, or require another person to make a communication to any Federal officer or employee to influence, in a specified manner, a specific decision by such officer or employee.

NOTICE OF REPRESENTATION

SEC. 102. (a) Each person who is a lobbyist on the effective date of this section shall file a notice of representation with the Commission not later than 5 days after such date. Each person who becomes a lobbyist after such date shall file a notice of representation with the Commission not later than 5 days after he becomes a lobbyist.

(b) Each notice of representation shall be in such form and detail as the Commission shall prescribe by regulations and shall include, but not be limited to, the following information:

(1) an identification of the lobbyist;

(2) the financial terms and conditions under which the lobbyist is employed or retained by any person for lobbying, and an identification of that person;

(3) insofar as practicable, a description of each decision with respect to which the lobbyist is engaged, or is to engage, in lobbying; and

(4) in the case of a voluntary membership organization—

(A) the approximate number of individuals who are members of the organization, and

(B) the name and address of each person, other than an individual, who is a member of the organization.

Nothing contained in this subsection shall be construed to require the disclosure of the individual members of or the organizational dues structure of a voluntary membership organization.

(c) If, at any time, the information contained in a notice of representation filed by a lobbyist is not completely accurate and current in all respects because of any change in circumstances or conditions with respect to such lobbyist (including termination of his status as a lobbyist), such lobbyist shall file with the Commission, within 5 days after such change has occurred, such amendment or amendments to such notice as may be necessary to make the information contained in such notice completely accurate and current in all respects.

(d) Each lobbyist, subsequent to filing a notice of representation, shall include in any written communication in which the lobbyist is engaged in lobbying the following statement: "Notice of representation is on file with and available from the Federal Lobbying Disclosure Commission."

RECORDS

SEC. 103. Each lobbyist shall maintain records, for each quarterly filing period, in accordance with generally accepted accounting principles and standards and with regulations prescribed by the Commission. The records for each quarterly filing period shall—

(1) be preserved for a period of not less than two years after the close of the period;

(2) be available to the Commission for inspection; and

(3) include, but not be limited to, the following information:

(A) the total income from lobbying, or to be used for lobbying, received by the lobbyist during the period;

(B) an identification of each person from whom income from lobbying, or to be used for lobbying, is received during the period, and the amount received from each such person; and

(C) the total expenditures of the lobbyist incurred in or for lobbying and paid during the period, including but not limited to an itemization of any expenditure of at least $50 for—

(i) employment of lobbyists (and the amount paid to each such lobbyist);

(ii) solicitation (including amounts expended for travel and lodging, advertising, addressing, postage and mailings, telephone and telegraph, and publications attributable to solicitation); and

(iii) research, staff, office space, entertainment, travel, telephone and telegraph, postage and mailings, and publications, which are not attributable to solicitation.

REPORTS

SEC. 104. (a) Each lobbyist shall, not later than 15 days after the last day of each quarterly filing period, file a report with the Commission concerning his activities during that period. Each such report shall be in such form and detail as the Commission shall prescribe by regulations and shall include, but not be limited to, the following information:

(1) an identification of the lobbyist;

(2) an identification of each person by whom the lobbyist is employed or retained for lobbying;

(3) a description of each decision on which the lobbyist engaged in lobbying during the period;

(4) all of the information contained in the records required to be maintained under section 103 for the period, except that—

(A) a lobbyist shall not be required to report the name and address of (or otherwise identify) any person from whom income from lobbying, or to be used for lobbying, of less than $100 is received during the period, but the report shall contain the number of such persons together with the aggregate of such income;

(B) in the case of a voluntary membership organization—

(i) the organization shall not be required to report the name and address of (or otherwise identify) any member whose payments during the period to the organization to be used for lobbying did not exceed 5 percent of the total expenditures of the organization in the period for lobbying,

(ii) the Commission shall waive the requirement that the organization report the name and address of (or otherwise identify) any member whose payments during the period to the organization to be used for lobbying exceeded 5 percent of the total expenditures of the organization in the period for lobbying if the Commission determines that the waiver of such requirement will not impede the purpose of this Act, and

(iii) the organization shall report the number of members referred to in clause (i) and the number of members referred to in clause (ii), together with the aggregate of the amounts received from the members referred to in each clause; and

(C) if any item of income or expenditure is attributable in part to lobbying and in part to other purposes, such item may be reported, at the option of the lobbyist and in conformity with regulations prescribed by the Commission—

(i) by a reasonably accurate allocation which sets forth that portion of the item received or expended for lobbying, and the basis on which the allocation is made, or

(ii) by showing the amount of the item together with a good faith estimate by such lobbyist of that part of the item reasonably allocable to lobbying.

(b) In determining—

(1) for purposes of subsection (a) (4) (A), whether a member of a voluntary membership organization is a person from whom income to be used for lobbying of at least $100 is received in any quarterly filing period, and

(2) for purposes of subsection (a) (4) (B), whether payments by such a member during any quarterly filing period exceed 5 percent of the organization's total expenditures during the period for lobbying,

a member of a voluntary membership organization shall be treated as having paid to the organization during the period, to be used for lobbying, an amount which bears the same ratio to the total dues, subscriptions, or other sums paid by such member during the period to the organization as a condition of membership as the total expenditures during the period by such organization for lobbying bears to the total expenditures during the period by such organization for all purposes.

EFFECT ON TAX STATUS

SEC. 105. An organization shall not be denied exemption under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c)(3) of such Code, and shall not be denied status as an organization described in section 170 (c)(2) of such Code, solely because such organization complies with requirements of sections 102, 103, and 104.

CRIMINAL PENALTIES

SEC. 106. Any person required—

(1) to file a notice of representation under section 102,

(2) to keep records under section 103, or

(3) to make a report under section 104,

who knowingly and willfully fails to file such notice, keep such records, or make such report, or files a false notice, keeps false records, or makes a false report, shall upon conviction therefor, be fined not more than $5,000 or imprisoned not more than 2 years, or both, for each such offense.

TITLE II—FEDERAL LOBBYING DISCLOSURE COMMISSION

ESTABLISHMENT OF COMMISSION

SEC. 201. (a) (1) There is established a commission to be known as the Federal Lobbying Disclosure Commission (hereafter in this title referred to as the "Commission"). The Commission shall be composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and six members appointed as follows:

(A) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President pro tempore of the Senate upon the recommendations of the majority leader of the Senate and the minority leader of the Senate;

(B) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House; and

(C) two shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President of the United States.

A member appointed under subparagraph (A), (B), or (C) shall not be affiliated with the same political party as the other member appointed under such subparagraph.

(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

(A) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

(B) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

(C) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 2 years thereafter;

(D) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending 3 years thereafter;

(E) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 4 years thereafter; and

(F) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 5 years thereafter.

An individual appointed to fill a vacancy occurring other than by the expiration of a

term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States.

(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. No member may serve as chairman more often than once during any term of office to which he is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman, or in the event of a vacancy in such office.

(b) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to this Act. The Commission has primary jurisdiction with respect to the civil enforcement of its provisions.

(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this Act.

(d) The Commission shall meet at least once each month and also at the call of any member, and all such meetings shall be open to the public.

(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(f)(1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable.

(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

POWERS OF COMMISSION

SEC. 202. (a) The Commission has the power—

(1) to require, by special or general orders, any person to submit in writing such information and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

(2) to administer oaths or affirmations;

(3) to require by subpena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil proceedings for injunctive, declaratory, or other appropriate relief), defend, or appeal any civil action in the name of the Commission for the purpose of enforcing the provisions of this Act, through its general counsel;

(7) to render advisory opinions under section 203 (b);

(8) to make, amend, and repeal such regulations pursuant to provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act;

(9) to formulate general policy with respect to the administration of this Act;

(10) to develop prescribed forms for notices of representation and amendments thereto under section 102 and reports under section 104; and

(11) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

(d)(1) Whenever the Commission submits any budget estimate or request to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

DUTIES OF COMMISSION

SEC. 203. (a) The Commission shall transmit a report to the President and to each House of the Congress not later than January 20 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this Act, together with recommendations for such legislative or other action as the Commission considers appropriate.

(b)(1) Upon written request to the Commission by any person, the Commission shall render an advisory opinion, in writing, within a reasonable time with respect to—

(A) what specific action is required of such person to comply with the provisions of section 102, 103, or 104, or

(B) whether any specific action, or failure to act, by such person would constitute a violation of section 106.

(2) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under paragraph (1) who acts in good faith in accordance with the provisions and findings of such advisory opinion shall be presumed to be in compliance with the provisions of title I with respect to which such advisory opinion is rendered.

(3) Any request made under paragraph (1) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to any such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

(c) Upon written request, the Commission shall furnish lobbyists with assistance in the development of appropriate accounting procedures and practices to meet the recordkeeping requirements of section 103 and the reporting requirements of section 104, and the Commission may permit and prescribe regulations for the joint filing of reports under section 104.

(d) In carrying out its duties under this Act, the Commission shall—

(1) develop and by regulations prescribe forms and standards for notices of representation and amendments thereto, required under section 102 and reports required under section 104;

(2) compile and summarize, in a manner reflective of the disclosure intent of this Act, information contained in such notices, amendments, and reports, with respect to each quarterly filing period, and transmit such information to Congress within 45 days after the end of each such period or if Congress is not in session, then as soon as possible after Congress reconvenes;

(3) make available for public inspection and copying at reasonable times in the Commission office, for a period of two years following the date of filing, all such notices, amendments, and reports, and, at the request of any person, furnish a copy of any such notice, amendment, or report upon payment by such person of the actual cost of making and furnishing such copy, but no information contained in any such notice, amendment, or report may be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) have each notice of representation and amendment thereto published in the Congressional Record within three days after such notice or amendment is received by the Commission, or if Congress is not in session when such notice is so received, then as soon as possible after Congress reconvenes; and

(5) ascertain whether any person required by section 104 to file a report has failed to file such report, or has filed an incomplete or inaccurate report, and promptly notify such person to file or amend such report.

ENFORCEMENT

SEC. 204. (a)(1) Any person who believes a violation of section 106 has occurred may file a complaint with the Commission.

(2) The Commission, upon receiving any complaint under paragraph (1), or if it has

reason to believe that any person has committed a violation of section 106, shall notify the person involved of such apparent violation and shall—

(A) report such apparent violation to the Attorney General; or

(B) make an investigation of such apparent violation.

(3) The Commission shall, at the request of any person who receives notice of an apparent violation under paragraph (2), conduct a hearing with respect to such apparent violation.

(4) If the Commission determines, after investigation, that there is reason to believe that any person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, it may endeavor to correct such violation by informal methods of conference, conciliation, and persuasion. If the Commission fails to correct the violation through informal methods, it may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order, in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, the court shall grant a permanent or temporary injunction, restraining order, or other order.

(5) The Commission shall refer an apparent violation to the appropriate law enforcement authorities if the Commission is unable to correct such apparent violation under the authority given it by paragraph (4), if, upon request by the Commission, the Attorney General is unable to correct such apparent violation under the authority given him by paragraph (6), or if the Commission determines that such referral is appropriate.

(6) Whenever in the judgment of the Commission, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 106, upon request by the Commission the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(7) In any action brought under paragraph (4) or (6) of this subsection, subpenas for witnesses who are required to attend a United States district court may run into any other district.

(8) Any party aggrieved by an order granted under paragraph (4) or (6) of this subsection may, at any time within 60 days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such order was issued for judicial review of such order.

(9) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted not later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

TITLE III—CODE OF PROFESSIONAL CONDUCT AND REGISTRY

CODE OF CONDUCT

SEC. 301. The Federal Lobbying Disclosure Commission shall have authority to cooperate with lobbyists and organizations of lobbyists in the development of a code of professional conduct for lobbying. Any such code shall be maintained and published by such lobbyists and organizations and shall include, but not be limited to, provisions that a lobbyist shall—

(1) conduct his professional activities with respect for the public interest;

(2) not intentionally disseminate false or misleading information; and

(3) not engage in any practice which tends to corrupt the integrity of communications between citizens and Federal officers and employees.

REGISTRY

SEC. 302. The Federal Lobbying Disclosure Commission shall have authority to enter into an agreement with lobbyists and organizations of lobbyists to establish, maintain, and publish a registry of lobbyists containing an identification of those lobbyists who agree to conform, and are determined to be in compliance, with the code of professional conduct described in section 301. No person convicted of a violation of section 106 shall be listed in such registry for a period of at least five years from the date of such conviction.

TITLE IV—MISCELLANEOUS

REPEAL OF FEDERAL REGULATION OF LOBBYING ACT

SEC. 401. The Federal Regulation of Lobbying Act (60 Stat. 839; 2 U.S.C. 261 et seq.) is repealed.

EFFECTIVE DATES

SEC. 402. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on the date of its enactment.

(b) Sections 102, 103, 104, 105, 106, 204, and 401 shall take effect on the day on which the first regulations prescribed by the Federal Lobbying Disclosure Commission to implement sections 102, 103, and 104 become effective.

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

S. 2069. A bill to regulate commerce by establishing national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes. Referred to the Committee on Commerce.

CONSUMER CONTROVERSIES RESOLUTION ACT

Mr. MOSS. Mr. President, today I am introducing, together with Senators MAGNUSON and TUNNEY, the Consumer Controversies Resolution Act. This legislation is a reformed and redrafted version of bill we introduced last year, and on which hearings were held at several locations. The Senate Commerce Committee favorably reported this legislation, but in the closing days of the 93d Congress there was insufficient time for the Senate to consider it.

Mr. President, enactment of this legislation will make substantial gains in one of the most important areas of consumer protection—the resolution of controversies. At this time, a number of statutes have been enacted which were designed to help protect the consumer—such as the Consumer Safety Act. A number of laws have also been enacted which are designed to help bring fair play to the marketplace, such as the Magnuson-Moss Warranty Federal Trade Commission Improvement Act. I might add that the warranty bill also includes provisions designed to assure that consumers injured by unfair warranty practices have adequate redress mechanisms. Aside from the limited attempt to create more adequate consumer redress mechanisms in the warranty bill, there has been no comprehensive treatment of the problems in the consumer redress area generally. That is the area to which this legislation is addressed.

Mr. President, unfortunately it is true that for the majority of Americans redress of grievances is at best a theoretical concept. The utilization of the legal system in general, and small claims courts in particular, is in most cases too expensive. Although the total amount of money involved each year in consumer controversies in the United States is tremendous, the amount involved in any single controversy may be quite small—less in many cases than the cost of legal representation for the affected consumer.

When the small claims court movement began in the early 1900's, it was geared to provide speedy and inexpensive justice for litigants who could not afford a lawyer. Now, many small claims courts serve only as collection agencies for professionally represented creditors. Even those who may dispute this claim concede that small claims courts have not been any panacea to resolve consumer controversies. In many cases, forms, rules, and procedures are frequently complex; courts are not available for resolution of controversies during hours and on days that consumers can easily utilize them; and jurisdictional limitations are often far too low.

There has been some experimentation with other mechanisms for resolving consumer controversies. There have been experiments with arbitration procedures. While there have been a few successful arbitration programs, and several more have been initiated recently, there is also a great deal of difference of opinion about the usefulness of arbitration. Business sponsored mechanisms have not yet met with a great deal of proven success, but we have encouraged the use of such devices where they are fair, both in the Magnuson-Moss Warranty Federal Trade Commission Improvement Act, and in this proposed legislation.

Mr. President, the Federal Government has, to date, for the most part neglected its responsibilities in this important area. While a small claims tax court has been created, and the National Highway Traffic Safety Act has encouraged the reform of traffic courts, for the most part, effective methods to resolve grievances of this nature are absent. Furthermore, there is not any agreement on the optimum type or types of grievance redress mechanisms best suited to help consumers and citizens.

The legislation I am proposing today would go a long way toward developing meaningful consumer resolution mechanisms. It is largely based on a 2-year

comprehensive study conducted by the National Institute for Consumer Justice. The Institute explored the adequacy of existing procedures for resolving disputes arising out of consumer transactions. It grew out of President Nixon's consumer address of February 24, 1971, and was funded by a $150,000 research grant from the Office of Economic Opportunity. The Institute's final report offers 21 suggestions for upgrading small claims courts throughout the United States. Most of these recommendations—and others concerning arbitration and business sponsored redress mechanisms—have been incorporated, either directly or indirectly, in this legislation.

Mr. President, the legislation I am introducing would establish a new bureau in the Federal Trade Commission which would administer a program of aid to the States so that they can formulate and effectuate ways in which the disputes of their citizens can be resolved effectively, fairly, inexpensively, and expeditiously. It is entirely possible that the programs that the individual States develop will vary considerably. The needs of New York, for example, may be quite different than the needs of my State of Utah. Any program which tends to effectuate the goals of the act could be approved by the new bureau within the Commission so long as the State has an administrator and a plan and it meets the requirements set out in the act and rules promulgated by the Commission. Furthermore, the Commission would be authorized to make demonstration grants for a wide variety of purposes. The bill would direct the bureau to conduct experimentation and exploration into ways to improve dispute resolution.

Insofar as small claims courts may be involved in the improvement of the resolution of consumer controversies, I would like to point out that the legislation specifically adopts a number of recommendations from the National Institute of Consumer Justice. For instance, on page 30 of the Institute's report entitled "Redress of Consumer Grievances," it is recommended that Congress allocate funds for payment to the States to stimulate the establishment and maintenance of effective small claims courts. The Institute stated:

> A comparatively modest infusion of funds from the federal government, either on a non-recurring or a continuing basis, can stimulate states that do not now have small claims courts or that have only ineffective ones to establish efficient systems.

There is one important aspect of increasing the availability of redress to consumers that is not contained in this legislation. Because of various rulings by the Supreme Court, consumers are presently unable to bring class actions in Federal court. The Commerce Committee has worked on this issue in the past, but has been faced with a widely differing view on the advisability of allowing consumers to utilize the class-action device in Federal courts. Because of the various charges and countercharges surrounding the consumer class-action issue, we tried to get some hard information on this subject but discovered that there is none available. This led the committee to initiate its own study regarding the use of the class action in Federal courts, and I am pleased to note that this study was published last year. The information that we have developed, in conjunction with President Ford's increasing reliance on antitrust actions and other legal mechanisms to increase competition in the marketplace, should help to promote legislation designed to remove existing roadblocks and to use the consumer class-action device. We are attempting to develop this legislation right now.

Mr. President, I am looking forward to quick consideration of this legislation. Last year, the predecessor bill, S. 2928, was endorsed by a variety of business and consumer groups. This is reflective of the wide support for this type of reform. I am sure that the Commerce Committee will move rapidly on it this year.

Mr. President, I ask unanimous consent that the text of the Consumer Controversies Resolution Act be printed in the RECORD.

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

S. 2069

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 Controversies Resolution Act".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) For the majority of American consumers, mechanisms for the resolution of controversies involving consumer goods and services are largely unavailable, ineffective, unfair, or invisible.

(2) The total amount of money involved each year in consumer controversies in the United States exceeds $100,000,000, but the amount involved in any single controversy is apt to be small, less in many cases than the cost of legal representation for the affected consumer.

(3) The enormous volume of controversies involving consumers is adjudicated, settled, or handled inadequately, if at all, by the existing mechanisms for consumer controversy resolution.

(4) There is substantial nonavailability, for most consumers, of—

(A) meaningful remedies in cases of fraud, deception, and manipulation;

(B) adequate representation of the interests of consumers;

(C) meaningful protections in cases of overreaching and unfair repossession of goods and products;

(D) effective barriers against sewer service, abuse of default judgments, and other unconscionable practices; and

(E) readily available and adequate forums for the fair, effective, and efficient resolution of controversies involving consumer goods and services.

(5) A major and inseparable portion of the goods and services which form the underlying subject matter of such controversies flow through interstate and foreign commerce, the circumstances of their sale and distribution to consumers affect interstate commerce, and almost all of the consumer controversies involving the more than forty million Americans who live in the thirty-one metropolitan areas which encompass more than one State arise out of interstate commerce. The unavailability of effective, fair, inexpensive, and expeditious means for the resolution of such controversies constitutes an undue burden on commerce.

(6) While there have been substantial efforts on the part of the business community to resolve consumer disputes and such efforts must be encouraged and expanded, effective consumer redress will be brought about only through a cooperative functioning of both public and privately sponsored mechanisms.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to assure all consumers convenient access to consumer controversy resolution mechanisms which are effective, fair, inexpensive, and expeditious, and to facilitate better representation of consumer interests.

DEFINITIONS

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

(1) "Bureau" means the Bureau of Consumer Redress;

(2) "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A);

(3) "Commission" means the Federal Trade Commission;

(4) "Director" means the Director of the Bureau;

(5) "local" means of or pertaining to any political subdivision within a State;

(6) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands;

(7) "State Administrator" means the individual or government agency which is designated, in accordance with State law, to direct, coordinate, or conduct a State system; and

(8) "State system" means all of the State sponsored mechanisms and procedures within such State for the resolution of controversies involving consumers, including, but not limited to small claims courts, arbitration, and other mechanisms and procedures set forth in the State plan under section 6 of this Act.

BUREAU OF CONSUMER REDRESS

SEC. 4. (a) GENERAL.—The Commission shall establish, within 30 days after the date of enactment of this Act, a new Bureau to be known as the Bureau of Consumer Redress. The Commission shall appoint a Director of the Bureau.

(b) DUTIES.—The Commission, through the Director shall, consistent with the purposes and goals of this Act—

(1) enter into or renew cooperative agreements with the States;

(2) allocate and pay to the State funds appropriated for financial assistance to States under cooperative agreements;

(3) issue, from time to time, such regulations as are necessary to carry out the provisions of this Act, in accordance with the provisions of section 553 of title 5, United States Code;

(4) encourage and assist the development and implementation of innovative concepts and approaches, including but not limited to, adapting or expanding the mechanism of the unsatisfied judgment fund in the field of automobile compensation law to satisfy all unsatisfied judgments;

(5) investigate and award discretionary grants;

(6) determine whether a State plan is in accordance with this Act;

(7) review the operation and effectiveness of each State plan for the resolution of controversies involving consumers which has been approved under this Act;

(8) articulate and evaluate the goals for a model State system of consumer controversy resolutions, including the formulation and promotion of Model Small Claims Court Acts and ordinances which may be adopted by the several States. The Model Acts and ordinances shall be formulated within the 12 months after the date of enactment of this Act and shall be revised from time to

time as is deemed appropriate by the Director;

(9) coordinate and integrate the functioning of both public and business sponsored mechanisms; and

(10) take such other actions as are appropriate to fulfill the purposes of this Act.

COOPERATION WITH THE STATES AND PRIVATE ENTERPRISE

SEC. 5. (a) GENERAL.—In carrying out its functions under this Act, the Director and the Commission shall cooperate, to the maximum extent practicable, with the States and the business community. In addition to any other enumerated obligation, the Director shall consult, from time to time, with the State Administrator, if any, in each State.

(b) FINANCIAL ASSISTANCE TO STATES.—The Commission, through the Director, is authorized to enter into a cooperative agreement to provide financial assistance to any State which establishes and maintains a system approved by the Commission for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers or to assist any State to develop such a system. Before a State shall be deemed eligible to enter into or renew a cooperative agreement for the development or maintenance of a State system, the Director shall make, justify, and publish in the Federal Register a finding that such agreement would further the purpose of this Act and that such State has developed, or in the case of an initial grant has developed or is developing, a system under which—

(1) the State has a State Administrator and such State Administrator is authorized under the law of the State to receive and disburse moneys, to submit required reports to the Director, including assembling copies of the rules and regulations covering each redress mechanism within such State, to conduct studies pursuant to section 5(b)(2) of this Act, and to supervise, direct, coordinate or conduct the State system;

(2) a comprehensive survey of the State system and major business-sponsored mechanisms within the State has been or will be conducted which discloses (A) the nature, number, and location of all consumer controversy resolution mechanisms within the State; (B) the annual expenditure and operating authority for each such mechanism; (C) the existence of any program for informing the potential users of each such mechanism of its availability; and (D) statistical data on the following factors with respect to each such mechanism, to the extent practicable and appropriate; annual caseload; jurisdiction limit, if any; number of cases filed by corporations or partnerships and their disposition; number of cases filed by individuals and their disposition; availability and nature of legal or para-legal assistance which is available to low-income consumers during preparation, at settlement during arbitration, or at trial; and number of defaults each year, by category of plaintiff and method of service.

(3) funds expended pursuant to such system for the development and maintenance of consumer controversy resolution mechanisms within the State for which application for a cooperative agreement is made are distributed in accordance with need and in a manner which would further the policies of this Act;

(4) the State Administrator has submitted a 4-year plan for the development or maintenance of consumer controversy resolution mechanisms within such State for which the application for a cooperative agreement is made and such plan is designed to meet or exceed the goals set forth in section 7 of this Act; and

(5) provision is made for participation by consumers, including low-income consumers, in developing and commenting upon such plan or plans, which comments become part of any application for a cooperative agreement.

(c) ALLOCATION OF FUNDS.—Moneys appropriated for financial assistance pursuant to this section shall be available to the Director for allocation to the States under cooperative agreements. Such agreements shall have a duration of no more than 4 years. The purposes for which such funds may be used include, but are not limited to—

(1) compensation of personnel engaged in the administration, adjudication, conciliation, or settlement of controversies involving consumers, including personnel whose function it is to assist private citizens in the preparation and resolution of their claims and the collection of judgments;

(2) recruiting, organizing, training, and educating personnel described in paragraph (1) of this subsection;

(3) public education and publicity relating to the availability and proper use of consumer controversy resolution mechanisms and settlement procedures;

(4) improvement, purchase, or lease of buildings, rooms, vehicles, and other facilities and equipment needed to improve the settlement of controversies involving consumers;

(5) continuing supervision and study of the mechanisms and settlement procedures employed in consumer controversy resolution within the State;

(6) research and development of more fair, less expensive, or more expeditious mechanisms and procedures for consumer controversy resolution; and

(7) sponsoring programs of nonprofit organizations to accomplish any of the provisions of this subsection.

The Director shall consider population density when allocating appropriated funds to the States under cooperative agreements. The proportion of the Federal share of the estimated cost of a cooperative agreement shall not exceed 70 per centum of the total cost of such agreement. The aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for such purposes shall be maintained at a level which does not fall below the average level of such expenditures for the last 2 full fiscal years preceding the date of application for a cooperative agreement.

DEMONSTRATION PROJECTS

SEC. 6. (a) GENERAL.—The Director, in accordance with the purposes and goals of this Act, shall promote, develop, encourage, and assist in the development of consumer controversy resolution mechanisms through research and demonstration projects or other activities that will encourage innovation or effectuation of the policies of this Act.

(b) PROJECTS.—Notwithstanding the provisions of section 5(b), the Director is authorized to make discretionary grants, in a total amount each year not to exceed 25 per centum of the financial assistance appropriated under this Act.

(c) ELIGIBILITY FOR GRANTS.—The Director shall establish criteria for awarding grants for research or demonstration projects which are consonant with the purposes and goals of this Act. These grants may be made to units of local government, combinations of such units, or nonprofit organizations, under established criteria and such terms and conditions as may from time to time be established by the Director. No discretionary grant shall be made to any professional organization whose consumer controversy resolution mechanisms do not fairly represent the consumers of the services provided.

APPLICABILITY WITHIN STATES

SEC. 7. (a) STATE PLAN.—By the end of 6 months after the date of enactment of this Act, a State may establish and submit a plan in accordance with this Act for the resolution of controversies involving consumers. A plan is in accordance with this Act if it is designed to meet or exceed the requirements set forth in section 5 of this Act, responds to the goals set forth in section 7 of this Act, and represents an effective response to the Nation's need for fair, expeditious, and inexpensive resolution of such controversies. Upon the establishment of such a plan, the State Administrator shall promptly transmit a certified copy to the Commission.

(b) DETERMINATION.—Within 90 days after the Commission receives a certified copy of a State plan established under subsection (a) of this section, the Director shall make a determination whether (1) the State is eligible to receive financial assistance under section 5(b) of this Act and (2) such State has established a plan which is in accordance with this Act. Unless the Commission determines, within 30 days after the Director determines that a State plan is in accordance with the Act, that such plan is not in accordance with this Act, the Director shall, to the extent resources are available, enter into a cooperative agreement designed to effectuate such plan. A State may submit a revised or improved plan designed to better effectuate the goals of this Act at any time.

(c) REVIEW.—The Director shall periodically, but not less than once every 2 years, or may at any time upon complaint of affected consumers, review any State plan or any discretionary grant for the resolution of controversies involving consumers which has been approved and for which there is (1) experience to determine whether such plan or grant is still in accordance with the goals of this Act, and (2) to evaluate the success of such plan or grant in terms of the policies and purposes of this Act. In addition to the data required under sections 5(b)(2) and 9(a) of this Act, reports must be submitted on each mechanism showing the extent to which it has met the applicable goals of section 8, including results of random sample surveys of attitudes of consumers who have actually used the services of the organization. Any plan or grant which is found not to be in accordance with such goals or which has not been successful shall be terminated in accordance with the procedures set forth in subsection (d) of this section. To facilitate such review, the State Administrator in each such State shall submit to the Director, not later than March 15 of each year, an annual report containing all relevant information requested by the Director and comments of consumers, including low-income consumers, on the effectiveness of mechanisms funded under this Act.

(d) PROCEDURE.—Before making any determination under subsection (b) or (c) of this section, the Director shall cause a notice and a summary of the plan under consideration to be published in the Federal Register and shall afford the affected State and all interested parties a reasonable opportunity to present their views by oral or written submission, and to propose amendments, if any, to such plan or grant program. The Commission, through the Director, shall notify the affected State or grantee of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register. Any final determination by the Director under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States Court of Appeals for the circuit in which is located the State whose plan or grant is the subject of such determination or in the United States Court of Appeals for the District of Columbia. Any such review shall be instituted within 60 days from the date on which the determination of the Director is published in the Federal Register.

GOALS

SEC. 8. (a) FOR STATE SYSTEM.—A State is responsive to national goals if—

(1) there are sufficient numbers and types of readily available consumer controversy resolution mechanisms responsive to the

goals set forth in subsection (b) of this section;

(2) a public information program is effectively communicating to potential users the availability and location of consumer controversy resolution mechanisms and consumer complaint offices in such State; and

(3) each such mechanism and unit thereof files an annual report with the State Administrator in such form and with such content as is prescribed by him in consultation with the Director, including not less than the information required in section 5(b)(2) of this Act.

(b) FOR CONSUMER CONTROVERSY RESOLUTION MECHANISM.—A consumer controversy resolution mechanism is responsive to national goals if—

(1) its forms, rules, and procedures are, so far as practicable, easy for potential users to understand, free from technicalities, and it is inexpensive to use;

(2) it is designed so that assistance, including paralegal personnel, where appropriate, is provided to consumers and other persons in pursuing claims and collecting judgments;

(3) it is open and available for the adjudication or resolution of controversies during hours and on days that are convenient for consumers, such as evenings and weekends, and that a fair proportion of controversies are scheduled to be resolved at such times;

(4) it provides for adequate arrangements for translation in areas with substantial non-English-speaking populations;

(5) it is governed by reasonable and fair rules and procedures which are approved by the State administrator. Such rules and procedures shall:

(A) facilitate the early resolution of consumer controversies by means in addition to the adjudication of claims;

(B) encourage the fairest and most effective use of the services of attorneys in the resolution of such controversies;

(C) encourage the finality and conclusiveness of the resolution of such controversies;

(D) provide for the qualification, tenure and duties of persons charged with resolving or assisting in the resolution of such controversies;

(E) prohibit the use of consumer controversies resolution mechanisms by assignees or collection agencies in any manner inconsistent with the policies of this Act;

(F) provide for the maintenance of thorough and complete records of each grievance submitted to it and each complaint filed with it together with a notation as to and the disposition of each such grievance or complaint;

(G) insure that both sides to a dispute are directly involved in the resolution of such dispute;

(H) insure that the results of dispute settlement efforts are actually carried out;

(I) assure that the consumer is informed of the status of his case; and

(J) provide useful information about other available redress mechanisms in the event that dispute settlement efforts fail or the controversy does not come within the jurisdiction of such mechanism; and

(6) it provides for the identification and correction of product design problems and patterns of service abuse by—

(a) maintaining public records on all closed complaints;

(b) bringing substantial authority and meaningful influence to bear on complainee to correct patterns of product or service deficiency; or

(c) providing information to Government agencies responsible for the administration of applicable laws so they can perform their remedial deterrent tasks more effectively.

(c) FOR SMALL CLAIMS COURTS.—A small claims court is responsive to national goals if, in addition to meeting the requirements of subsection (b) of this section, it—

(1) is part of the regular court system maintained by the State;

(2) has a jurisdictional limit which is adequate to permit all, or substantially all, consumer controversies in its area to be resolved therein;

(3) provides methods for assuring that process served is actually received by defendants, including, but not limited to, procedures for supplemental notification after service of process;

(4) provides an easy way for an individual to determine the proper name in which, and the proper procedure by which, any person may be sued;

(5) provides informal means for the resolution of controversies through conciliation, mediation, arbitration, or other means: *Provided*, That such informal means (A) are required to be used in good faith by persons other than individuals, before a date may be set for trial involving a claim initiated by such person; and (B) involve the presence and approval of, or decision by a disinterested third party or the participation of a representative for both parties with judicial approval of the term of any proposed resolution; and

(6) discourages the entry of judgments by default by requiring, as a prerequisite thereto, that the appropriate judge find, after a proceeding in open court, that—

(A) the defendant was given adequate notice of such claim. If any person other than the defendant accepted service on behalf of the defendant, the judge must find that there was a business, family, or personal relationship between that person and the defendant sufficient to assure that the defendant in fact received notice of such claim;

(B) the defendant understood the nature of the claim and the proceedings;

(C) the plaintiff established a prima facie case demonstrating entitlement to judgment; and

(7) provides effective means for insuring that judgments awarded to aggrieved individuals are paid promptly.

RECORDS, AUDIT AND ANNUAL REPORT

SEC. 9. (a) GENERAL.—Each recipient of assistance under this Act shall keep such records as the Commission, through the Director, shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the project or undertaking supplied by other sources, and such other records as will facilitate an effective financial and performance audit. This provision shall apply to all recipients of assistance under this Act, whether by direct grant or contract with the Commission through the Director or by subgrant or subcontract from primary grantees or contractors of the Commission, through the Director, or from any State Administrator receiving financial assistance under this Act.

(b) AUDIT.—The Commission or any of its designated representatives shall have access for purpose of audit and examination to any relevant books, documents, papers, and records of the recipients of grants and financial assistance under this Act.

(c) COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of his duly authorized representatives, shall, until the expiration of 3 years after the completion of the program or project with which the assistance is used, for the purpose of financial and performance audits and examinations, have access to any relevant books, documents, papers, and records of recipients of financial assistance under this Act.

(d) ANNUAL REPORT.—The Commission, through the Director, shall submit an annual report to the President and the Congress simultaneously by June 15 each year. Such report shall include, but need not be limited to—

(1) A summary of any reviews undertaken pursuant to section 7(c).

(2) The results of financial and performance audits conducted pursuant to section 9.

(3) An evaluation of the effectiveness of the Bureau and the Commission in implementing the purposes of the Act, together with any recommendations for additional legislative or other action.

AUTHORIZATION FOR APPROPRIATION

SEC. 10. For purposes of this Act, there are authorized to be appropriated to the Commission not to exceed $500,000 for the fiscal year ending June 30, 1976, and not to exceed $20,000,000 for the fiscal year ending September 30, 1977: *Provided*, That not more than 10 per centum of the amount authorized to be appropriated under this Act shall be used for Federal administrative expenses.

Mr. TUNNEY. Mr. President, it is a pleasure for me to join my colleagues Senators MOSS and MAGNUSON in reintroducing today the Consumer Controversies Resolution Act. In the last Congress we introduced this bill (S. 2928), which was unanimously reported by the Commerce Committee and favorably reported by my Subcommittee on Representation of Citizen Interests. Unfortunately, due to the pressing demands of legislative business at the end of the last session, the bill was not voted on by the full Senate. I urge now that the Senate act to assure its speedy passage.

In this day and age, few consumers who desire to air a legitimate grievance have effective access to redress mechanisms: courts, small claims courts, arbitration, mediation and conciliation services, informal business mechanisms. In many cases, the consumer is caught in the bind of the solution being more expensive than the problem.

In joint hearings last year, two subcommittees addressed this problem in depth. We found that the present formal and informal redress mechanisms are almost universally inadequate. Existing avenues of redress are not widely publicized, have limited hours, inconvenient locations, and often hostile judges, arbitrators, and supporting personnel. The costs of counsel to aid the hapless consumer are prohibitive in view of the small monetary claim at issue.

In recent years, expanded use of informal business procedures—money-back guarantees, consumer complaint divisions—has improved consumer satisfaction. But the 1973 report of the National Institute for Consumer Justice showed that business-sponsored mechanisms met only a small percent of the need, and recommended expansion of both informal and formal redress mechanisms.

The bill, which Senators MOSS, MAGNUSON and I reintroduced today, would set up a program of matching Federal grants, administered by the Federal Trade Commission, to States that formulate a system of consumer redress, the total result of which is effective, fair, inexpensive, and expeditious resolution of consumer controversies. These mechanisms would include such things as increased use of arbitration, small claims courts, consumer complaint bureaus, and better use and access to already existing grievance mechanisms. It will help bring

speedy and inexpensive relief to the consumer.

The Federal money will be conditioned on adequate assurances that the redress mechanism involves forms and procedures which the average consumer can understand and which protect his interests, and that it will be accessible at times when working people can utilize it. There must be assurances that assistance is provided the citizen in pursuing his claims from start to finish, and that information about the availability and the workings of these mechanisms are widely disseminated. Except for these conditions, the bill is otherwise designed to give maximum flexibility to States in fashioning their own programs.

During the last session, both the Commerce Subcommittee on Consumers and the Judiciary Subcommittee on Representation of Citizen Interests held a joint hearing to receive the report of the National Institute of Consumer Justice, established by former President Nixon. While the Institute looked at several models, including the Los Angeles Small Claims Court which bans attorneys except on their own behalf, and made several specific recommendations, under this legislation each State will be free to design its own program as long as the system furthers the goals set forth in the bill.

Mr. President, this bill has received overwhelming support, both in and out of Congress. Eighteen major business, consumer and governmental organizations now support the Consumer Controversies Resolution Act, S. 2928. Among these organizations are: National League of Cities, U.S. Conference of Mayors, U.S. Chamber of Commerce, National Urban League, Federal Trade Commission, Council of Better Business Bureaus, American Retail Federation, Sears, Roebuck & Co., National Home Furnishing Association, Consumers Union of the United States, and Consumer Federation of America.

Additionally, following a White House-sponsored conference on "Consumer Complaints—Public Policy Alternatives," Virginia Knauer, Special Assistant to the President for Consumer Affairs, wrote that:

> Over three-fourths of the conference participants surveyed agreed in whole or in part with these recommendations and findings (including business support for S. 2928), and 36 per cent indicated a decision to actively support such a program. (Only four per cent stated active opposition.) Additionally, there was strong agreement with many of these recommendations in the public policy clinic dealing with 'Feasibility of Complaint Handling Systems.' Strong support for S. 2928 was also evidenced in the legislative clinic. We think that these and other reactions and conclusions of the conference are highly significant to effective public policy in the area of complaint handling.

The legislation gives States incentive, flexibility, and freedom to experiment and adopt programs appropriate to their needs. At the same time, it precludes unfair, ineffective, or collection-agency dominated grievance machinery. The net result of the limited Federal expenditures involved will be, as one witness at the hearings testified, "a considerable savings to taxpayers all over the country."

Both the input and the support of business groups such as the Council of Better Business Bureaus, Sears, Roebuck & Co., the American Retail Federation and such consumer and community groups as the League of Cities, the National Urban League, Consumers Union, Consumers Federation of America, and many others, coupled with the recommendations of the NICJ and many other witnesses have helped develop the legislation, and I am deeply appreciative.

It is my hope that this legislation will be promptly considered by the Senate and will make, in the area of consumer redress, the humblest and the most powerful peers before justice.

Mr. MAGNUSON. Mr. President, I am pleased to join with my colleagues today in reintroducing the Consumer Controversies Resolution Act. This significant legislation was introduced for the first time on January 31, 1974. The Senate Commerce Committee held several hearings, as did the Subcommittee on Representation of Citizen Interest of the Senate Judiciary Committee. While the Senate Commerce Committee was able to give favorable consideration to this legislation and report it to the floor of the Senate, there was insufficient time during the remainder of the 93d Congress for the Senate to pass the bill.

I hope and expect that the Senate Commerce Committee and the full Senate will be able to favorably consider this legislation during the 94th Congress.

The need for this legislation was pointed out by the excellent report and studies done by the National Institute for Consumer Justice, which made their final report to the Congress in late 1973. This bipartisan Presidentially appointed commission vividly pointed out the shortcomings of the currently available mechanisms for the resolution of disputes. The Institute recommended a number of reforms in consumer redress, and I am pleased to note that many of these reforms would be incorporated and effectuated by the enactment of this legislation.

Mr. President, the essence of the Consumer Controversies Resolution Act is the creation of a framework to encourage the development of improved grievance handling procedures through the collection and dissemination of information and through a carefully administered program of financial aid. This program will be run by the Federal Trade Commission. The bill would not prescribe or mandate any particular kind of claims settling procedure; rather, it is intended to discourage diversity and experimentation to make certain that all avenues for the fair, inexpensive, expeditious and effective resolution of disputes are explored. Given the great diversity of communities within our Nation, it is probably impossible to mandate a single format for dispute resolution which would be applicable to the many varying situations which are encountered. For instance, the procedures followed in the highly successful Harlem Small Claims Court in New York City may not be applicable to small communities in western Kansas. The legislation is designed to permit productive experimentation in disputes.

Mr. President, there is growing realization that many communities in the United States lack adequate mechanisms for settling small consumer controversies. For instance, the small claims court movement, which was a nationwide movement of reform which began in 1913, has not fulfilled its purpose. Many small claims courts today are little more than centralized collection agencies. Arbitration mechanisms have been little utlized, and both industry and consumer groups have been unable to fill the void with voluntary mechanisms. This legislation will encourage voluntary mechanisms by assuring both sides that resorting to a mandatory dispute settlement mechanism is available should voluntary efforts fail.

The existing situation hurts both businessmen and consumers. Neither side can get the kind of fair, inexpensive, and conclusive dispute settlement necessary for orderly business relations and consumer confidence. The consumer loses because he or she is left without any effective recourse at all in many cases. The businessman loses because he or she is often forced into a costly and inconclusive court battle over a relatively minor matter. Indeed, the costs of enforcing one's rights in many of these small disputes is frequently greater than the amount in dispute.

The current lack of swift and inexpensive dispute settlement mechanisms results in the loss of millions of dollars in terms of direct losses that are left uncompensated. Even more loss is represented by the costly delay and erosion of valuable goodwill. There is no question that the inability to secure redress without hiring expensive legal representation contributes to a feeling of alienation and mistrust, particularly in many inner-city areas. Numerous instances of this phenomenon were pointed out by a book authored by myself and Jean Carper entitled, "The Dark Side of the Marketplace."

Mr. President, these direct and indirect losses to our economy will not be stopped until we improve the way in which we handle consumer complaints. This legislation can be a key step in this direction. It will provide for the creation of the kind of consumer dispute resolution mechanism that will save tremendous costs.

By Mr. DOLE:

S. 2070. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes. Referred jointly, by unanimous consent, to the Committee on Agriculture and Forestry and the Committee on Commerce.

ANIMAL WELFARE ACT AMENDMENTS OF 1975

Mr. DOLE. Mr. President, today I am introducing the Animal Welfare Act Amendments of 1975. This legislation, if enacted, would help reduce the number of abuses in the transportation and handling of pets. This legislation would also prohibit dog fighting and other forms of animal fighting.

This legislation is especially relevant and important to the State of Kansas.

According to the most recent tabulations by the Department of Agriculture, there are 1,444 licensed pet dealers in the State. That gives Kansas the largest number of pet producers of any State in this country with over 28 percent of the total licensed pet dealers.

The vast majority of these pet dealers are vitally dependent upon the interstate shipment of dogs, cats and other pets, primarily by air. These producers depend on humane and careful treatment of their animals to get pets to the customers in other States that want and enjoy these animals as pets. As a group, these pet breeders are probably more concerned about the welfare of their animals than the vast majority of the public—both as a matter of respect for the animals they raise and also as a matter of their livelihood.

So I hope, as do the pet producers of Kansas and other States as well, that this legislation will provide for more careful and humane treatment of dogs, cats and other small animals.

This bill has previously been introduced in the House of Representatives by the distinguished chairman of the House Committee on Agriculture, Congressman FOLEY, together with a number of cosponsors. Hearings were held on this legislation last year in the House Agriculture Committee and I believe several improvements have been made in the bill as a result. In communicating with producers in Kansas and with the Departments of Agriculture and Justice, it is my understanding that a number of provisions in this bill may need further scrutiny and possible improvement. However, I believe it is useful to introduce this legislation in the Senate at this time so that it can be discussed and possible improvements identified. If necessary, these improvements can be submitted subsequently as amendments to the bill. Hopefully, the end result of this process will be a well-balanced, effective, and meaningful bill that will improve treatment of small animals while permitting the substantial economic activity of producers and dealers.

This legislation has arisen from the observation that, while the great majority of pets and small animals shipped in interstate commerce are given adequate and humane treatment, there has continued to be some cases of unnecessary suffering for these animals. Consequently, this legislation was created to provide additional protection for these small animals.

During my tenure in the Senate Agriculture Committee and earlier in the House Agriculture Committee, I have sponsored and supported animal welfare legislation. I believe that we should protect all animals from any unnecessary suffering. For that reason, I introduced last year, S. 3559, a bill to prohibit the use of dogs in research and experiments which would result in needless or excessive suffering by the animals. This legislation was subsequently incorporated in the military procurement bill of 1974. In addition, I have cosponsored legislation to increase the protection for dogs, cats and other animals, including four such bills in the 93d Congress. Hopefully, this legislation will be another meaningful step in this area.

IMPROVEMENTS MADE

As a result of the hearings on this legislation in the House Agriculture Committee last year a number of improvements have been made in this bill that were matters of concern for pet producers. Three areas in particular were of great concern to producers in Kansas and as a result of efforts by them and producers in other States, improvements have been made in this legislation.

Earlier versions of this bill included a prohibition of cash-on-delivery type transactions. A more moderate approach has been incorporated in this bill that would allow c.o.d. deliveries where producers guarantee in writing that they will pay for return transportation charges and expenses incurred in the care, feeding and storage of animals in cases where the consignee or recipient refuses to take delivery. This provision would prevent dogs from being abandoned and left uncared for at airports when pet shops or other purchasers fail to pick up the animals they have ordered. Such failure to collect the animals after they reach their destination has been a major source of unnecessary abuse and suffering for small animals. By allowing shippers to guarantee return transportation charges and expenses, producers can continue to follow their normal trade relationships by using c.o.d. deliveries.

There has also been concern expressed that this provision places the entire burden on producers and that in the interest of equality and fair treatment, some burden might also be placed on those who requested the shipment of such animals. By placing some fine or some burden on pet shops and others that in good faith place orders with producers but refuse to take delivery, it would seem that the responsibility for picking up and caring for animals that reach their destination after air shipment would be more equitably shared. In addition, it has been called to my attention that a substantial number of individuals that ship pets in interstate commerce would not be subject to the provision presently in the bill. It would seem equitable that all persons shipping and selling dogs and other small animals in interstate commerce should be subject to this legislation just as pet breeders who sell to retail outlets. Hopefully, additional improvements along these lines can be made subsequently.

The certification of animals by veterinarians prior to shipment was also a matter of concern in earlier forms of this bill. The question arose as to how a veterinarian might certify that fish and other similar animals are in adequate conditions to withstand the rigors of transportation. The practical difficulty of completing an individual certificate on each animal in a shipment of hamsters or mice, for example, was also raised. I believe we have subsequently provided adequate flexibility in this provision so as to make the requirements in this provision realistic.

Pet producers have also expressed concern that the bill might not allow shipment of pets at an age younger than 8 weeks as provided in section 10(c) of this bill. However, provision has been made so that the Secretary of Agriculture may prescribe by regulation a younger age such as 7 weeks in the case of certain large dogs when such a younger age for shipment is adequate to assure humane treatment during the transportation.

POSSIBLE IMPROVEMENTS NEEDED

There may be a need for further improvements and changes in this legislation. It is my hope that by introducing this bill in the Senate, it can be further circulated and discussed in the pet industry and other pet organizations so as to achieve a balanced and meaningful bill.

In addition to the possible improvement I mentioned earlier, the section prohibiting the shipment of animals in interstate commerce for fighting purposes may have some practical problems. While the suffering of animals in fighting ventures is clearly a problem that should be addressed, it is my understanding that the designation of the Department of Agriculture as the enforcement agency may overtax the resources of the animal and plant health inspection service so as to result in an overall detriment to our disease and pest control programs. In addition, as indicated in testimony presented before the House Agriculture Committee last year, the Department of Justice strenuously opposes the Federal role projected in this legislation to replace the local and State jurisdiction that has traditionally existed in this area. While the concerns of the Departments of Agriculture and Justice are understandable, no positive suggestions have been made. Hopefully, some improved language in this area can be created during further consideration of this legislation so that more meaningful law enforcement can be accomplished in the area of animal fighting.

Mr. President, I ask unanimous consent that a summary of this legislation and the bill be printed in the RECORD.

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

S. 2070

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 "Animal Welfare Act Amendments of 1975".

SEC. 2. The Federal Laboratory Animal Welfare Act of August 24, 1966 (80 Stat. 350, as amended by the Animal Welfare Act of 1970, 84 Stat. 1560; 7 U.S.C. 2131–2155) is hereby further amended by adding the following at the end of the first section thereof: "It is also essential for humane reasons to prohibit certain animal fighting ventures. The Congress hereby finds that animals and activities which are regulated under this Act are either in interstate or foreign commerce or substantially affect such commerce or the free flow thereof, and that regulation of animals and activities as provided in this Act is necessary to prevent and eliminate burdens upon such commerce, to effectively regulate such commerce, and to carry out the objectives of this Act.".

SEC. 3. Section 2 of such Act is amended by deleting paragraph (d) defining "affecting commerce"; and by amending paragraph (c) defining "commerce" by changing the last clause to read "or within any State, terri-

tory, or possession, or the District of Columbia, or the Commonwealth of Puerto Rico.".

SEC. 4. Such Act is further amended by deleting the term "affecting commerce," from paragraphs (c) and (f) of section 2 and sections 4, 11, and 12, wherever the quoted term appears therein, and by substituting therefor the term "in commerce,"; and by deleting, from paragraph (h) of section 2, the phrase "or the intended distribution of which affects commerce, or will affect commerce," and substituting therefor the phrase "or are intended to be moved in commerce,".

SEC. 5. Section 2 of such Act is further amended by adding thereto two new paragraphs to read:

"(i) The term 'intermediate handler' means any person (other than a dealer, research facility, exhibitor, any person excluded from the definition of a dealer, research facility, or exhibitor, an operator of an auction sale, or a carrier, who is engaged in any business in which he receives custody of animals in connection with their transportation in commerce.

"(j) The term 'carrier' means the operator of any airline, railroad, shipping line, or other enterprise, which is engaged in the business of transporting any animals for hire.".

SEC. 6. Section 6 of such Act is amended by inserting after the term "research facility", a comma and the term "every intermediate handler, every carrier,".

SEC. 7. Section 9 of such Act is amended by inserting after the term "Section 12 of this Act,", the term "or an intermediate handler, or a carrier,", and by deleting the term "or an operator of an auction sale as well as of such person" at the end of section 9 and substituting therefor the following term: "operator of an auction sale, intermediate handler, or carrier, as well as of such person.".

SEC. 8. Section 10 of such Act is amended by deleting the phrase "upon forms supplied by the Secretary" from the first sentence and by adding after the second sentence a new sentence to read as follows:

"SEC. 10. Intermediate handlers and carriers shall make and retain for such reasonable period of time as the Secretary may prescribe, such records with respect to the transportation, receiving, handling, and delivering of animals as the Secretary may prescribe.".

SEC. 9. Section 13 of such Act is amended by designating the provisions thereof as paragraph (a) and by adding, after the second sentence therein, a new sentence to read: "The Secretary shall also promulgate standards to govern the transportation in commerce, and the handling, care, and treatment in connection therewith, by intermediate handlers, air carriers, or other carriers, of animals consigned by any dealer, research facility, exhibitor, operator of an auction sale, or other person, or any department, agency, or instrumentality of the United States for transportation in commerce. The standards shall include such requirements with respect to containers, feed, water, rest, ventilation, temperature, handling, adequate veterinary care, and other factors as the Secretary determines are relevant in assuring humane treatment of animals in the course of their transportation in commerce.".

SEC. 10. Section 13 of such Act is further amended by adding at the end thereof new paragraphs (b), (c), and (d) to read:

"(b) No dogs or cats, or additional kinds or classes of animals designated by regulation of the Secretary, shall be delivered by any dealer, research facility, exhibitor, operator of an auction sale, or department, agency, or instrumentality of the United States, to any intermediate handler or carrier for transportation in commerce, or received by any such handler or carrier for such transportation from any such person, department, agency, or instrumentality unless accompanied by a certificate issued by a veterinarian licensed to practice veterinary medicine, certifying that he inspected the animal or animals on a specified date, which shall not be more than ten days before such delivery, and, when so inspected, the animal or animals were sound and healthy. Such certificates received by the intermediate handlers and the carriers shall be retained by them, as provided by regulations of the Secretary in accordance with section 10 of this Act.

"(c) No dogs or cats, or additional kinds or classes of animals designated by regulation of the Secretary, shall be delivered by any person to any intermediate handler or carrier for transportation in commerce except to registered research facilities if they are less than eight weeks of age, or such other age as the Secretary may by regulation prescribe. The Secretary shall designate additional kinds and classes of animals and may prescribe ages different than eight weeks for particular kinds or classes of dogs, cats, or designated animals, for the purposes of this section, when he determines that such action is necessary or adequate to assure their humane treatment in connection with their transportation in commerce.

"(d) No intermediate handler or carrier involved in the transportation of any animal in commerce shall participate in any arrangement or engage in any practice under which the cost of such animal or the cost of the transportation of such animal is to be paid and collected upon delivery of the animal to the consignee, unless the consigner guarantees in writing the payment of transportation charges, including, where necessary, both the return transportation charges and an amount sufficient to reimburse the carrier for all out-of-pocket expenses incurred for the care, feeding, and storage of any live creatures.".

SEC. 11. Section 15 of such Act is amended by inserting after the term "exhibition" in the first sentence, a comma and the term "or administration of statutes regulating the transportation in commerce or handling in connection therewith of any animals", and by adding the following at the end of the sentence: "Before promulgating any standard governing the air transportation and handling in connection therewith, of animals, the Secretary shall consult with the Secretary of Transportation who shall have the authority to disapprove any such standard if he notifies the Secretary, within thirty days after such consultation, that changes in its provisions are necessary in the interest of flight safety.".

SEC. 12. Paragraph (a) of section 16 of such Act is amended by inserting the term "intermediate handler, carrier," in the first sentence after the term "exhibitor," each time the latter term appears in the sentence; by inserting before the period in the second sentence, a comma and the term "or (5) such animal is held by an intermediate handler or a carrier" and by deleting the term "or" before the term "(4)" in the third sentence.

SEC. 13. Section 19 of such Act is amended by adding at the end thereof the following new paragraph (d):

"(d) Any intermediate handler or carrier that violates any provision or section 13 of this Act of any standard promulgated thereunder may be assessed a civil penalty by the Secretary of not more than $1,000 for each such violation. Each violation shall be a separate offense. No penalty shall be assessed unless such person is given notice and opportunity for a hearing with respect to the alleged violation, and the order of the Secretary assessing a penalty shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals. Such court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the Secretary's order, and the provisions of sections 2341, 2343 through 2350 of title 28, United States Code, shall be applicable to such appeals and orders. Any such civil penalty may be compromised by the Secretary. Upon any failure to pay the penalty assessed by a final order under this section, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which such person is found or resides or transmits business, to collect the penalty, and such court shall have jurisdiction to hear and decide any such action.".

SEC. 14. Section 24 of such Act is amended by inserting a comma and the term "intermediate handlers, and carriers" after the term "dealers" in the third sentence; and by adding a comma and the following provisions before the period at the end of the first sentence: "except that the regulations relating to intermediate handlers and carriers shall be prescribed no later than nine months from the date of enactment of the 'Animal Welfare Act Amendments of 1975'.".

SEC. 15. Section 25 of such Act is amended by inserting after subsection (3) the following new subsection:

"(4) recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation."

SEC. 16. (a) Such Act is amended by adding at the end thereof the following new section:

"SEC. 26. (a) It shall be unlawful for any person to knowingly sponsor, or exhibit an animal in any animal fighting venture to which any animal was moved in interstate or foreign commerce.

"(b) It shall be unlawful for any person to sell, buy, transport, or deliver to another person or receive from another person for purposes of transportation, in interstate or foreign commerce any dog or other animal for purposes of having the dog or other animal participate in an animal fighting venture.

"(c) It shall be unlawful for any person to knowingly use the mail service of the United States Postal Service or any interstate instrumentality for purposes of promoting or in any other manner furthering an animal fighting venture. Section 3001(a) of title 39, United States Code, is amended by adding immediately after the words "title 18" a comma and the words "or section 26 of the Federal Laboratory Animal Welfare Act".

"(d) Any person who violates subsection (a), (b), or (c) shall be fined not more than $5,000 or imprisoned for not more than one year, or both, for each such violation.

"(e) The Secretary or any other person authorized by him shall make such investigations as the Secretary deems necessary to determine whether any person has violated or is violating any provision of this section, and the Secretary may obtain the assistance of the Federal Bureau of Investigation, the Department of the Treasury, or other law enforcement agencies of the United States, and State and local governmental agencies, in the conduct of such investigations, under cooperative agreements with such agencies. A warrant to search for and seize any animal which there is probable cause to believe was involved in any violation of this section may be issued by any judge of the United States or of a State court of record or by a United States commissioner within the district wherein the animal sought is located. Any United States marshal or any person authorized under this section to conduct investigations may apply for and execute any such warrant, and any animal seized under such a warrant shall be held by the United States marshal or other authorized person pending disposition thereof by the court in accord-

ance with this paragraph (e). Necessary care including veterinary treatment shall be provided while the animals are so held in custody. Any animal involved in any violation of this section shall be liable to be proceeded against and forfeited to the United States at any time on complaint filed in any United States district court or other court of the United States for any jurisdiction in which the animal is found and upon a judgment of forfeiture shall be disposed of by sale for lawful purposes or by other humane means, as the court may direct. Costs incurred by the United States for care of animals seized and forfeited under this section shall be recoverable from the owner of the animals if he appears in such forfeiture proceeding or in a separate civil action brought in the jurisdiction in which the owner is found, resides, or transacts business.

"(f) For purposes of this section—

"(1) the term 'animal fighting venture' means any event which involves a fight between at least two animals and is conducted for purposes of sport, wagering, or entertainment;

"(2) the term 'interstate or foreign commerce' means—

"(A) any movement between any place in a State to any place in another State or between places in the same State through another State; or

"(B) any movement from a foreign country into any State,

"(3) the term 'interstate instrumentality means telegraph, telephone, radio, or television operating in interstate or foreign commerce;

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

"(5) the term 'animal' means any live dog or other mammal, except man; and

"(6) the conduct by any person of any activity prohibited by this section shall not render such person subject to the other sections of this act as a dealer, exhibitor, or otherwise.

"(g) The provisions of this Act shall not supersede or otherwise invalidate any such State, local, or municipal legislation or ordinance relating to animal fighting ventures except in case of a direct and irreconcilable conflict between any requirements thereunder and this Act or any rule, regulation, or standard hereunder.".

SEC. 17. If any provision of this Act or of the amendments made hereby or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the remaining amendments and of the application of such provision to other persons and circumstances shall not be affected thereby.

Summary: Animal Welfare Act Amendments of 1975

SEC. 2: Extends the Federal Laboratory Animal Welfare Act of 1966 to prohibit animal fights being conducted through and involving interstate or foreign commerce.

SEC. 3: Extends jurisdiction to commerce *within* a state in addition to commerce between states.

SEC. 4: Technical conforming amendments.

SEC. 5: Defines "intermediate handlers" and "carriers" as those who are engaged in the shipping and handling of animals in commerce.

SEC. 6: Requires intermediate handlers and carriers to register with the Secretary of Agriculture.

SEC. 7: Technical conforming amendments.

SEC. 8: Requires intermediate handlers and carriers to keep prescribed records of all transactions relating to the handling, shipping, and delivering of animals.

SEC. 9: Gives the Secretary of Agriculture the proper authority to set standards to govern the transportation of animals by intermediate handlers and carriers. Included therein shall be requirements with respect to the containers, feed, water, rest, ventilation, temperature, handlings, adequate veterinary care, and other factors as the Secretary shall determine to be relevent to the health of the animals.

SEC. 10: Requires that:

1. Any intermediate handler or carrier may not handle or ship animals without an accompany veterinarian certificate proving that the animal was inspected within 10 days and was found to be in good health at that time.

2. Animals may not be shipped by any handler or carrier if less than 8 weeks old, or such other age as the Secretary may prescribe as adequate to assure the health of the animal.

3. Intermediate handlers and carriers are prohibited from transporting animals sent C.O.D. unless the sender guarantees in writing the payment of all transportation costs in addition to the costs of adequate care for the animals incurred by the carrier or handler.

SEC. 11: Provides that any standards set by the Secretary of Agriculture governing the transportation in commerce of animals must be agreed to by the Secretary of Transportation, who, within 30 days, may disapprove the standards set in the interest of flight safety.

SEC. 12: Gives the Secretary of Agriculture the authority to investigate and inspect intermediate handlers and carriers to determine violations of this Act. In addition this permits the Secretary's inspectors to confiscate or destroy in a humane manner animals suffering at the hands of intermediate handlers and carriers in violation of this Act.

SEC. 13: Assesses a civil penalty of not more than $1,000 per violation. The Secretary may not assess any penalty unless the accused is given proper notice and an opportunity for a hearing. Civil action in a United States court may be initiated by the Secretary upon failure to pay the penalty.

SEC. 14: Provides that the regulations derived from this Act be in operation within nine months of the enactment of the Animal Welfare Act Amendments of 1975.

SEC. 15: Requires that no later than March of each year, the Secretary of Agriculture must submit to the President of the Senate and the Speaker of the House of Representatives a full report with respect to recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation.

SEC. 16: Inserts the following:

1. It is illegal for any person to sponsor or exhibit an animal in any animal fighting venture when the animal was moved in interstate or foreign commerce.

2. It is unlawful for a person to sell, buy, transport, or deliver to another any animal to be used in a fighting venture.

3. It is unlawful to knowingly use the mail service or any interstate instrumentality to promote or further an animal fight.

4. There shall be a fine or not more than $5,000 and imprisonment of not more than one year, or both, for each violation.

5. The Secretary may investigate any time there is reason to believe a violation of this section is being committed. Warrants may be issued for the search and seizure of any animal believed to be involved in a violation of this section. Animals are to be cared for by the United States and are liable to be forfeited to the United States when violations of this section are found. Costs incurred for the care of the animals is recoverable from the owner.

6. Definitions of "animal fighting ventures," "interstate or foreign commerce," "interstate instrumentality," "State," and "animal" (any live dog, or other mammal, except man).

7. This Act is not to supersede or invalidate any local or state statutes.

SEC. 17: Provides that, in the event that any part of this Act or its amendments is found invalid, the remainder will not thereby be affected.

Mr. DOLE. Mr. President, I understand that animal welfare legislation in the past has been commonly referred to the Senate Committee on Commerce. In view of the issues relating to interstate transportation in this legislation, I believe that such referral is appropriate. However, this legislation also substantially involves the Department of Agriculture and the activities of various branches of the Department. Therefore, I request unanimous consent that this bill be jointly referred to the Senate Committees on Commerce and Agriculture. I believe this has been discussed with the leadership of the Commerce Committee.

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

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

S. 2071. A bill to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes. Referred to the Committee on Public Works.

ALASKA EMERGENCY HIGHWAY REPAIR AND REBUILDING LEGISLATION

Mr. GRAVEL. Mr. President, at a time when a worsening energy supply and price problem is demanding much of our attention, there is good news from Alaska.

Construction is going extremely well at this point on the oil pipeline project which offers the best and brightest hope for an early easing of the Nation's domestic petroleum shortage.

But there is also bad news, too.

The same construction activities which are pushing the pipeline toward reality are wreaking havoc on much of the State's highway system.

Roads in the project support areas are being forced to carry an unprecedented volume and weight of truck traffic far in excess of anything for which they were designed and engineered.

The result has been little short of catastrophic in some sections and extremely serious throughout the system.

Many sections of roadway have collapsed under the strain despite reduction of weight and speed of traffic to the degree possible.

There was no way the problem could be avoided without seriously impairing construction progress and even jeopardizing the project to a significant degree.

Highways have had to bear the traffic brunt since the Alaska Railroad links with the pipeline route only at Fairbanks. Much of the construction material is of such a type that it cannot be broken down into lighter loads.

While inevitable, the consequences have nonetheless been disastrous for Alaska.

Road repair and maintenance demands of the most rudimentary type and designed just to keep the routes open at all have strained the financial and manpower resources of the Alaska Highway Department far beyond capacity and the situation continues to deteriorate.

In short, the situation has created a

burden which Alaska cannot continue to bear alone.

Reason and equity, in any event, dictate that she should not be called upon to do so.

The problem stems from an activity which is clearly in the national interest and one which will benefit the entire country.

Justice demands that the Nation—not just Alaska—pay the initial price for securing those benefits.

That is my purpose in appearing here today.

I am introducing at this point a bill calling for allotment of Federal funds other than those to which the State is otherwise entitled to finance emergency repairs to the affected road system now and for the remainder of the pipeline construction period.

I am advised that it will require $70 million for that purpose and I am asking that amount initially.

My bill also provides for a study by the Secretary of Transportation to determine the probable cost of rebuilding the roads to reasonable standards after the construction is complete, and it allots $200,000 for that investigation.

There is ample and persuasive evidence available to support such legislation and the fact that there has been serious damage is already acknowledged by the Secretary of Transportation in testimony before the Senate Appropriations Committee as well as in consultation with Alaska authorities.

The concept of my bill is endorsed by a resolution of the Alaska Legislature. It has the full backing of the Governor.

I have every confidence that data produced in hearings which I will request on the measure in connection with the Federal Highway Act later this month will insure your backing as well.

I will welcome the privilege of bringing that record to you when it is complete.

By Mr. DOMENICI:

S. 2072. A bill to declare that title to certain lands in the State of New Mexico are held in trust by the United States for the Ramah Band of the Navajo Tribe. Referred to the Committee on Interior and Insular Affairs.

Mr. DOMENICI. Mr. President, I send to the desk, for appropriate reference, a bill providing that certain lands be held in trust by the United States for the Ramah Band of Indians in New Mexico.

All the lands involved are administered by the Bureau of Indian Affairs under Public Land Order 2198 of August 26, 1960. These lands are located adjoining the Ramah Navajo Reservation and for many years have been used by the Ramah Navajos for livestock grazing. The people have cared for the lands if they were their own. The Ramah Navajos now desire that title to the lands be in the United States in trust for the Ramah Band of the Navajo Tribe.

The Bureau of Land Management and the Bureau of Indian Affairs in New Mexico have indicated that they have no objection to this legislation.

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

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

S. 2072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on and after the date of the enactment of this Act, title to the following described lands shall be held by the United States in trust for the Ramah Band of the Navajo Tribe:

Township 7 north, range 15 west, New Mexico principal meridian: sections 7, 19, and 31.

Township 7 north, range 16 west, New Mexico principal meridian: sections 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, and 35.

By Mr. BEALL:

S. 2074. A bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit funds. Referred to the Committee on the Judiciary.

Mr. BEALL. Mr. President, today I am introducing a bill to amend the Bankruptcy Act with respect to the priority of contributions to pension plans and employee benefit plans.

It has come to my attention that, while in the last few years there has been an emphasis on worker pension and welfare benefits including medical benefits, life insurance, and other items, these benefits are not protected if the employer becomes bankrupt.

In many cases during negotiations for wages, workers have agreed to reduced salaries, and in turn employers have agreed to pay specified amounts into pension and welfare program funds. For example, as Mr. Jerry Menapace, President of the Meat Cutters Local No. 117, wrote me in a letter concerning fringe benefits:

> In many of our larger contracts, the employer is obligated to pay over $200.00 per month per employee.

Presently under the Bankruptcy Act, unpaid wages—for up to 3 months prior to bankruptcy—will be paid prior to the settlement of any general creditor debts. However, amounts paid into pension and welfare funds do not receive this treatment and are therefore often lost when there are insufficient funds to pay general creditors. It appears to me that this is inconsistent with the concept that wages should receive priority consideration in payment of the debts of a bankrupt party. These benefits are negotiated for as wages, are considered wages by employers and employees, and should be so treated under the law. The effect of the definition change that I am proposing will do exactly that. Pension and welfare benefits would receive the same treatment as wages. Specifically, if fund contributions have not been made, any outstanding amount equal to up to 3 months' payment, would have to be paid prior to the payment of general creditor claims, along with outstanding wages.

This bill is required in light of the case, *United States* v. *Embassy Restaurant, Inc.*, 359 U.S. 29, 37 (1973) which held that contributions to be paid to the trustees of a union welfare fund, according to a collective bargaining agreement, were not wages within the meaning of the Bankruptcy Act. I completely agree with Justice Black when he said in his dissenting opinion:

> It is hard for me to see how they could not be wages. Payments are certainly not gifts. As was stated less than a year ago by a Senate committee which had made an extended study of plans such as those here involved, "Regardless of the form they take, the employer's share of the costs of these plans or the benefits the employers provide are a form of compensation."

Therefore, I am today proposing that we change the law so that contributions that should be made to employee benefit funds, within the 3 months prior to bankruptcy, can receive the same treatment as wages. If all parties involved consider these wages, and commonsense leads to the same conclusion, they should be treated as wages. Since employers cite these as fringe benefits in bargaining with employees, and they often emphasize these concessions to prospective employees, the law should recognize that these benefits are wages. My bill would do precisely that, nothing more, nothing less. Since the law is inconsistent with market practices, it must be changed.

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

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

S. 2074

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (a) of section 64 of the Bankruptcy Act, as amended (11 U.S.C. 104), is amended by adding at the end thereof the following sentence: "For the purposes of clause (2) of the preceding sentence the term 'wages and commissions' shall include, with respect to each claimant, any amount due to a pension plan or employee benefit fund or to any person for the benefit of the claimant as a result of the claimant's employment."

SEC. 2. The amendment made by the first section of this Act shall become effective ninety days after the date of enactment of this Act, and shall govern proceedings in cases pending when it becomes effective and in cases instituted thereafter.

By Mr. BAYH:

S. 2075. A bill to amend the Internal Revenue Code of 1954 so as not to allow a deduction for amounts paid under certain disability compensation plans if such plan reduces disability benefits to compensate for increases in social security benefits paid to disabled employees. Referred to the Committee on Finance.

Mr. BAYH. Mr. President, today I am introducing legislation to correct an abuse in our society against those who are least able to withstand such abuse. I am referring to several hundred thousand disabled Americans who have seen the benefits from their private long-term disability compensation plans dissipated because they also receive social security disability benefits. This shockingly cruel situation is legal because of the so-called "offset" provisions of the plans under which workers receive a fixed monthly insurance payment in addition to social security. In taking out these private insurance plans, employers sought to supplement the still inadequate social security benefits their employees would receive under existing law. There are various kinds of offset features in these long-

term disability compensation plans. One type of offset provides that the amount of the private payment is decreased dollar-for-dollar as social security benefits increase.

Although these private long-term disability plans have been utilized in increasing numbers since the mid 1960's, it has only been with the acceleration of inflation in recent years that the inequities of the offset provisions have come to the fore.

Generally, there are on provisions under the long-term disability compensation plans provided by employers for adjusting benefits of current beneficiaries as prices rise. Since a disabled employee's social security benefits will rise in response to cost of living increases, he is faced not only with having his original social security benefit offset against the private disability benefit, but then also having the offset apply to the incremental increases he receives over the years in social security benefits.

The Wall Street Journal of January 21, 1975, illustrated the effects of one type of offset plan in the case of Gary Bierman, a 31-year-old former warehouseman, who in 1972 had to leave his job in Watsonville, Calif., when he was disabled by advance arteriosclerosis. At the time he left his job, he was entitled to monthly benefits totalling $433, including $177 from his private disability insurance and the balance from social security. During the 6-month mandatory waiting period before the benefits under the private plan were payable, an increase in social security benefits reduced the private insurer's portion of the total to $125. Since that first payment, Mr. Bierman's social security benefits increases another 31 percent, and the private insurer reduced its payment to only $91. Thus instead of receiving the needed cost-of-living adjustment, Mr. Bierman's total income, of course, remained static.

Offset provisions are prohibited by law or by regulation in some States. It is high time for the Congress to take action at the Federal level to see to it that its intent in enacting cost-of-living increases in social security benefits has meaning for every recipient.

To accomplish this objective, my bill would amend the Internal Revenue Code of 1954 to provide that no deduction would be allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefit payable to an individual are reduced, or any scheduled increase in benefits is omitted, on account of any increase in monthly insurance benefits to which the individual is entitled under title II of the Social Security Act if such increase occurs after the individual begins to receive benefits under the plan. The term "disability compensation plan" means a program—including a program of insurance—established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.

There are few long-term disability compensation plans which are designed to help stabilize the real value of disability benefits throughout an inflationary period. Some plans provide periodic adjustments based on certain cost-of-living increases. Others stipulate an increase in benefits based on some stated percentage each year.

Still others freeze the dollar amount of the offset at the amount the individual receives at the time of disablement. Naturally, these plans are more expensive, and there has been very little interest shown on the part of the employers in shifting from the cheaper offset type. By denying an employer a deduction for the purchase of the offset plan, my proposal will make this type of plan considerable less desirable vis a vis plans providing greater benefits.

This proposed legislation does not seek to provide additional benefits to undeserving recipients. Entitlement to disability benefits under title II of the Social Security Act is based on strict requirements. To be eligible for disability benefits, an individual must have a physical or mental impairment that is expected to result in death or which has lasted or can be expected to last at least 12 months. In addition, the medical condition must be so severe that the disabled person can no longer engage in substantial gainful employment.

Also, this proposal is not specifically aimed at those private qualified pension plans which have a disability retirement feature providing the same type of benefits offered through long term disability compensation plans. The difference is that the private pension plan in order to qualify for certain tax benefits must abide by the provisions of Internal Revenue Service Ruling 71–446 which includes an offset freeze for private disability benefits which are integrated with social security benefits. Once the offset is applied under the private pension plan, the dollar amount of the offset cannot be increased by subsequent increases in social security benefits.

As we are well aware, increases in the cost of living affect us all. But these increases to those living on disability benefits can be literally a matter of life and death. It is one thing to deny yourself a new car because you cannot quite stretch your budget to include it. It is quite another thing to deny yourself medicine or the needed trip to the doctor because you can no longer pay the bills. These are not choices in the realm of the imagination. These are real choices being forced on the disabled as their purchasing power shrinks day by day.

The burden of being disabled is difficult enough. The least the Congress can do is to assure that this burden is not increased by needless financial worries. I believe that the passage of this measure will alleviate many of these worries and will also restore the original intent of the Congress in enacting cost of living increases for those who are dependent upon social security benefits.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2075

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction is allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b) (1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS.".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 264. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

SEC. 2. The amendments made by this Act apply to taxable years beginning after the date of enactment of this Act.

By Mr. NUNN (for himself and Mr. TALMADGE):

S.J. Res. 103. A joint resolution to authorize the Secretary of the Interior to designate the site of the Battle of Savannah of 1779 as the "Savannah Battlefield National Memorial." Referred to the Committee on Interior and Insular Affairs.

Mr. NUNN. Mr. President, as we begin the celebration of our Nation's Bicentennial, I believe it is appropriate to acknowledge in a tangible manner the important contributions made to the ultimate success of the American Revolution by France. It was the French Government, in the person of King Louis XVI, which was persuaded by our Nation's first ambassador, Dr. Benjamin Franklin, to grant the first formal recognition of our fledgling Republic, thereby enabling us to join the Family of Nations. Prior to that historic moment, however, the French played an important role in our military efforts to achieve independence, one of the most significant of which took place in Savannah, Ga.

In addition to the arms and supplies they made available to the struggling American patriots, the French Government supplied military manpower. At Savannah the combined French and American forces unsuccessfully confronted the British in a battle which produced the second highest number of casualties in our war for independence and which proved to be a turning point in that war. Count Charles-Henri d'Estaing, ancestor of the current President of French, Giscard d'Estaing, was among those who were wounded, and hundreds

of valiant French and American soldiers gave their lives in this noble effort.

The Savannah battle site is among the least commemorated of all our Revolutionary battlegrounds, and, in an effort to establish a permanent memorial there, I sponsored legislation with Senator TALMADGE in the 93d Congress which was also proposed in a companion bill in the House of Representatives by Congressman GINN to achieve that purpose.

The joint resolution I am introducing today differs from the earlier version in that it proposes that we give national recognition to a local effort to establish an appropriate memorial in commemoration of the allied French and American effort to achieve independence in our land. Upon completion of such a memorial, the Secretary of the Interior is authorized to designate the structure and associated property as the "Savannah Battlefield National Memorial," whose maintenance will be entrusted to the people of Savannah.

I believe this proposal reflects the finest spirit of American civic action, and is especially significant during our Bicentennial celebration because it encourages the participation of individual citizens and local municipalities in the commemoration of our national history. Such efforts are to be commended, for they utilize local and private funds for the preservation of individual segments of our heritage, which is in the greatest tradition of the Nation whose birthday we are celebrating.

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

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

SENATE JOINT RESOLUTION 103

Whereas the approaching bicentennial celebration of the War of the American Revolution is a fitting time to give belated recognition to the memory of the hundreds of valiant French and American soldiers who gave their lives on October 9, 1779, in the unsuccessful assault on the British lines at Savannah; and

Whereas the bicentennial is likewise a fitting occasion for proper although belated recognition of the importance of that assault in the later course of events of the Revolutionary War; an assault in which the second largest number of casualties occurred of all the battles in the war for independence, including the immortal General Pulaski and Sergeant Jasper, and, among the many wounded, the French general, Count Charles-Henri d'Estaing; and

Whereas the site of the assault in Savannah is the least commemorated and marked of any major Revolutionary battleground; and

Whereas the ground over which part of the main attack of the American and French forces on the British lines was made and across which the British defensive works lay in 1779 is available for private acquisition as a permanent memorial and reminder of one of the bloodiest and most significant battles in our struggle for independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the completion of a memorial structure in a suitable setting, located upon property associated with or in the vicinity of the October 9, 1779, Battle of Savannah, Georgia, in a manner satisfactory to the Secretary of the Interior, and which in his opinion appropriately memorializes the significance of the Battle of Savannah in the American war for independence, and upon conclusion of a cooperative agreement with the owner thereof, the Secretary of the Interior may designate such structure and associated property as the "Savannah Battlefield National Memorial". Such designation may be withdrawn by the Secretary at any time upon a finding by him that the owner has breached such cooperative agreement, or has operated or is about to operate such memorial in a manner inconsistent with its designation as a national memorial or with the public interest.

SEC. 2. The Secretary of the Interior is authorized to provide technical and historical counseling and advisory services to public and nonprofit private organizations engaged in the development of an appropriate area proposed for designation as the memorial pursuant to the first section of this resolution, but the Secretary shall not acquire, develop, operate or maintain such memorial.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 19

At the request of Mr. DOLE, the Senator from Connecticut (Mr. RIBICOFF), the Senator from Wyoming (Mr. McGEE), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. PHILIP A. HART), the Senator from Idaho (Mr. CHURCH), the Senator from Maryland (Mr. MATHIAS), the Senator from Tennessee (Mr. BROCK), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 19, a bill to amend title XVI of the Social Security Act so as to provide for the referral, for appropriate services provided by other State agencies, of blind or disabled children who are receiving supplemental security income benefits.

S. 988

At the request of Mr. KENNEDY, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 988, the National Heart and Lung and Research Training Act of 1975.

S. 1598

At the request of Mr. MORGAN, the Senator from Vermont (Mr. LEAHY) and the Senator from Idaho (Mr. McCLURE) were added as cosponsors of S. 1598, a bill to amend the Omnibus Crime Control and Safe Streets Act.

S. 1685

At the request of Mr. RIBICOFF, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1685, a bill to amend the Social Security Act for States to continue payments on a quarterly basis.

S. 1746

At the request of Mr. BELLMON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1746, a bill to provide additional facilities for farmers and other rural residents.

S. 1926

At the request of Mr. SCHWEIKER, the Senator from New Jersey (Mr. CASE) was added as a cosponsor of S. 1926, the Health Maintenance Organization Amendments of 1975.

S. 1927

At the request of Mr. BIDEN, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 1927, the Equal Credit Opportunity Act Amendments of 1975.

S. 1956

At the request of Mr. MONDALE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1956, a bill to amend the Federal Crop Insurance Act to extend crop insurance coverage under such act to all areas of the United States and to all agricultural commodities, and for other purposes.

S. 1961

At the request of Mr. BIDEN, the Senator from Utah (Mr. MOSS) and the Senator from Michigan (Mr. PHILIP A. HART) were added as cosponsors of S. 1961, the Consumer Leasing Act of 1975.

S. 1989

At the request of Mr. STONE, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1989, a bill to direct the preparation and submission to the President of information to assist in negotiations with oil-producing countries.

S. 2038

At the request of Mr. BARTLETT, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2038, a bill to amend the Internal Revenue Code of 1954, to increase the exemption for purposes of the Federal estate tax and to provide an alternate method of valuing certain real property for estate tax purposes.

S. 2040

At the request of Mr. ABOUREZK, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 2040, the Judicial Salary Act.

SENATE RESOLUTION 144

At the request of Mr. BURDICK, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of Senate Resolution 144, to urge the restoration of the status of amateur athlete for the late Jim Thorpe, and for other purposes.

SENATE CONCURRENT RESOLUTION 28

At the request of Mr. MONDALE, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate Concurrent Resolution 28, to authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr., to be placed in an appropriate place in the U.S. Capitol.

SENATE JOINT RESOLUTION 3

At the request of Mr. KENNEDY, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution to require the submission and approval by the Congress of fees on oil imports.

SENATE JOINT RESOLUTION 101

At the request of Mr. BURDICK, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 101, a joint resolution to authorize the President to issue annually a proclamation designating that week in

November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 203—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

(Placed on the calendar.)

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Harold R. Weitzel and Frances K. Weitzel, parents of Mary Ann Weitzel, an employee of the Senate at the time of her death, a sum to each equal to one and one-half months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY CONSERVATION AND CONVERSION ACT OF 1975—H.R. 6860

AMENDMENT NO. 676

(Ordered to be printed and referred to the Committee on Finance.)

Mr. PEARSON. Mr. President, I am submitting today an amendment to H.R. 6860, the "Energy Conservation and Conversion Act of 1975," as approved by the House of Representatives. I ask that this amendment be printed and referred to the committee of jurisdiction for consideration.

The PRESIDING OFFICER. The amendment will be received and printed, and appropriately referred.

Mr. PEARSON. Mr. President, on June 12 I proposed amendment No. 586 (in the nature of a substitute) to S. 692, the "Natural Gas Production and Conservation Act of 1975." I am gratified and pleased that 17 of my colleagues have, as of today, joined as cosponsors of amendment No. 586 which provides for phased decontrol of the wellhead price of natural gas. At the time I offered amendment No. 586, my introductory remarks contained the following comment:

Mr. President, concern has been expressed within the Committee on Commerce about the possibility of windfall profits to energy companies if wellhead price regulation is phased out. Personally, I would support an excess profits tax, with a reasonable "plowback" feature, to ensure that capital generated by sales of new natural gas is reinvested in America's energy future. Of course, such legislation under the Constitution must originate in the House of Representatives, or be offered as an amendment during Senate consideration of a House-approved tax bill.

When the appropriate opportunity presents itself, I will be working with those who seek to promote the maximum possible reinvestment of energy revenues in new energy supplies.

Mr. President, the Senate now has before it H.R. 6860. The amendment which I today propose to that bill would provide for a windfall profits tax, with a plowback feature, on production of old oil—assuming controls over such oil are phased out—and on sales of natural gas which would be decontrolled pursuant to my amendment No. 586—in the nature of a substitute—to the Commerce Committee's natural gas pricing legislation.

The windfall profits-plowback tax proposal which I am submitting today is in two parts: First, it incorporates legislation proposed by the distinguished Representative in Congress from New York (Mr. CONABLE) to impose a tax on decontrolled old oil, assuming such oil is decontrolled. Mr. CONABLE's proposal was introduced as separate legislation in the House, and referred to the Committee on Ways and Means as H.R. 7686. Second, the amendment I am offering today expands Mr. CONABLE's bill to include a windfall profits-plowback requirement on the production of "new natural gas" as defined in title III of S. 594, the administration's omnibus energy bill, and in my natural gas proposal, amendment No. 586.

Under the terms of the windfall profits-plowback proposal as it relates to natural gas, my amendment would provide that 90 percent of all revenues in excess of 51 cents per thousand cubic feet—the current FPC ceiling price—received by producers from sales of natural gas available in interstate commerce after the expiration of a contract by its own terms would be subject to tax unless such revenues are "plowed back" in new energy production. My amendment further provides that all revenues in excess of a 20-percent rate of return on investment in the production of natural gas from wells commenced after January 1, 1975, will be subject to the 90 percent tax unless "plowed back" in specified activities designed to stimulate new energy production.

Mr. President, I do not suggest that this tax amendment, as submitted, is in final form. I would solicit a review of this draft amendment by the appropriate tax experts in the Department of the Treasury, as well as the respective staffs and Congressmen on the Joint Committee, the House Committee on Ways and Means, and the Senate Committee on Finance.

I am submitting this amendment today primarily to ensure that a draft windfall profits tax, with a plowback feature, is squarely before the Committee on Finance, and the full Senate, when the provisions of H.R. 6860 are taken up for consideration.

I personally remain committed to promoting a wellhead pricing policy which attracts capital to energy production in America. I believe that energy production, in the impersonal marketplace, must be permitted to compete with other investment opportunities. Finally, I believe that the additional revenues generated by production of new natural gas, as defined in my amendment No. 586, should be reinvested in America's energy future. The proposal which I am offering today, after it is refined and improved by Senators on the Finance Committee, would accomplish this final objective.

In conclusion, Mr. President, my amendment to the tax bill must be considered separately from Senate consideration of phased wellhead price decontrol of new natural gas. Nevertheless, I believe it to be an essential aspect of a rational national energy policy designed to accelerate domestic production of natural gas and to overcome the current shortage conditions.

I urge my colleagues on the Finance Committee to consider the amendment which I am today offering to the House-passed tax bill at the earliest practicable time.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 586

At the request of Mr. PEARSON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of amendment No. 586, intended to be proposed to the bill (S. 692) the Natural Gas Production and Conservation Act of 1975.

NOTICE OF CHILD AND FAMILY SERVICES HEARING

Mr. MONDALE. Mr. President, the Senate Subcommittee on Children and Youth, in conjunction with the House Select Subcommittee on Education and the Senate Subcommittee on Employment, Poverty, and Migratory Labor, is holding the final day of hearings on the Child and Family Services Acts of 1975, S. 626 and H.R. 2966, on July 15, 1975 at 9:30 a.m. in room 2261 of the Rayburn House Office Building.

The hearing will focus on the administration's position on child and family services. Mr. Caspar W. Weinberger, the Secretary of the Department of Health, Education, and Welfare will testify at this hearing. Mr. Weinberger will be accompanied by Mr. Stanley B. Thomas, the Assistant Secretary for Human Development, Mr. John C. Young, the Commissioner of the Community Services Administration, Division of Social and Rehabilitation Services, and Mr. Stephen Kurzman, Assistant Secretary for Legislation.

I urge my colleagues and members of the public to attend this important hearing.

ANNOUNCEMENT OF HEARINGS ON S. 495

Mr. RIBICOFF. Mr. President, the Committee on Government Operations is today announcing hearings on S. 495, the "Watergate Reorganization and Reform Act of 1975," for July 21, 29, and 30 in room 3302, Dirksen Office Building. This legislation would enact the reforms recommended by the Senate Select Committee on Presidential Campaign Activities in their momentous report. I am delighted to announce that our lead-off witness will be the eminent constitutional lawyer and distinguished former Senator from North Carolina, Sam J. Ervin, Jr.

Two of the major provisions of S. 495 are the establishment of a permanent Office of the Public Attorney and the creation of a Congressional Legal Counsel. The Public Attorney would be in-

dependent of the Justice Department and would have jurisdiction to investigate and prosecute allegations of corruption in the executive branch, conflicts of interest, and violations of election laws. The Congressional Legal Counsel would be available to render legal opinions as to whether a President's actions are within the bounds of his authority and would represent the Congress before the Federal courts.

These provisions, as well as the numerous other provisions of S. 495, raise basic constitutional and policy questions which must be thoroughly discussed before any bill of this significance can be enacted into law. During the past several months, the Government Operations Committee has been closely analyzing the various issues raised by the bill and has solicited and received a number of excellent commentaries from constitutional scholars, distinguished individuals, and former presidential assistants.

The committee welcomes any additional statements or comments on this legislation. Interested parties should direct their comments to the Government Operations Committee, 3306 Dirksen Senate Office Building, Washington, D.C. 20510.

BUDGET COMMITTEE TO HOLD ENERGY, ECONOMY SEMINARS

Mr. MUSKIE. Mr. President, next Tuesday, the Senate Budget Committee will begin 2 weeks of public seminars on the budgetary and economic implications of recent or anticipated actions in the energy field. Consideration of these issues is essential both to our committee's report of a second concurrent resolution on the fiscal year 1976 budget and its preliminary work on the budget for fiscal year 1977.

These seminars will be held within the context defined in the first report of the Congressional Budget Office entitled "Inflation and Unemployment."

Senator Moss, who serves as chairman of the Committee Task Force on Energy, will chair several of our seminars. I believe Senator Moss' background and interest in environmental protection, technology, minerals development and consumer affairs will be particularly useful in our efforts.

All seminars will begin at 10 a.m. in the committee hearing room, 357 Russell Senate Office Building.

On Tuesday, July 15, the committee will consider the economic outlook as the context for examining energy policy. Alice M. Rivlin, Director of the Congressional Budget Office, Robert W. Hartman, of the Brookings Institution, and Albert T. Sommers of the conference board will testify.

On Thursday, July 17, the committee will look at the internal aspects of the world energy problem. Discussion will focus on the balance-of-payments situation, the petrodollar buildup, the impact of energy price increases on developing nations and the need for new financial institutions to deal with these problems. Witnesses will include Robert Roosa of Brown Bros., Harriman & Co., William Branson of Princeton University, and a representative of the Overseas Development Council.

On Tuesday, July 22, the committee will look at the impact of the energy situation on production. We will consider the increased need for capital by various industries as well as the proposed incentives to encourage such capital formation. Issues to be discussed include price controls, excise, and windfall profits taxes, the development of production frontiers such as Alaska and the Outer Continental Shelf, and the development of new technological frontiers such as oil shale, synthetic fuels, and solar power. Witnesses expected to participate are C. Howard Hardesty of Continental Oil, Kenneth Hill of Blyth, Eastman, Dillon & Co., Paul Davidson of Rutgers Unversity and Harry Perry, National Economic Research Associates.

On Wednesday, July 23, the subject will be energy consumption. The discussion will focus on proposed incentives for energy conservation either through controls or price increases. Witnesses will include Lee White of the Consumer Federation of America, Herman Kahn of the Hudson Institute, and Lester Lave of Carnegie-Mellon University.

On Thursday, July 24, the committee will consider the impact of alternative energy policies on employment and inflation. The committee will consider the various fiscal and monetary actions which might be required to offset the adverse impact of such policies. Witnesses include George Perry of the Brookings Institution and Phillip Cagan of the National Bureau of Economics Research, Inc.

On Tuesday, July 29, the committee will study the various energy policy "packages" which have been proposed for dealing with the problems of energy, inflation and unemployment in an integrated fashion. Charles Schultze will participate with others.

These 2 weeks of seminars could not be more timely. Anticipated developments in the energy area threaten to reverse the apparent trend toward improved economic conditions. Dealing with significant problems of chronic unemployment and potentially rising inflation rates without recognizing the impact of energy developments cited by the CBO's June 30 report raises obstacles to recovery.

It has become obvious that the problems of unemployment, inflation and energy must be dealt with in a coherent fashion. To address one problem, while ignoring others, is self-defeating. Our solution to the employment problem must reflect our policy judgments as to inflation and energy. Likewise, our solution to the energy situation must reflect our judgments as to appropriate action for dealing with unemployment and inflation.

Recognition of these basic and inevitable trade-offs is critical.

As we begin the following 2 weeks of seminars, our committee will examine the long-term energy challenge, balanced against the twin goals of a prompt, sustained economic recovery and reasonable price stability.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, the Subcommittee on Foreign Assistance will hold hearings on legislation to authorize appropriations for the Peace Corps, H.R. 6334, on July 11, 1975, at 10 a.m., in room 4221 Dirksen Senate Office Building. The hearings will be chaired by Senator HUMPHREY.

Anyone wishing to testify on the above bill should contact Mr. Arthur M. Kuhl, the Chief Clerk of the Committee on Foreign Relations.

NOTICE OF HEARINGS

Mr. MORGAN. Mr. President, the Subcommittee on Small Business of the Banking, Housing and Urban Affairs Committee will hold hearings on July 21, 22, and 23 to consider S. 197, S. 545, S. 648, S. 1124, S. 1547, S. 1792, S. 1952, H.R. 4888, and such other bills as may be introduced and pending before the committee on the above dates.

Anyone wishing to appear to testify on these measures should contact Miss Donna Costlow on 224–7391.

NOTICE OF HEARINGS ON CONGRESSIONAL OVERSIGHT OF FEDERAL ADMINISTRATIVE AGENCIES

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 the Food and Drug Administration and the Environmental Protection Agency. These hearings are the continuation and extension of hearings on oversight of Federal administrative agencies held by the Subcommittee on Separation of Powers in prior sessions of Congress under the direction of Senator Sam J. Ervin, Jr. The purpose of the subcommittee in holding these hearings is to examine the operations of both of these agencies in light of the Separation of Powers formula.

The hearing on the Food and Drug Administration will be held July 17, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. The hearing on the Environmental Protection Agency will be held July 23, 1975, in room 2228 of the Dirksen Senate Office Building commencing at 10 a.m. also.

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.

ADDITIONAL STATEMENTS

ARMS AND MEN IN THE PERSIAN GULF

Mr. KENNEDY. Mr. President, the current issue of the magazine Present

Tense carries a particularly noteworthy article by Mr. Tad Szulc on the subject of U.S. arms sales to the nations of the Persian Gulf. Reviewing the astonishing escalation in the past several years of the sale of military equipment and technical assistance to the newly rich oil States—particularly Iran and Saudi Arabia—Mr. Szulc argues that:

> This massive (American) effort to arm every nation there, must in the long run create a most destabilizing situation in terms of regional and even world peace.

I recently visited the gulf, and I returned convinced that we can do more to promote stability and security in the gulf by stepping back from current practice, and taking a long, hard look at our whole arms sales policy there.

For these reasons, I introduced legislation in the Senate last February to limit the flow of arms to the gulf. My legislation would impose a 6-month moratorium on the sale of arms and related services, unless the administration during that time provided a statement of overall policy toward these sales, and the Congress, by joint resolution, approved it. Recently, I reintroduced this proposal as an amendment to the Foreign Assistance Act, and deleted the 6-month provision.

As Mr. Szulc concluded in his article:

> The time has come to review the wisdom of this policy, or we may live to regret it.

Does the administration have a policy toward the future of the gulf? Can it justify the massive influx of arms and advisers to these countries? Can it show the Congress, conclusively, that in proceeding with this course of action, it is not causing a serious and intense arms race in that region? Can it guarantee the American people that this flood of arms pouring into the region would not be used in the event of a conflict in the Middle East? These are serious questions that need to be answered before we continue pursuing a policy so loaded with dangers.

In urging passage of this legislation, I ask only that we give ourselves in the Congress the chance to understand exactly what is happening, and to play our constitutional role in the making of U.S. foreign policy in this area.

Mr. President, I ask unanimous consent that the article by Tad Szulc be printed in the RECORD.

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

ARMS AND MEN IN THE PERSIAN GULF—WHO'S DOING WHAT TO WHOM AND WHY?

(By Tad Szulc)

Since early 1973, arms, military equipment and ammunition, including some of the world's most advanced and technologically sophisticated hardware, have poured at an astounding rate into the hands of governments in the crucial and volatile area of the Persian Gulf. The value of this war materiel is estimated at $15 billion to $20 billion. It is being followed by advisers and training teams, in and out of uniform, to mesh men and weapons together into great new armies. No area in the world, not even Indochina at the height of the war, has been so intensively and thoroughly militarized by the United States—and, to a lesser extent, by other Western powers and the Soviet Union.

Much has been made of the fact that Britain's military withdrawal from the Persian Gulf in 1971 created a vacuum that the nations of the area simply had to fill. But this is only a partial explanation for the Gulf arms race. With their sudden oil wealth, chances are that Iran, Saudi Arabia and their neighbors would, in any case, have embarked on their militarization programs. Neither King Faisal nor his successors have had much patience with political experimentation. The same holds true of other Gulf rulers.

The extraordinary spectacle of jet fighter-bombers, helicopter gunships, naval vessels, tanks, missilery and artillery, and ancillary equipment descending massively on the Persian Gulf leads to the inevitable conclusion that this massive effort to arm every nation there must, in the long run, create a most destabilizing situation in terms of regional and even world peace.

These dangers have, of course, become even more accentuated with the assassination on March 25 of Saudi Arabia's King Faisal, and the deep uncertainties surrounding the political future of the kingdom which is the world's largest oil exporter. There are unanswered questions about the ability of the new king, Khalid Ibn Abdul Aziz, to preserve Saudi Arabia's internal stability, and it is widely assumed that the real power is in the hands of Crown Prince Fahd. Prince Fahd may well turn out to be more militant than the late king in the context of the Middle Eastern conflict centered on Israel. Conceivably Saudi Arabia could become a "confrontation state" in this conflict rather than remain simply the banker for others. Likewise, the possibility of a takeover by the newly armed and trained Saudi military, repeating the radical coup in Libya, cannot be ruled out.

The collapse, also in March of Secretary of State Kissinger's Middle Eastern peace mission adds to the perils. If another Arab-Israel war should erupt, some of the new weapons acquired since 1973 by Saudi Arabia and Kuwait could be used against Israel. The new understanding between Iran and Iraq, seemingly ending their long period of hostility, is another element of uncertainty in the Persian Gulf as well as in the Middle East in general. Ironically, this development may not only free Iraqi forces for actions in a new war against Israel, but also bring Iran closer to the Arab cause.

Such profound changes have occurred in the Persian Gulf in the first quarter of this year—and so great are the new perils—that one may well ask whether the U.S. has not committed a major policy error in allowing the Gulf countries to become so over-armed. After all, against whom are these great arsenals to be used?

But before this question can be answered, assuming that it is rationally answerable, it is necessary to define what actually constitutes the Persian Gulf area and to analyze geopolitical, economic and military equations existing there. The real or perceived interests of the great powers in and around the Persian Gulf as well as the interests of the littoral nations also require consideration.

In geographic terms, the Persian Gulf is a more or less oblong body of deep water covering an area of 92,000 square miles, the nearest thing to an inland sea. Because of its oil wells, it may be the most strategic and valuable 92,000 square miles in the world. The Gulf stretches from the estuary of the Euphrates and the Tigris, in the north, to the Strait of Hormuz, in the southeast. Past the Strait, a strategic passage only thirty-five miles in width, are the Gulf of Oman, the Arabian Sea and the Indian Ocean.

The Persian Gulf states are Iran in the east; Iraq atop the Gulf's northernmost reaches; Kuwait, south of the Iraqi border; Saudi Arabia, occupying the vast swath of the Gulf's eastern coast; the island of Bahrain, Qatar, jutting out into the Gulf east of Bahrain; the six United Arab Emirates (of which Abu Dhabi and Dubai are the most important); and finally Oman, guarding the southern shore of the Strait of Hormuz, then curving southwest and south along the Gulf of Oman and the Arabian Sea.

In a very broad sense, the Persian Gulf has a strategic meaning that transcends its formal boundaries. Looking north, northwest and west, it is clear that the power relationships developing in the Gulf have an impact on the Middle East. Iraq, a radical Arab state which has a friendship treaty with the Soviet Union, borders on Syria, another Soviet military client, and on Jordan. During the 1967 Arab-Israel war, Iraqi units moved into Jordan in support of the King and remained there for about two years. Iraq, then, is part of both the Persian Gulf and Middle Eastern strategic equation. So is Saudi Arabia with its western coast on the Red Sea and its northern borders contiguous with Jordan and Iraq. The Saudis play a major role in the Mideast conflict, exercising important political influence through their financing of Arab armies and the Palestine Liberation (PLO). A conservative, religious state, Saudi Arabia is concerned with Soviet and Communist inroads in Southern Yemen and even in Somalia (another country with a Soviet friendship treaty) across the Gulf of Aden. But one should bear in mind that Saudi Arabia's international outlook may change should Faisal's death be followed in time by a radicalizing movement.

In the northwestern corner of the Gulf, there is long-standing animosity between Saudi Arabia and Iraq, which share a common border. In the north, above the Gulf, Iran and Iraq are natural rivals despite their formal reconciliation earlier this year. Two years ago, Iraq fought a brief war with Kuwait. In the north and northeast, the Soviet Union looms large over Iran. In the southeast, Iran maintains an alliance with Pakistan to protect its Indian Ocean flanks. Should India ever overrun Pakistan, the Iranians would feel encircled, for it, like Iraq, has a friendship treaty with Moscow. For this reason, Iran shares with Pakistan a concern over Soviet influences in Afghanistan, the mountain kingdom northwest of Pakistan, and alleged Soviet meddling in Baluchistan, a tribal area shared by Iran and Pakistan. The Shah is so concerned about unrest in Baluchistan that he has formed a virtual alliance with the Pakistanis to protect this region. Iran's strategic interest therefore extends to the Indian Ocean just as Saudi Arabia's strategic interest is projected toward the heart of the Middle East.

The U.S., likewise aware of Pakistan's importance in the area between the Gulf states and the South Asian land mass, finally lifted last February the ten-year-old embargo on arms sales to the Pakistanis (the embargo on India was also lifted, but the Indians have long relied on the Soviet for their modern hardware).

Inasmuch as tankers carrying Persian Gulf oil to Western Europe, the United States, South America and Japan must cross the Strait of Hormuz before entering the Indian Ocean, this strategic concept is further broadened. As far as the West and Iran and Saudi Arabia are concerned, the Strait must remain in friendly hands. The fact that the Soviets have a naval and an air base on the island of Socotra in the Arabian Sea (Socotra belongs to left-wing Southern Yemen) worries the West because the Hormuz Strait is now within Soviet operational reach. There are Soviet installations in Aden, Southern Yemen, and Berbera in Somalia,

which signed a friendship treaty with Moscow last year. Theoretically, Soviet warships and planes could interfere with oil-tanker routes around the South African Cape.

Soviet flights from home bases to its facilities in Southern Yemen and Somalia are routed over Iraqi territory and, presumably, over the Persian Gulf. The Russians are also building a naval base for their Iraqi friends at Umm Qasr at the apex of the Persian Gulf. When the Suez Canal is opened to traffic, the Soviet Mediterranean fleet will be able to move units down the Canal, the Red Sea, the Gulf of Aden, the Arabian Sea, the Gulf of Oman, and, if unchallenged, into the Persian Gulf through the Strait of Hormuz to put in at Umm Qasr. From the military viewpoint, this would save the Soviet Navy the immense delays of sailing from Vladivostok and other Pacific ports to reach the Arabian Sea and the Indian Ocean.

The United States, not surprisingly, also wants a foothold in the area. In addition to the naval facility on Bahrain, where the tiny Middle East Task Force is based, Washington, in 1974, obtained base rights on Britain's Diego Garcia island in the center of the Indian Ocean below the Persian Gulf. More recently, it negotiated landing rights with Oman on Masirah island, where the British retain a base. Masirah is off the coast of Oman on the Arabian Sea, guarding the approaches to the Strait of Hormuz. Diego Garcia and Masirah would hopefully become crucial air and naval support points in the Indian Ocean. As matters now stand, the U.S. Navy can support its Indian Ocean operations only from the east coast of the United States or from the Philippines.

Considering Soviet and U.S. interests in the Middle East and the Indian Ocean, it may validly be argued that strategically the ramifications of what is happening in the Persian Gulf extend from the Caspian Sea to the Suez Canal and from the African coast to Pakistan. The Persian Gulf's military politics can thus only be understood in this extremely wide strategic context. This is the way the Shah of Iran, the mightiest warrior of the region, explains his need for his steadily growing army, navy and air force. He sees himself as the supreme protector of the Strait of Hormuz. To assure continued control by the Sultan of Oman of the southern shore of the Strait, the Shah sent his troops to help put down (not yet wholly successfully) leftist guerrillas of the Popular Front for the Liberation of the Occupied Arabian Gulf (PFLOAG). Early in 1975, his attention increasingly riveted on the Indian Ocean, the Shah gave Pakistan at least fifty F-5 American-built jet fighters that he had held for a number of years.

The conflict between Iran and Iraq seemed to come to an end when the Shah withdrew his military support for the rebel Kurdish tribes in Iraq that have been fighting the Baghdad government for fourteen years. In return, the Iraqis agreed that their border with Iran would run along the middle of the Euphrates-Tigris estuary so that oil tankers from Iran's huge refinery at Abadan would not have to navigate through Iraq's territorial waters. Prior to the settlement, significantly worked out by Algeria's radical president, Houari Boumedienne, the Iranians used American arms to aid the Kurds while the Iraqis depended on Soviet equipment. On at least one occasion in 1974, Iranian antiaircraft missiles (supplies by the U.S.) fired on Iraqi MIG jet fighters.

Under normal circumstances, the ending of a dispute in the Persian Gulf would be greeted with satisfaction. But a mystery surrounds the Shah's decision to betray the Kurds—they certainly consider themselves betrayed—in exchange for a relatively minor border adjustment. Many diplomats believe that major political considerations entered this decision, including the Shah's receptivity to Boumedienne's pressures for greater Moslem solidarity in the Gulf.

From Israel's viewpoint, the Baghdad-Teheran agreement seemed to bode ill. Iraq, which remains militantly anti-Israeli, is now free, if it so desires, to send its troops to Israel's northern front. And it does not follow that the apparent end of the Kurdish rebellion will mean a lesser Iraqi dependence on Soviet military aid. The Shah, on the other hand, may abandon his past neutrality toward Israel. In a new war, or even without it, Iran may halt vital oil shipments to Israel. The U.S., needless to say, has no leverage in Teheran to assure Israel of an uninterrupted flow of petroleum.

Oil is inevitably the overwhelming factor in the Persian Gulf equation. Virtually all the Persian Gulf countries are oil producers, and their new and spectacular wealth is based on the quadrupling of its prices since 1974. Oil pays for the extraordinary arms purchases by the Gulf nations and the control and protection of oil colors all Gulf politics.

But this, too, has different meanings to the various Gulf rulers. Their common economic denominator is their membership in the Organization of Petroleum Exporting Countries (OPEC), which also includes Algeria, Libya, Indonesia, Nigeria, Venezuela and Ecuador. The powerful oil cartel still determines much of the fate of global economies. Thus far specific ideologies and domestic politics have been kept out of OPEC, for it brings together the Iranian, Saudi and other Gulf political conservatives with the radical regimes of Iraq, Algeria and Libya. Kings and sheiks work side by side with Socialists and leftists of various persuasions. Predominantly Moslem but non-Arab Iran cooperates with the Arab Saudis, Iraqis, Libyans and others. That Iran sells oil to Israel (it continued doing so during the 1973 Arab-Israeli war and promises to make up for production losses if the Israelis return their Abu Rudeis fields in the Sinai to the Egyptians) was never a problem with the Arabs in the OPEC context. They are too realistic to blacklist Iran in any way for dealing with Israel.

Yet, aside from OPEC solidarity in terms of protecting its members' oil resources, why do the Gulf countries deem it necessary to arm themselves to the teeth, apart from the protection of their oil? A close look at their situations—and their actions—suggests that they might have other individual and often contradictory reasons for gorging themselves on jet fighter-bombers and tanks.

Iran, as we have seen, invokes broad strategic reasons for its military attitudes and acquisitions. Considering that between 1972 and early 1975 the Shah invested more than $8 billion in armaments and logistic support, the Iranian claim cannot be taken entirely at its face value. Realistically, direct threats to Iranian oil could come only from the Soviet Union for no other state in the region can successfully take on the Shah's very powerful military establishment. But there is no visible reason why Moscow would risk a major war in the foreseeable future to grab the Iranian oil or even to revive its postwar claims to the northern province of Azerbaijan. The Russians made no such moves even when Iran was relatively weak in the prebonanza days. Should Moscow decide someday to attack Iran, chances are that it would run over the Shah's military establishment in a matter of days or weeks, despite the new Iranian arsenal. Besides, a Soviet assault on Iran would be certain to set off a confrontation with the United States, possibly leading to a nuclear war. The Russians are unlikely to act quite so madly—and the Shah must know it. Despite his great regional strength, he would have to depend in the crunch on the American "nuclear umbrella." Even if (as India did, with Canadian nuclear fuel) Iran develops its own atomic bomb by secretly transforming spent uranium fuel from nuclear power plants the Shah plans to buy from the United States, to produce plutonium for a bomb, it would be no match for Soviet strategic power.

Essentially, Iran is the superpoliceman of the Persian Gulf and certainly its dominant power. In regional terms, of course, the new Iranian power has its uses. By sitting astride the Strait of Hormuz, Iran can effectively control and block this strategic passageway against hostile naval movements. Still, Hormuz is an international waterway and the Shah might have a problem if he should seek to prevent the passage of Soviet or other warships from the Arabian Sea to UmmQasr in peacetime. And there is the valid argument that if Oman were to be overrun by the PFLOAG guerrillas, there could be a danger to the innocent passage of tankers bound for the West from the Gulf, and that the radicalization of Oman and the United Arab Emirates which would undoubtedly result would endanger the stability of both Iran and Saudi Arabia. In this sense, then, the Shah has a stake in maintaining the status quo on the western shore of the Gulf and his military buildup can be thus justified. One may even argue that Iran's regional strength is a deterrent to whatever adventures Iraq and its Soviet friends may think up some day.

The other overwhelming danger to Persian Gulf—and Iranian—oil would be an intervention by the United States and Western European nations to avoid what Secretary of State Kissinger described as oil "strangulation" of the West. Considering the distances involved in carrying out such an operation, the Iranians could have some success in defending themselves and the Gulf from Western attack, should such an act of folly ever be contemplated. Whatever Kissinger may have had in mind when he made his "hypothetical" warning last December, it would seem insane for the United States to keep arming and training the armies of the Persian Gulf if it really planned an invasion.

If we discard imminent Soviet or American invasion threats as a rationale for the Iranian buildup, we are left with only the superpoliceman role the Shah is playing in the Gulf. This being the case, one may well ask whether this is not an overkill situation. Does the Shah really need the most modern F-15 jetfighters and the other highly sophisticated products of the United States defense establishment to police the Gulf against guerrillas and radicals? The F-15s are now on order in the U.S.

This question leads to the next one. Is Iran using the existing situation in the Gulf to establish its hegemony in the area? Is the Shah, who openly speaks of re-creating the great Persian empire, embarking on expansionism that in turn may set off opposing forces and destabilize the whole region? Which leads in turn to another question: whether the countries of the Persian Gulf are not, in the long run, arming themselves against each other rather than against outsiders? A case can probably be made for this interpretation, for the Shah is far from alone in this militarization process.

Saudi Arabia, second only to Iran in the extent of its military acquisitions in recent years, is engaged in building a powerful army and air force. In Saudi Arabia's case, however, the rationale is different. A direct Soviet attack on Saudi Arabia is even less likely than an attack on Iran. The Gulf policeman theory does apply, however, to the Saudis as well, to a large extent. Faisal was obviously uncomfortable with radical movements on the fringes of his kingdom. In the early 1960's, he dispatched troops to support Yemenite royalists against Egyptian-backed rebels as part of a long but unsuccessful effort to extirpate radicalism in his backyard. Today, his successors are concerned

with stability in the Emirates and Oman, just as is the Shah.

There is still another element in this equation. King Faisal regarded the eastern shore of the Gulf as Saudi preserve and he is known to take a dim view of Iranian activities there. Significantly, the Saudis refer to the Gulf as the "Arabian Gulf," and this has a meaning transcending geography or semantics. There were Iranian-Saudi tensions around Oman in the 1960s, and even now there is less than pure love between the Shah and the Saudis. Without predicting a Saudi-Iranian conflict, a most unlikely event given the community of their other interests, it is safe to suggest that Saudi Arabia tries to keep pace with the Shah's military expansion.

The same general reasoning probably inspired the weapons purchases by such states as Kuwait, Abu Dhabi, Qatar, Dubai and Oman. Kuwait has its own special reasons for wanting to be strong because of territorial disputes (which led to some fighting in the early 1970s) with Iraq. But, by and large, the feeling in the smaller Persian Gulf countries is that they need military strength to maintain their territorial and political integrity in the face of the growing Iranian and Saudi power. The local rulers surely know that nature abhors a vacuum and presumably they do not wish to whet the appetities of their stronger neighbors. Oman, for example, must remember the loss of its Hormuz Strait islands to Iran. And in the case of Abu Dhabi, against whom does it plan to use its anti-aircraft Hawk missiles and its new jet fighters?

In Saudi Arabia's case, the Middle Eastern question looms importantly. The new leadership—King Khalid and Prince Fahd—may not share the late Faisal's religious fervor over Jerusalem's mosques, but from what is known they are equally committed to Israel's eradication in its present form. Before his death, King Faisal was very much involved in Kissinger's peace negotiations. It is virtually certain that Saudi Arabia's new rulers would again apply the oil weapon in the event of a new war (which is why Kissinger had developed his relationship with Faisal) and no prudent strategist in Washington can rule out the possibility that the Saudis might feel impelled at some point to join their Arab brethren in combat.

U.S. laws forbid a country buying arms here to transfer them to "third countries" without Washington's permission. But, as a practical matter, there is little the U.S. can do to prevent Saudi Arabia from "lending" or donating aircraft or other modern weapons to Egypt or Jordan. Besides, the Saudis are also buying French and British equipment. With the U.S. actively training the Saudi army and air force (there are thousands of Saudi airmen, officers and technical specialists being trained in this country, while the National Guard is being rebuilt to U.S. Army specifications by a "private" American corporation under a Pentagon contract), the kingdom's forces could play a significant role in another war.

This, of course, raises the disturbing question of whether Kissinger and the Pentagon, so ready to sell arms to Saudi Arabia, have given adequate thought to the possibility that the strategic balance in the Middle East may be broken through a Saudi involvement, direct or indirect, against Israel. Thus Prince Fahd declared on March 31 that Saudi Arabia would continue its military buildup in order to be "a force in the defense of the Arab nation and of the Arab cause."

The Saudis participated in the 1948 Arab-Israel war, but, at the time, they were a minor military factor. Today, the combination of their new armed establishment with the threat of a new oil embargo against the West places the Saudis in a highly significant position in the context of the Mideast crisis.

The military buildups in the Persian Gulf make military adventures around and beyond its borders and subsequent international destabilization distinct future possibilities. But one more dimension, suggesting that the whole armament effort might become self-defeating, should be added at this juncture.

This is the threat of radicalization within the new Persian Gulf military establishments. It must be borne in mind that all the Gulf governments (with the possible exception of Kuwait) are highly authoritarian, if not downright absolutist. In March 1975, for one example, the Shah turned Iran into a one-party state—and even before this move the Iranians lived under a system that not even remotely approached democracy.

Iranian, Saudi and other young officers could develop radical tendencies, leading them to the kind of coup that Colonel Qaddafi carried out against King Idris in oil-rich Libya. Even more than Libyan officers at the time, military officers in the Gulf countries are increasingly exposed to outside ideas about social justice and political freedoms as they undergo training in the United States and elsewhere in the West. They may well import such "subversive" ideas as they return home, setting in motion conspiracies and coups. With their new weapons and modern organizational training, they could be a lethal peril to their sovereigns. The results of such actions are unpredictable, but they could result in havoc in the already so volatile Persian Gulf—with the Russians and their Iraqi friends cheering from the sidelines.

The possibility leads one to wonder what thought the United States government is giving to the future in the Persian Gulf as it insouciantly provides these countries with just about everything they want militarily—short of nuclear weapons. Actually the Administration is split over the wisdom of selling vast quantities of arms to the Gulf nations, though those who advocate this course are obviously in the driver's seat.

Among the various explanations heard in Washington is that stability in the Persian Gulf is essential to United States interests, and that in order to achieve it such countries as Iran and Saudi Arabia must be militarily powerful beyond challenge. Nobody opposes the first part of this argument, but there are many doubts, especially on the working level in the State Department (i.e., officials who are not part of Kissinger's small policy-making group) about its corollary. In other words, what is being questioned is whether the concept of a strong Iran or Saudi Arabia hasn't gone beyond the realm of reason and thus become a danger.

No serious strategist regards Iran or Saudi Arabia (certainly not the latter) as a United States surrogate power in the Middle East in the context of a major confrontation with the Soviet Union. In the case of Iran, the United States quietly welcomed the Shah's support for Pakistan. The two countries are allied with the United States (which has observer status) in the Central Treaty Organization (CENTO), and Washington considers the Iranian-Pakistani ties important in terms of Indian Ocean security. The United States also believes that a strong Iran is conducive to the preservation of the Persian Gulf status quo. But these are limited objectives that do not seem to warrant politically the kind of immense military programs that the United States supports in the Gulf. The rationale for arming Saudi Arabia is even harder to understand than the case of Iran, particularly in light of the implications should there be a new round of Arab-Israel fighting. Strategically, then, the United States seems to be conducting a perilous balance-of-power game in the Persian Gulf.

Aside from the "strategic" arguments offered in Washington, there is a potent economic consideration which seems to overshadow rational political judgments. The rationale advanced by the Treasury and Commerce Departments with the Pentagon's blessings is that Iranian and Arab arms purchases in the United States are vital for our balance of payments at a time when we are confronted with painful trade deficits resulting from the world price of oil. In the simplest terms, the United States is "recycling" arms for oil—a process that is probably both greedy and short-sighted.

With unemployment growing and recession deepening, there is another argument: that Persian Gulf arms orders help to keep the United States defense industry afloat and thus are required for our economic health. (There is, indeed, evidence that these orders, including hefty pre-payments, have bailed out much of the aircraft industry.) This may well be true, but is it in the long-term interest of the United States—and its defense industry—to become so dependent on Persian Gulf money?

The final reason, principally advanced by the Pentagon, is that if the United States fails to fulfill every arms request from Persian Gulf clients, they will turn to other sources of supply, such as France or Britain. This, of course, is specious. Neither France nor Great Britain is equipped to provide the volume of arms demanded by such countries as Iran or Saudi Arabia—though they sell planes and tanks whenever those two governments decide they need to supplement their American purchases. The likelihood of a turn to Soviet sources is virtually nil in light of the political implications involved.

The United States has become the world's leading arms merchant. The major countries of the Persian Gulf thirsting for more and more weapons, are its principal clients. The time has come to review the wisdom of this policy, or we may live to regret it. And the first test may well come in the Middle East if a new war erupts and Israel bears the brunt of attacks by Arabs armed with weapons Made in the USA.

NATURAL GAS DEREGULATION

Mr. BARTLETT. Mr. President, at the recent midyear meeting of the Independent Petroleum Association in San Francisco, Calif., Mr. Rush Moody, a past FPC Commissioner, commented on the Commerce Committee's natural gas bill, S. 692.

Inasmuch as this legislation may soon be debated by the Senate, my colleagues and their staffs should find Mr. Moody's remarks especially appropriate and enlightening.

I ask unanimous consent that this speech be printed in the RECORD.

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

REMARKS OF RUSH MOODY

A Trojan Horse has been rolled out from Washington. Bearing beautiful garlands labeled "deregulation", brightly decorated with painted slogans of "constructive reform" and "reasonable compromise" and "up with the Independents", this most remarkable horse is offered as a gift of great value. On its brow is stamped the insigne "S. 692," and upon its massive flanks ride the hopes of those who, only a few short years ago, told us there was no gas shortage, and who now tell us that if there is a shortage, the cure is more regulation, not less.

That, of course, is what is concealed within the Trojan Horse labeled S. 692. The secret cargo is more federal regulation, reaching producer, pipeline, distributor, consumer, and state government to an extent heretofore unknown.

Despite a little opening rhetoric, just to let you know I miss writing dissents, I am not here to debate the merits, or the demerits of S. 692 or any other piece of gas legislation. I am not here to urge your support of, or your opposition to, any piece of legislation. On the contrary, if I can be of any assistance to you and to my State at this time, it will be in an analysis of some of the legislation which, I trust, will finally come before the Senate later this month.

If, in discussing these bills, I say anything which offends your common sense, ignore what I say. Follow your own judgment. Put aside the cloak of self-interest and weigh these bills on the scale of national interest. We all know there is a problem; how do we best solve that problem, in a socially and economically acceptable manner?

I suggest to you that you can reach a decision only if you know what is contained in this legislation. You cannot reach a valid decision if you take my word, or the media's word, or the word of the proponents of this legislation as to what it does, and what it does not do. You are intelligent men and women; take the time to read this legislation. Form your own judgments.

When you consider my opinions, you must bear in mind that I hold certain views which necessarily color the way I feel about gas legislation. I am not, and cannot be, wholly objective about these issues—just as I suspect Mr. Freeman and those he works with—are not completely objective. We all carry the imprint of the education and experiences which have shaped our lives, and you must, therefore, listen critically to what I say. You need to know that my views are influenced by certain convictions which I hold as part of my basic beliefs; I believe for example that the natural gas shortage is very real and very serious. I believe that a principal cause of the shortage has been a Federal regulatory structure which priced natural gas in such a way that demand was stimulated while supply efforts were discouraged. I believe that there is no realistic probability of solving the gas shortage unless federal regulation is terminated. I believe the American consumer is the victim of federal regulation, now faced with higher and higher prices for less and less gas if controls continue. And I believe that the Federal government has no beneficial role to play as an oil and gas explorer or developer.

Now quite obviously you may agree with some, or all, or none, of my personal beliefs. But you are entitled to know what I believe so you can test what I say with appropriate skepticism. I do not preach the Gospel. I offer one man's opinions, and you, after your homework is complete, should form your own opinions based upon your own good judgment.

I will be the first to recognize that many in this country will see S. 692 as a progressive piece of legislation. Those who believe that an expansion of Federal regulation of producers is essential will endorse S. 692; those who believe that industry has been withholding gas from market to force deregulation will endorse S. 692; those who would eliminate the intrastate gas market will endorse S. 692; those who believe that SNG should be subsidized by pipeline rate payers will endorse S. 692; those who believe that the gas industry should open all reserve figures and all financial records to public inspection will endorse S. 692; those who believe that the Federal government should allocate natural gas supplies will endorse S. 692; and those who believe Federal controls should replace local controls over retail gas rates will endorse S. 692.

S. 692 is a special piece of legislation; it unmistakeably embodies the notion that more stringent producer controls will conquer a gas shortage which may not be real. Because it is so clearly a piece of legislation tied to a philosophy of greater regulation, it will have, in today's America, many adherents. And they will know precisely why they support S. 692. It is a piece of legislation which operates from the premise that private enterprise cannot, and must not, be trusted with the important business of findings, developing and producing energy.

In talking about S. 692, I labor under a certain handicap that does not afflict Mr. Freeman—and that is, most simply put, that S. 692 seems to change from day to day and time to time without any action by the U.S. Senate. The bill labeled S. 692 which was approved by a 10–8 vote of the Commerce Committee on May 6, 1975, may not be the same S. 692 which is formally printed and offered to the entire U.S. Senate. I don't quite understand how legislation gets changed, substantially, without Committee vote, but I am sure there must be some rational explanation for why the original S. 692 was abandoned after it was voted on, and how it is that a substantively different bill is now being circulated as S. 692.

Perhaps the *real* S. 692 will be shared with the public some time soon. I genuinely hope so, for now about all I can do is offer the Governor advise on what I think S. 692 is and what it does. And that's the best I can do with you.

S. 692 was reported by portions of the media as a bill which deregulates new onshore production for independent producers. I do not think that is accurate. To me, at least, "deregulation" means a removal of regulation—a lifting of existing controls—a return to the free market.

S. 692 does not accomplish this result.

Price is not deregulated, nor are the terms and conditions of sale deregulated.

S. 692 does, clearly, extend regulation to sales not heretofore regulated, and expands regulation where it already exists.

For examples of extensions of jurisdiction:

Intrastate sales have not been regulated; under S. 692 they will be.

Gas produced from federal lands and consumed within the same state has not heretofore been in interstate commerce; under S. 692 it will be.

And as examples of new regulatory controls:

The producer is told to whom he must sell his onshore federal lands production.

The producer is told for how long he must contract.

The producer is told how, and when, he must develop his leases of federally controlled lands.

Let us look at the rate regulation aspects of S. 692 first, and then turn to other facets of regulation which the bill affects.

In order to discuss the pricing aspects of S. 692, you need to understand first that this is an extremely complex piece of legislation, and that the regulatory pattern which it mandates is extremely complex.

For example, if you ask "for what rate will I be able to sell new gas?", I cannot give an answer until I know:

1. What is your FPC classification? Are you a producer, a small producer, a producer who qualifies as an independent, or an affiliate producer? Each of these is a term of art; each does not mean what you might guess without reading the bill; but you cannot know what your rate structure will be until your classification is determined.

2. Before I can tell you what your rate will be, I must know whether your gas will be classified as "old" gas, "new" gas, "exempt" gas, or "intrastate' gas. Again, the definitions are technical, and will, in my judgment, require rulings from the FPC before anyone knows where he stands.

3. Before telling you what your sales rate will be, I must know whether your gas is associated or non-associated.

4. Before telling you what your sales rate will be, I must know whether your gas is produced from lands controlled by the Federal government or from private lands.

5. Before telling you what your sales rate will be, I must know the length of your contract term.

6. Before telling you what your sales rate will be, I must know when your gas was discovered, and by whom; and I must know when it was dedicated to commerce.

Now, if you furnish all this information to me, still I can give you no concrete assurance as to what your sales rate will be—except in those cases where you are marketing gas from acreage previously dedicated to interstate commerce. Then, as I read S. 692, you will receive the old FPC ceiling price for flowing gas in the area. As to this gas, irrespective of when you incurred the cost of drilling and development, your gas price is frozen in perpetuity at existing rate levels, and can be increased only if you individually go to the Commission and prove either that your costs justify a higher rate, or that your situation is identical to some other producer who has attained a cost-based rate for similar production.

I suspect that there are some of you who might question the wisdom of a perpetual price freeze on flowing gas, with the applicable rates having been determined by the Commission five years ago on the basis of 1962 costs. There may be some who question the legality of, and the wisdom of, a legislative enactment which has the effect of declaring that the cash flow generated by sales of flowing gas is unimportant to the search for new supplies. To those of you who raise these questions I can respond only that Sec. 205 of S. 692 is clear and unambiguous; it requires a perpetual freeze on flowing gas rates; it permits the Commission no discretion in raising these rates except as necessary to cover additional costs; and accordingly, it precludes the use of an E and D component in flowing gas rates to help finance future operations.

I wish I could be sure of the operation of S. 692 on other well-head rates as I am sure of its operation on flowing gas rates. There are, however, few hard and fast answers that I can offer on the pricing structure as it relates to new gas.

In general, I suggest that you might try to analyze the S. 692 regulatory structure, as it relates to rates, in these terms:

1. In what instances can you change your contract rate, without review by federal authority?

2. In what instances will your contract rate be subject to change by action of the federal government?

Unfortunately, as I read S. 692, there are *no* instances where your gas sales rate is or will be unregulated. In every situation that I have been able to analyze, your rate is subject to government regulation and government-dictated change.

Very clearly, S. 692 mandates FPC rate regulation in every instance except those sales which fall within the terms of the Cannon amendment, which is now set forth in Sec. 203(L) of S. 692. These provisions, heralded by some as deregulating new onshore gas sales by independents, will not, I submit, result in deregulation of anyone.

First, as to rate regulation. Sec. 203 (L) says that *if* you qualify for use of 203 (L), and *if* your gas qualifies for use of 203 (L), then you may charge up to a BTU equivalency rate based upon the average price of new domestic crude oil. If you exercise this option (assuming you and your gas are eligible), you are subject to FPC control over all of your revenues over 50¢/Mcf; if you do not spend that revenue at times and for purposes acceptable to the FPC, then you must pay to the FPC the number of dollars that the FPC says you owe because you did not spend your revenues properly.

It is impossible for me to equate an honest definition of "deregulation" with a

bill that gives a Federal agency—the Federal Power Commission—control over ¾ of new gas revenues. This strikes me as an extension of regulation, rather than a retraction.

But, leaving all considerations of plow back obligations aside, I suggest that the basic rate provided in Sec. 203 (L) is not an unregulated rate. Your rate will be regulated by the FEA, rather than the FPC.

As you no doubt know, the Temporary Emergency Court of Appeals has recently held that the FEA did not lawfully decontrol new oil prices. As you no doubt know, there is legislation pending in Congress to rollback new oil prices. As you know, the U.S. Senate has twice recently passed legislation that will freeze new oil prices at Jan. 31, 1975 levels. I am suggesting that the price of new domestic crude is presently subject to control by FEA, by the Courts, and by Congress. Any change in new oil prices will operate on new gas prices if S. 692 is enacted. Accordingly, if you sell under Sec. 203 (L) of S. 692, you will be selling at rates controlled by FEA, and any downward revision in new crude prices will, automatically, result in downward revision of gas prices.

Other than the obvious problem of substituting price regulation authority in the FEA for price regulation authority in the FPC, and calling it "de-regulation", Sec. 203 (L) of S. 692 may well create other problems and uncertainties.

For example, how will the FPC administer the plow-back provisions? Can you safely assume that the FPC will in the future agree that your expenditures (already made at the time the FPC passes upon the matter) were reasonable and prudent when made? Giving the FPC control over ¾ of your gas sales revenues may prompt some to wonder whether this FPC authority will be exercised any more realistically, or any more knowledgeably, than the FPC has historically exercised existing producer regulation powers. And, to me at least, the real crux of the problem is that no one knows how the FPC will approach this problem, and will not know, until after exempt gas revenues have already been spent.

I wonder also, in reading S. 692, how it is that any producer can know whether he is eligible, and whether his gas is eligible, for the Sec. 203 (L) BTU equivalency rate unless he gets an advance determination from the FPC. The Act speaks in terms of "a producer who qualifies as an independent", and only one who so qualifies can use Sec. 203 (L). Who determines qualification, and where? Does the producer do so, on his own, at the risk of being wrong and held in criminal violation of the Natural Gas Act if he sells at a contract rate based on BTU equivalency when he should have collected only the FPC ceiling rate?

And I must ask also how the question of qualification for a BTU equivalent rate will be decided, by the FPC or by the Courts, when the term "affiliate" is defined and construed. If you are an affiliate of a pipeline, distributor, or major integrated petroleum company, you are not eligible for the BTU equivalent rate. But S. 692 says, in Sec. 202, that the FPC will decide who is an affiliate, and the FPC is told that it "shall consider . . . direct or indirect legal power or influence . . . arising through . . . contractual relations . . . or leasing arrangements." If this means what it says, it seems to me that every independent is in danger of being held to be an affiliate of the pipeline with which it contracts, and an affiliate of a major from which it takes a farm-out or with which it contracts for joint-interest or unit operations.

Because of questions and considerations such as these, I cannot read Sec. 203 (L), or any part of S. 692 as deregulating anyone, anywhere. The basic sales rate will be regulated by FEA. The FPC has control over ¾ of the revenues generated. You will probably have to go to the FPC before making a sale for a determination that you are a qualified seller, and that your gas is a qualified commodity. If you sell under 203 (L) you will have special reporting requirements imposed upon you. In Sec. 203 (L) (2) it is stipulated that the FPC "shall collect data . . . from producers . . ." who use Sec. 203 (L) sales procedures ". . . on gas exploration, development, production and reserves on an annual basis."

Somehow, this does not add up to deregulation to me.

Now I would emphasize that it is Sec. 203 (L) that is being touted as the avenue for independents to follow to escape Federal rate regulation. Everyone concedes that all other sales procedures in S. 692 represent full regulation. If, therefore, Sec. 203 (L) is not deregulation, then S. 692 is not deregulation. Perhaps 203 (L) fits your criteria for the end of Federal controls; it does not meet mine.

If you conclude that the sales procedures of Sec. 203 (L) are unacceptable, either because of the FPC control over your revenues, or because of the uncertainty of FEA controlled price levels, or because of the danger that you may end up being held to be an affiliate of someone else because of your contracts, or because of the annual reporting requirements, where then can you turn if S. 692 is passed?

1. You can sell "new" gas—that not dedicated to Commerce prior to Jan. 1, 1975—at a rate set by the FPC between 40¢ and 75¢/Mcf.

2. If you qualify as a small producer, you can sell at 150% of the FPC set rate, if your gas was not originally "discovered" by a major (whatever that means).

3. The FPC may—but is not required to—establish a higher price for special cost and depth situations; so, possibly, your "new" gas may ultimately qualify for a special, higher price some day.

As to "new" gas, these appear to be your only rate options under S. 692. And please understand that when the FPC sets that 40–75¢ rate for new gas it will be that rate for your new gas until depleted; the Commission is precluded by law from changing that rate at any time in the future—no matter what happens to costs. Under S. 692, your protection against cost changes exists only through Sec. 203 (L) which permits the FPC rate to change, upward or downward, with changes in the "implicit price deflator for gross national porduct," and Sec. 203 (C) which permits a producer to contract for an annual escalation not to exceed 2 percent per year, and which permits the FPC to grant special rate relief to cover costs of production and provide a reasonable rate of return.

As I understand S. 692, that about covers your rate options:

For exempt gas, and if you qualify, you can sell under 203(L) at an FEA regulated rate and let the FPC control roughly three-fourths of your revenues.

If you decline Sec. 203(L) and have new gas to sell, you can sell at an FPC-set price which must no exceed 75¢ Mcf.; or

If you qualify as a small producer and if your gas qualifies, you can sell at 150% of the FPC-set rate.

All gas sold in interstate commerce which is not "new" gas must be sold at existing FPC ceilings for old gas.

With respect to what now exists as an intrastate market, S. 692 works enormous changes in the rate structure. In the stead of free market pricing, S. 692 says, in Sec. 203(J)(2) that "all dedications of natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas." S. 692 thus, very simply and very clearly, extends Federal regulation to the whole of the new gas market.

Up until now I have been attempting to pick my way through this enormously complex maze of price regulation which S. 692 establishes. Now let us turn for a moment to other considerations.

Price regulation is only one component of regulation. Regulation is also exercised through control over contract terms, control over conditions of service, control over operations, and control over reporting requirements. For you to assess the impact of S. 692 on the national interest and on your operations, you should, I think, look to see what S. 692 does in areas of regulation other than price regulation.

You may find some surprises.

Did you know that S. 692 requires you to sell your new gas for a term of at least 10 years? Did you know that if you sell your new gas for more than 10 years but less than 20 years (and remember that this applies to intrastate sales as well as interstate sales), you can get only 75% of the price that you would otherwise be entitled to? Read Sec. 202(11).

Did you know that all new or exempt gas produced from lands controlled by the Federal government, whether onshore of offshore, must be sold to an interstate pipeline? Read Sec. 207(F). It is difficult to envision a more sweeping legislative direction that a monopoly on the purchasing side in gas transactions is a national objective.

Did you know that all new gas production from federally-controlled lands onshore, even if produced and consumed in the same state, will be, upon enactment of S. 692, in interstate commerce? Read Sec. 202(G). What this means to the Rocky Mountain States, and California, and anywhere else onshore where there is or may be gas production from Federal lands is that existing intrastate transmission and distribution systems are probably precluded from buying new gas unless they are willing to become interstate pipelines subject to the full sweep of FPC jurisdiction. Obviously, because of the *Lo-Vaca* and *Florida Parishes* decisions, commingling of intrastate and interstate gas carries with it certain consequences. This aspect of S. 692 has little impact on Texas, where we have but little Federal lands, but I suspect the impact of S. 692's redefinition of intrastate commerce will have profound consequences elsewhere.

Did you know that S. 692 requires you to sell gas found on Federal lands within two years of the date of discovery of such gas? Read Sec. 207 (I).

Did you know that S. 692 requires that *all* agreements pertaining to oil or gas development on Federal lands shall require the operator to "design and immediately implement an exploratory and development program to obtain maximum efficient rates of production as soon as practicable, and requires submission to and approval of the Secretary of the Interior? And that S. 692 requires an operator to notify the FPC "immediately" of any gas discovery on Federal lands, and, within 90 days, submit to the Commission "a timetable for commercial development"? Read Sec. 207 (D).

Did you know that S. 692 directs the FPC to "secure and keep current information" on the ownership, operation and control of all production and gathering facilities; on the total gas reserves of fields or reservoirs; on the cost of production and gathering; and that the Commission is authorized to publish its studies of matters such as these? Read Sec. 207 (G).

Did you know that Sec. 207 (L) of S. 692 tells the producer that he may commence a sale in interstate commerce without a Sec. 7 (C) certificate, but that S. 692 does not eliminate the "no abandonment without FPC permission" requirement of Sec. 7 (L) of this Act? Okay, you can begin a sale without any red tape if S. 692 passes, but watch what happens if you want to discontinue deliveries upon expiration of your contract!

In reading through S. 692, I can find

nothing but expanded regulation. Not only are producer rates not de-controlled, S. 692 indicates, for the first time, Federal controls over contracts, operations, terms and conditions of service, and production and gathering, reporting. Gone is the intrastate market, gone is the freedom to contract with whom and for what term you choose. Added are production and reporting controls. If this is a deregulation bill, then night is day, and daylight is dark.

In attempting to tailor my remarks to the issues I thought might interest you the most, I have ignored other aspects of S. 692 which will work tremendous changes in our energy structure. I have omitted discussion of such provisions as those of Sec. 206 (A) which dictates retail gas rate structures, and Sec. 206 (B) which requires State officials to enforce Federal standards. I have left unmentioned the provisions of Sec. 207 (C) which converts pipelines into common carriers, and the provisions of Sec. 209 (B) and (C) which give the FPC the power to allocate gas supplies among interstate pipelines. I have left untouched the provisions of Sec. 208, which extends FPC jurisdiction into end-use controls in the intrastate market, and mandates an end to the use of natural gas as a boiler fuel. I have omitted the provisions of Sec. 203 (d)(2) which subjects SNG facilities and sales to the jurisdiction of the FPC.

This is, to understate a bit, one of the more far-reaching pieces of legislation to come before Congress in many a year. It does something to everyone remotely connected with the gas business, and, in my judgment, it will profoundly affect all gas consumers, all gas producers, and all gas transporters and distributors.

As the people of this country look at S. 692 in the weeks that lie ahead, it seems to me that there is really only one basic question to be answered: Is this legislation likely to produce a reliable and adequate supply of gas at a reasonable cost to the consumers? If it will not, then the bill cannot meet the publicly stated goals of its proponents.

I do not believe S. 692 will alleviate the gas shortage, or hold down consumer prices. I cannot see the massive commitment of capital and resources to gas exploration and development that we must have, as a response to S. 692. It is too complex, too cumbersome, too impractical to work.

The so-called on-shore deregulation promises of Sec. 203(1) strike me as a snare and a delusion. This new form of rate regulation will be years in litigation before anyone knows where he stands under it, and I would be greatly surprised if Sec. 203 (1) gets used except by the most brave and trusting.

The perpetual freeze on old gas demanded by S. 692 will cut the financial legs out from under expanded gas activity. A prospective new gas price of 75¢/Mcf, also frozen in perpetuity after once being established, will not, in my judgment generate new gas capital commitment.

If, therefore, as I believe to be the case, S. 6392 will not expand new gas supplies, the American consumer has been sold a bill of goods. He will pay more for less reliable supplies, for he must pay higher unit costs to defray the fixed costs of pipeline transportation and distribution. He will pay higher prices for SNG. And he will end up with greater curtailments.

Can S. 692 be patched up to become an effective piece of legislation? Can its terms be negotiated through amendment so that a positive gas supply response is made likely?

In my judgment, the answer is no. This bill has as its under pinnings a commitment to more regulations as a cure for the shortage. That philosophic briar colors all of S. 692.

I know you are here out of concern for your own enterprises and that of your industry. I have confidence that you are here, and active, also because of your concern for your country and its future.

This is a time for each of us to lay aside selfish concerns and search for the national interest. The energy decisions that we must soon make, may be more important than our defense decisions and our fiscal decisions when the future of this country is measured. And so I return to my opening: Make your own judgments about this, and other, energy legislation. Then try to help get something accomplished. If S. 692 is a good bill, if it will produce energy supplies at reasonable costs, work like hell for it. If you have a better bill, work for that with dedication and conviction. Our enemy is time. We must, as a nation, act.

You have been most kind in extending an invitation to me; most generous in your patience and attention. Whether you agree or disagree with me is unimportant; what is important, and perhaps the good we accomplish here today, is that we think—we study—and then we act.

I thank you.

FUND CUTS AFFLICT LEGAL AID GROUPS

Mr. PELL. Mr. President, the Washington Post of Monday, July 7, 1975, carried an account of the financial problems currently encountered by legal services offices throughout the country.

I find this report particularly discouraging, Mr. President, in view of the inclusion of my own State's federally funded legal services program on this list. Rhode Island Legal Services, Inc. has, since its 1969 inception, functioned ably and with commendable zeal on behalf of more than 35,000 low-income Rhode Islanders. That agency's ability to meet the present needs of these citizens is being severely restricted by inflation and budgetary restraints.

The statistics from Rhode Island are staggering. Rhode Island has suffered unduly because of the economy's stagnation, with the unemployment level now at 15.8 percent, a figure double that of 1 year ago. Concurrently, the local legal services staff has been reduced by 30 percent, two offices have been closed, and client intake drasticaly reduced. It is tragic that, at the very time when unemployment has soared, the one Federal Government agency dealing with legal problems of the poor and the unemployed has been cut back.

The number of those eligible for legal services representation has swelled dramatically in 1 short year. Many of these individuals are faced with legal problems unforeseen until now. They face mortgage foreclosures, personal property repossessions and creditor harassment, and these conditions create terrible pressures on their family lives. Obligations which they could meet during better times, they find impossible to fulfill on an unemployment or welfare check. Due to the enormous demand for legal services resources it is difficult for these individuals to have access to legal services attorneys, even though they are eligible. Yet to pay for private counsel is beyond their means.

As the nominess to the Legal Services Corporation Board of Directors are considered by the Senate, let us be mindful of the critical need for an amply supported legal services program, one which can broaden its already successful record of effective representation of the poor.

Mr. President, I ask unanimous consent that the article from the Washington Post of July 7, 1975 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, July 7, 1975]

FUND CUTS AFFLICT LEGAL AID GROUPS

(By Jane Bryant Quinn)

NEW YORK.—In this terrible recession, when people need free legal help more than ever, it has become less available. Federal penury is starving out the programs of legal aid societies around the country.

There are increased cases of eviction, wage garnishment, repossession and unjust refusal of unemployment benefits—yet legal aid offices are being closed down and lawyers dismissed for lack of funds. Here are some examples of what's happening, according to Jim Flug, executive director of the National Legal Aid and Defender Association.

In Rhode Island, where the size of legal aid's federal grant has remained virtually unchanged since 1969, inflation has severely curtailed what the program can do. Thirty per cent of the legal staff has been dropped this year, two offices have been closed and the remaining three have taken no new clients for a two-month period (except for emergency cases) to catch up on their backlog.

California Rural Legal Assistance recently cut the pay of all its employees making more than $10,500 by 6 to 12 per cent, and reduced employee health benefits. In effect, the staff is giving money from its own pocket to keep the program alive.

In New York City, legal aid is turning down 100 phone calls a day and referring non-emergency matters to other agencies (which may or may not help). Many clients are now giving only telephone consultation, for lack of time.

In Milwaukee, two out of five offices have been closed, and this year's budget drops eight attorney slots out of 25. They're also having difficulty meeting non-personnel costs, such as telephone and heating bills.

Nationwide, the number of attorneys in federally funded legal aid programs is down 20 per cent since 1972; the number of neighborhood offices is down 41 per cent.

It's not only legal aid offices that are up against it. Other legal assistance programs funded primarily by the Office of Economic Opportunity also are suffering. For example, the Neighborhood Legal Assistance Foundation in San Francisco has had its budget frozen since 1971. They've dropped many attorneys, and cut back the salaries of those remaining.

Hard as the diminished number of legal aid attorneys work, they cannot provide the amount and quality of service offered in former years. To begin with, lower salaries mean a loss of senior attorneys; more cases are handled by graduates right out of law school who have little courtroom experience.

To save money, San Francisco's NLAF has had to quit questioning opponents before trial, "something no private attorney would accept," says program head Tom Mack. "It means we go into trial not knowing what facts the other side has, which makes it much harder to do a good job."

Other ways various legal aid offices are cutting back include: (1) accepting no non-emergency cases, not even bankruptcies; (2) setting more rigid eligibility standards—for example, families making $15,500 a year may no longer be accepted (and since these people can't afford private counsel, the remedies of the law become effectively closed to them); (3) referring welfare and employment mat-

ters to other agencies (which may not really be equipped to handle them).

Many public officials shrug off legal aid as just another handout for the poor. Yet many of the cases won by legal aid have important implications for the middle classes as well as the poor.

In New York City, for example, legal aid established everyone's right to a hearing before Con Edison could turn off their electricity for non-payment; they also established as unconstitutional in New York the clause in leases waiving tenants' rights to a jury trial in a dispute with the landlord.

The budget strangulation has been most severe for civil cases (those in which defendants don't face jail sentences). Criminal cases have reecived increased support in the past two years from the Law Enforcement Assistance Administration.

But says Marshall Hartman, head of NLADA's Defender Services, "LEAA only provides start-up funds. Ongoing programs have to be picked up by states or counties, and many of them can't afford to do it. I just had calls from the defender offices in Little Rock and Baton Rouge, saying that they'd lost their funding." Many of these offices may have to close.

Everyone associated with public legal assistance is looking to the new National Legal Services Corp. for help. Established last year as a corporation independent of the executive branch of government, it is slated to take over the disbursement of federal legal aid funds. The board of directors should be appointed soon, after which NLSC should be able to distribute the first increase in funding for the civil division of Legal Aid since 1972.

But it's going to take a lot of money to rebuild the tattered structure of legal assistance in this country. Until Congress votes substantially more funds, many of you will continue to find the harried legal aid lawyers too busy to help.

FEA "INFORMATION SURVEY"

Mr. METCALF. Mr. President, on June 13, the President of the United States released the text of his Labor-Management Committee's recommendations to increase electric utility construction and output.

Under the heading of "Administrative Action" was the recommendation that:

> The Federal Government should establish a small task force of experts, with assistance drawn from labor and management with experience in the field of utility construction, to serve as troubleshooters, to discover the impediments to the completion of electric utility plants and to take steps to relieve the particular situation wherever possible.

I am told that this task force is to be established around the first of next month.

Meanwhile, the Federal Energy Administration, in preparation for establishment of the task force, has a bunch of people running around the country doing an "information survey" on the problems.

A pair of their people flew into Montana last night and will leave there tonight. They came from Idaho, where they met with officials of the Idaho Power Co. and are spending the day with officials of the Montana Power Co., whose president announced that they were coming. According to information from FEA, their people are meeting with 45 utilities this week.

Neither State officials nor local groups, who are interested in the problem of strip mining and coal gasification, were notified that the FEA was doing an "information survey." FEA did not notify either Senator MANSFIELD or me.

Asked about this today, an FEA public affairs spokesman said they "have a press release coming out now." The FEA "survey" crew will have come and gone by the time those most directly concerned are notified of the visit.

Mr. President, as I have further information on the Federal Energy Administration working in the dark, I will share it with my colleagues.

INFLATION IN HEALTH SERVICE COSTS

Mr. HUMPHREY. Mr. President, price inflation in certain goods and services continues to strike with particular cruelty where the country can least afford it.

President Ford has told the Nation that we all suffer general inflation while only those 8 or 9 million without jobs suffer unemployment. With that political rationale in mind, the President has chosen to foster a myth of legislative-executive dichotomy: Congress worries about the recession, while he works to end inflation. Well, it just is not so. This country must move toward policies to end both the immoral burden upon the innocent victims of joblessness, and the effects of an inflation which so often hits hardest those least fortunate in the first place.

If ever there was a necessity that the poor simply cannot do without, it is adequate health care. And what has happened? A recent article in the Washington Post reminded us of what those who have become ill learned the hard way: prices of medical services, in the past year, have risen much faster than general prices. In the year since health service price controls ended on April 30, 1974, the cost of health care has increased 40 percent faster than the Consumer Price Index, while hospital care cost has outstripped the CPI by 70 percent. An average day at a hospital now runs an astounding $126, up from $108 a year ago—and it is much higher in many areas of the country.

Now I am happy to see that some members of the administration are expressing concern about this trend, and in fact, attempting to do something about it. But, as a close reading of the Post article will show, the direction of the action offers more reason for skepticism than optimism. The Department of Health, Education, and Welfare has applied a number of bandages, but as the Post points out, "these are all piecemeal measures." And Secretary of HEW, Caspar Weinberger, has said, "piecemeal cost containment cannot work."

Consequently, HEW is now trying to get individual States to undertake the good fight. But only 10 States have responded to the call, and even they find holding the line hard to accomplish. Maryland, in particular, will consider itself lucky if it holds health costs increases to those of general prices. "If we cannot make State regulation work," the Director of the Maryland Health Cost Review Commission Harold Cohen said, "I do not think any State can."

Mr. President, the administration's handling of health care is another example of Government mismanagement that leads to inflation. We have seen it in food, energy, and now we are seeing it in health care. The truth of the matter is that we are going to get health costs under control only when we develop a comprehensive health policy, including national health insurance. I have supported such efforts, as have other Members of Congress, because we are concerned about the escalation of health costs.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

HEALTH CARE COSTS SOARING

(By Victor Cohn)

The price of being sick is rising so fast that Ford administration health officials are speeding up a drive to help states set advance limits on spending in all of the nation's 7,000 hospitals.

In the first full year since price controls ended, the cost of health care rose 40 per cent faster than the consumer price index, federal figures compiled late in June show.

The cost of hospital care rose 70 per cent faster than the index.

Secretary of Health, Education and Welfare Caspar W. Weinberger in an interview last week called hospital costs "the main driving force" in health prices, and "one we must control."

Among the reasons for all the rises, according to public and private health officials:

Hospitals have been catching up on rate boosts after a period of federal controls that failed to control all the things that they buy.

Doctors have raised rates in anticipation of controls accompanying national health insurance—and raised them whenever they read that it is "imminent," which has been the case for some years.

Medical care has been getting more expensive, in part justifiably, in part because hospitals have been buying complex equipment before they too are controlled by new measures.

With hospitals claiming 39 per cent of every health dollar, the administration is moving to encourage hospital cost regulation by every state, Weinberger said. He said such state systems would be required under the administration's health insurance plan, which he predicted will be submitted next year.

But Dr. Stuart Altman, HEW's deputy assistant secretary for planning, said the slow movement so far toward health insurance is "forcing us to rethink. We are in the process of doing that now."

Weinberger said he is "somewhat encouraged" because in the past few months the rise of health costs has slowed down. This follows a year in which costs "went bananas," in the phrase of Joseph Eichenholz, a HEW health economist.

Price controls ended April 30, 1974. From mid-May, 1974, to mid-May, 1975, the last year surveyed by the Bureau of Labor Statistics, total health costs rose 13.3 per cent and hospital charges 16.2 per cent, while all prices rose only 9.5 per cent.

This May, finally, health and hospital costs rose 0.6 per cent over April, an annual rise of 7.5 per cent compounded.

"But this is still 2 points above general inflation," Eichenholz said. "We're still very worried.

"Between January and March hospitals were still spending 16 per cent more than the year before. So we're afraid their charges are going to start up again."

"We're praying," said Altman, who has forecast hospital increases of as much as 20 per cent without tighter controls.

The average daily cost of hospital care at the end of March (the latest figure available) was $126 a day, compared with $108 a year before.

In the Washington area the figure was $184 a day, up 19 per cent from $154 a year earlier. The lowest figure was Suburban Hospital's in Bethesda, $131 a day; the highest, Children's Hospital, $363.

Neither administration nor private health officials foresaw the kind of increases that have occurred since May, 1974. John Alexander McMahon, president of the American Hospital Association, forecast that hospital prices would level off at no more than general price increases, after a period of catch-up.

But in late March, McMahon expressed "surprise" that the leveling off was so slow in coming. He maintained that the cost of the "hospital market basket," the supplies and services hospitals buy, was higher than general prices.

But administration officials say 52 per cent of the hospital increases can be blamed on rises in wages and prices, with 48 per cent caused by "increases in numbers and kinds of services"—meaning more care and more expensive care per patient.

Eichenholz also said, "We can't overlook doctors' fees. And they're the ones in the driver's seat at the hospitals."

Doctors' fees were up 13.2 per cent in mid-May over mid-May, 1974, and still rising at a faster rate than general inflation.

A main problem, Altman said, is that "we have very limited authority to do anything. We can take only piecemeal measures."

Weinberger this year ordered four such measures effective July 1 to apply to federal Medicare and Medicaid payments:

A limit on most hospital payments of no more than about 90 per cent of an area's average. Medical colleges are seeking an injunction to block enforcement, claiming that teaching hospitals that use many more doctors would be badly underpaid.

An end to an 8½ per cent bonus for nursing care for Medicare patients, because they are older and need more care. HEW says new payment methods make this no longer needed. The American, Protestant, Catholic and commercial hospital associations disagree and are sueing to block this change.

A start of compulsory "utilization review" of all hospitals' patients to make sure their admissions are justified. The American Medical Association won a preliminary injunction May 27 against this rule.

A mild limit on doctors' fees, tying any increases to a new national index.

This is the only one of the four measures on which HEW is not being sued, though all four would still save only $250 million a year when fully applied.

"I am disappointed that we have to fight foot by foot for these necessary measures," Weinberger said in the interview. "I think these challenges represent an outmoded kind of resistance."

But even these are all piecemeal measures, he said, and "piecemeal cost containment can't work. This is why we are now helping states develop their own variations of prospective reimbursement for hospitals."

This means laws or agreements to permit state approval of hospital budgets once a year, in advance—in effect, telling a hospital that it may spend and be repaid only so much.

State hospital budgeting systems are being aided by several HEW grants and more will be added, partly under a new health planning law. Various kinds of systems are at least in partial operation or in the planning stage in New York, New Jersey, Rhode Island, Indiana, Connecticut, Wisconsin, Colorado, Pennsylvania and Ohio—and Maryland, with the first state commission with power over all hospital rates.

Maryland's Health Cost Review Commission has been controlling rates since last July. In the first year, it estimates, hospitals have increased prices 4.6 per cent compared with the nationwide 16 per cent, though their costs have gone up an estimated 9 to 13 per cent.

"We're going to have to let rates go up," said Harold Cohen, director of the Maryland agency. "But our target is to hold them to average inflation, and I think we can do it if hospitals, Blue Cross and Medicare cooperate with us."

Weinberger said, "We prefer state to federal regulation because it will be closer to hospitals' and patients' needs." A labor-backed health insurance bill before Congress would allocate money to hospitals by national regions.

"If we can't make state regulation work," Cohen said, "I don't think any state can."

"What we're talking about," said Eichenholz, "are all pretty dry figures. Unless you're paying the bills."

SENATOR NELSON ON SMALL BUSINESS

Mr. SPARKMAN. Mr. President, I would like to join in the remarks made by the Senator from Wisconsin (Mr. NELSON) in calling attention to the article in U.S. News on small business.

It is gratifying to see this kind of recognition of the small business community which is such a vital part of the economy of this country and of my own State of Alabama.

The article notes that small business accounts for more than 95 percent of the number of U.S. businesses, and that these firms account for more than half of all private jobs, and one-third of the gross national product.

Senator NELSON, who has done a fine job since assuming the chairmanship of the Select Committee on Small Business within this year, aptly remarked that smaller businesses cumulatively have been a "sleeping giant" and that their recent meeting in the Nation's Capital has been a milestone in recognizing their existence and their problems. This statement was made in the keystone address at the beginning of the convention of the National Federation of Independent Business, an organization with 420,000 members across the country, and which is still growing.

I feel that Senator NELSON's remarks on this occasion deserve to be circulated further, and I ask unanimous consent that they be printed in the RECORD.

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

OPENING STATEMENT TO THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

(By Senator GAYLORD NELSON)

Mr. Chairman, Members of the Federation: It is a pleasure to welcome to Washington the membership of the Nation's largest small business organization.

The Senate Small Business Committee was founded in 1950, and I have served for 10½ of those 25 years. On the basis of that experience, I can observe that your convention is a milestone of the small business movement.

After being known as a "sleeping giant" for many decades, the small business community has begun to make the public, and the Congress, aware that it exists and that it accounts for

Over 95% of all businesses, by number,

52 to 53% of all private employment,

43% of the business output of the country,

One-third of the entire gross national product.

Part of the new awareness arises from the steady and effective work of your association and others from year to year. However, it seems to me that this 1975 convention, with its splendid program, symbolizes the "coming of age" of small business on the Washington scene.

Now that you "have arrived," as the saying goes, I am charged with offering you some words of advice.

During the spring of each year, it has been traditional for the small business organizations and other groups to gather in Washington, where the cherry blossoms and the azaleas are blooming. Over these years, I have heard considerable flowery rhetoric about the importance of small business. However, too often those words are not translated into results.

As leaders of your own businesses, you know full well that if you were only concerned with drawing a pay check, there would soon be no bank balance to cash it. Your convention program reflects this concern with the nation's economic problems, and I urge your thoughtful participation in these sessions.

The economic problems facing our country are tough and complicated, or we would have disposed of them already.

The energy issue is complex because our supplies depend to a high degree upon decisions of other sovereign nations including questions of war and peace.

The course of our economy is a question about which economists disagree. If any man living had a full knowledge and a clear vision of how to manage the U.S. economy, we would not be in the middle of:

The worst recession since the 1930's;

The sharpest and most sustained fall in profits in a generation; and

An unemployment rate of over 9 percent.

I happen to believe that small and independent business, which has accounted for the predominant share of the innovation in the U.S. economy, a substantial share of the capital formation, and an undoubted source of competition and dynamism, can be a large part of the solutions to our problems.

But, we must prove this to skeptics in the Congress and in the Executive branch. This will take a great deal of painstaking and hard work, such as is going forward in the Senate Small Business Committee and elsewhere, in such fields as tax reform for small business, financing, helping firms adjust to environmental and consumer initiatives, economic concentration, and various specific industry problems.

For example, this week our Committee will be conducting, jointly with Senator Bentsen's Subcommittee of the Finance Committee, three days of public hearings on small business tax reforms. Your own highly thought-of association will be featured as the lead-off witness at the Wednesday session.

Fortunately, our Committee was able to bring about significant tax reduction benefits of up to $7,000 for 1975, for some smaller firms in the emergency Tax Reduction Act earlier this year. Now we must tackle the larger questions of general tax reform from the viewpoint of the smaller and medium-sized corporation and millions of unincorporated businesses which have so often in the past been neglected when the Congress sits down to write tax legislation.

We are looking forward to continued close cooperation of your Federation in this vital area.

However, I caution you to judge our actions by the standard which we propose for others. I urge you to judge us most severely by the results which we produce.

In my view, history will surely judge us in public life by that objective standard, in the same way your businesses are tested by the impersonal forces of the market.

If the small business community cannot succeed in gaining equitable treatment for free enterprise under the manifold aspects of government regulation, taxation, and reporting, then there may not be a convention such as this to celebrate the third centennial of this Republic. If the advocates of small business enterprise do succeed, and perhaps largely to the extent that we do, the future achievements of our economy and our democracy can be as glorious as our past.

REPORT FROM GENEVA

Mr. KENNEDY. Mr. President, since it was negotiated 7 years ago, the Non-Proliferation Treaty has come to symbolize a significant effort by mankind to place firm controls over nuclear weapons. It is especially encouraging that in recent months new nations have ratified the NPT. But it would be self-delusion to believe that the NPT has solved the central problems of nuclear proliferation. The treaty is one substantial step in the right direction, to bring sense and sanity into discussions and decisions about nuclear weapons.

It has been nearly 30 years since the atom bomb was used in war—30 years in which man's memories of the twin holocausts of Hiroshima and Nagasaki have lost the force of immediacy; but the fact of atomic weapons remains.

During the past three decades, the power of the largest bomb has increased by 4,500 times. The arsenals of the major powers have increased to staggering size, so that now the United States and the Soviet Union deploy the equivalent of more than a million Hiroshimas—more than 7,000 times the explosive power used by all sides in World War II.

And the secret is out. There are now five declared nuclear powers—and a sixth that has set off a nuclear explosion. But even more important, the technology of these deadly devices is easy to come by. We are now even worried that nuclear weapons will be in reach of hijackers and others who might be able to divert nuclear material from peaceful uses, or obtain access to weapons storage sites themselves.

During the same three decades, the United States has focussed its attention on relations with other nuclear weapons states—especially the Soviet Union. And it is a great success that there has been no nuclear war; that there is a doctrine of deterrence accepted on both sides; that it is possible to work seriously on controlling the nuclear arms race.

The Strategic Arms Limitation Talks—the arms control process itself—must be considered one of mankind's great political triumphs—one of the great testaments to man's ability in crisis to reach out for sense and sanity.

But in a very real way, what has been done at SALT helps to obscure new dangers—dangers which may in time prove just as deadly, just as threatening to our future on this planet.

As the two superpowers focussed on their direct nuclear relations, they tended to lose sight of the ease with which other nations can build nuclear weapons.

In building up their own nuclear power—in bidding potential rivals out of the nuclear sweepstakes—they forgot that it does not take a million "Hiroshima bombs" to wreak vast destruction: it takes just one. One bomb in the hands of a nation or group disposed to use it would still raise unacceptable dangers. It would still threaten the lives of tens of thousands of people somewhere in the world.

Today, in both Moscow and Washington, emphasis is on the "fine tuning" of nuclear relations. It is on newer, larger, more accurate, and more powerful weapons. It is on providing insurance against accidents, through highly-controlled systems. It is on new devices to increase target-coverage, to introduce greater flexibility, or to seek control in fighting a nuclear conflict if one should break out.

But instead of focussing so much of their attention on these third and fourth generation problems, the superpowers should give much greater thought to the impact these developments might have on other nations. Otherwise, I believe that both the United States and the Soviet Union would be ignoring one of the most important issues of nuclear weapons. They would be ignoring one of the most important threats to the future of mankind from the atom. Neither superpower gains from continuing the nuclear arms race; they will both lose if their own actions call forth nuclear arms races among other nations.

Let us therefore then challenge both superpowers to break the old habit of seeing problems of nuclear weapons solely in terms of United States-Soviet relations; let us seek to break the cycle of arms competition that feeds upon itself—to no benefit for either side—while helping to foster an even more deadly danger.

Unless all nations act, today, this will in time become a world of many nuclear powers—a world far more dangerous and uncertain than it is now—a world in which the security provided by superpower deterrence will not suffice:

This is the first lesson of the new era of nuclear power. Yet it will be of value only if there is a shared view that the dangers of nuclear spread outweigh the value of nuclear arms to any individual nation. It is too late for any nation or group of nations to impose control of proliferation on the rest of the world.

The world community must gain greater control over the technical possibilities for building nuclear weapons. This means that we must all reassess policies for peaceful uses—in particular the generation of electricity. We must recognize the inherent dangers of spreading nuclear materials—in increasing quantities—to the far corners of the of the globe. Already, more than 20 countries have the fissionable material that could technically be diverted to arms manufacture; and the number of countries—and quantities of material—will grow inexorably as the demand for nuclear reactors also grows. Yet few countries have controls as strict as those of the United States—and even its controls need to be improved.

It is also important to improve safeguards administered through bodies like the International Atomic Energy Agency. We must protect shipments of nuclear material to reduce the risks of hijacking or other diversion. Together, we must develop the strictest controls on the reprocessing of spent fuel from nuclear reactors. These were all subjects of primary concern during the recent NPT Review Conference in Geneva.

The NPT itself remains a keystone of any nonproliferation strategy. But too many nations near the threshold of a nuclear capability have not signed the NPT; too many others have not ratified it.

Yet even as there is an effort to bring more nations under the NPT—as there is an effort to seek technical means to help limit the spread of nuclear weapons—more will be needed.

Too great a reliance on these functional steps could lead us to ignore the basic reasons impelling nations to acquire nuclear weapons. These reasons are largely political.

No technical safeguard that is now possible will long stop a nation from building the bomb if it is determined to do so. No signature on the NPT will have decisive effect, unless the signatory is convinced for other reasons to renounce nuclear weapons.

I believe that there are six political and economic steps—beyond those I have mentioned—that must be taken.

Each of the six steps must have a common premise: that trying to limit the spread of nuclear weapons is not something that the nuclear powers want to do to the non-nuclear states. Rather it must be something that all nations do together in their common interest.

This has been a weakness of the NPT. Too often it has seemed in practice to be a device for the nuclear nations to retain some sort of hegemony. Whether that view is right or wrong, the policies adapted now—by individual nations and by the world community—must above all seek to dispel it through the sincerity of our actions. We must do everything possible to avoid an atmosphere of discrimination on the part of the nuclear weapons states. This principle is in the NPT. It must be respected.

First, the United States and the Soviet Union must press for the early conclusion of a treaty banning the testing of all nuclear weapons. It will not be enough to rest with the threshold test ban treaty already negotiated, which many observers—myself included—believe must be taken much further before we have a truly meaningful effort to deal with this critical issue.

It is my view, supported by most knowledgeable observers, that the United States could accept a comprehensive test ban without undermining its nuclear deterrent or security. While we cannot know precisely what attitude the Soviet Union will adopt on this issue—particularly on regulation of peaceful nuclear explosions—there have long been promising signs that negotiations on this subject could bear fruit.

The superpowers must provide real incentive to any other nuclear or non-nuclear power to refrain from its own developments. And the best way to do this is through a CTB.

In the context of a CTB, particularly we must also come to terms with the problem of peaceful nuclear explosions.

In the United States, we may have concluded that these are not worth the effort, the risks, the costs, and the dangers of proliferation. But this view is not shared everywhere; "education" by American lights will not suffice; and sovereign nations may make different calculations about the economic value of peaceful nuclear explosions.

The United States and the Soviet Union should take the lead in agreeing to a ban on peaceful nuclear explosions by them, hopefully as part of a CTB. At the very least, this subject should be a prime topic for negotiations in the current talks on the threshold test ban.

Together, we should also seek an international agreement banning peaceful nuclear explosions—but one that does not discriminate against nuclear have-not nations.

At the very least all nations—nuclear and nonnuclear—should seek to create an international regime for the firm control of these explosions in all countries. In itself, such a regime could help to remove some of the incentive for peaceful nuclear explosives. It would remove any basis for the charge that this is another example of modern technology which the superpowers seem to want to keep out of the reach of the have-nots.

Sharing the benefits of peaceful nuclear technology has already been promised in the NPT. This principle must be respected—particularly in areas of direct benefit to mankind. And by creating an international regime on PNE's, there would be added incentive for all nations to rely on an internationally agreed means of conducting any peaceful nuclear explosion. Efforts could then continue for ending the use of PNE's altogether.

Second, the superpowers themselves must demonstrate their willingness to halt their own arms race, and to begin real reductions. A real halt has been achieved in the building of defensive nuclear arms. But in offensive arms, they have managed only to regulate forward movement.

In addition to gaining further limits on offensive weapons, we are faced with the real problem of halting the qualitative race in nuclear arms. This arms race is just as much a matter of "vertical" proliferation as the race upwards in numbers. Yet if the superpowers will consent to stop this vertical proliferation, and begin to roll it back, they will be far better placed in seeking to limit it "horizontally."

The commitment to restrain is clear, and is contained in article 6 of the NPT. To this end, last January, I joined with other Senators—now numbering 42—in sponsoring a Senate resolution designed to link the Vladivostok Agreement firmly to the future. We have supported that agreement, and further negotiations between the superpowers begin "as soon as possible" to gain mutual restraint on new developments and deployments; to seek to lower the Vladivostok numbers; and to negotiate limits on other nuclear systems. We believe this approach could help meet the need to demonstrate superpower restraint in the arms race, leading to reductions partly as a way of supporting other efforts to limit the spread of nuclear weapons.

Halting the superpower arms race will in itself be enough to limit the spread of nuclear weapons. But such a critical step—in everyone's real interest—is an essential part of the effort.

Third, the superpowers must also begin to play down the importance of nuclear weapons in assessments and assertions of their own national power. They must try to pursuade other nuclear nations to take the same view, while seeking to involve France and China in the vital work that is being done here.

During the uncertain days of the 1950's, before the onset of mutual assured destruction, there was a strong temptation in both the United States and the Soviet Union to emphasize nuclear weapons, as the critical indicator of national power. Yet today, the great powers increasingly recognize nuclear weapons to be impractical; they are concerned about the control of nuclear weapons; while détente has helped bring other factors—primarily economic might—more to the fore in determining the political power of nations in world politics.

Thus there is little value for either the United States or the Soviet Union in continuing to emphasize the size and power of its nuclear arsenal as a coin of national political might and influence. Certainly, these nuclear arsenals have less effect in political relations with other states than in days gone by.

Continuing to emphasize the link between nuclear power and political influence merely increases the desire of smaller nations to follow suit. No one can ask nuclear have-not nations to foreswear these weapons—for whatever reason—if the superpowers continue to overplay the bomb's importance for political power or prestige.

The stronger and the more entrenched this attitude against nuclear weapons becomes, the safer will be the nonnuclear weapons states from nuclear threats. We must strengthen the worldwide conviction that these weapons are never to be used as instruments of foreign policy. For 30 years now, the bomb has never been used in war. We must all keep it that way.

Fourth, all states must join together—nuclear and nonnuclear—to encourage the extension of nuclear free zones to new areas of the globe. This concept now applies to Latin America and Antarctica. It could usefully be extended as a measure of mutual self-denial—a form of collective security—to other areas, beginning with the Middle East, the Indian Ocean, and Africa. At the same time local states should be encouraged, working together, to seek other means of guaranteeing their mutual security—including the Indian subcontinent despite India's nuclear test.

It is difficult in advance to assess the value of such efforts, but they should be encouraged, not retarded.

Fifth, all major suppliers and consumers of conventional arms should work together to seek restraint on the supply of these arms to volatile areas of the world such as the Persian Gulf. In some areas, conventional military strength will reduce ambitions for nuclear arms. But in others, new arms races will provide the most fertile soil for the seeds of escalation to nuclear power. The nuclear danger rarely lies in restricting the flow of conventional arms, through mutual agreement; rather it lies in fostering the cast of mind that security is more a matter of military power than of political effort and agreement.

The major nuclear powers should also be among the most vocal in support of initiatives for regional arms control efforts, such as that endorsed by the Andean countries at the Ayacucho conference last December.

Sixth, nations working together must recognize and meet the most fundamental reason of all for building nuclear weapons: the needs of national security. There will be little value in adopting the foregoing steps to limit the spread of the bomb, if individual nations feel their own security to be threatened without it.

Clearly, we have passed beyond the time when a few nations with nuclear weapons can convince all other countries either of the risks of having a nuclear capability, or the benefits of foreswearing it. Just as clearly, some nations will judge it in their national interest to build the bomb for reasons of security, unless that security can be gained in other ways.

For the United States, this means a continued affirmation of its political, military and economic commitment to critical allies.

And there must also be efforts by many nations in particular cases to help damp down conflict—and to held resolve sources of conflict—in parts of the world where the temptation to build nuclear weapons might otherwise be great. Today, this is certainly true in the Middle East; it is also true in the Indian subcontinent.

No nation, seriously interested in reducing the risks of a nuclear war can be unconcerned with the reduction of local conflict. No nation will be able to rest easy, once the next nuclear weapon is used.

As a world civilization, all of us share a common interest in avoiding nuclear war—not just because of the terrible destruction it would wreak—the terrible tragedy—but also because of the awesome precedent this would set for the conduct of relations between states and peoples. In this very real sense, "no man is an island; entire of itself . . ."

I believe that these six steps—along with the NPT, technical efforts, and a new look at the side effects of nuclear reactors—can help us build a sound strategy for limiting the spread of nuclear weapons. They can help achieve that goal—but, again, only if the nuclear powers consistently and scrupulously work to remove any hint of discrimination.

Only if limiting the spread of nuclear weapons is seen by all as in the common interest—only if today's nuclear powers will voluntarily give up certain political advantages—can we hope to succeed.

Most important, before we may otherwise have to face a world of many nuclear powers, we must work to increase awareness of the dangers of proliferation. The superpowers must lead by reducing

their emphasis on the "fine-tuning" of the United States-Soviet nuclear arms race, and placing that emphasis squarely and clearly where it belongs: on the dangers of a world overgrown with the atom bomb.

Mr. President, the Non-Proliferation Treaty Review Conference ended in Genevia in late May. I had the privilege of addressing the delegates to the conference during a stop there on my way to the Middle East. In speaking with them, I stressed the same concerns that I have focussed on here, and the urgency with which they must be dealt. While I was unfortunately not able to attend any of the formal sessions of the conference, Mr. Thomas Halsted, Executive Director of the Arms Control Association did attend each session as an observer for the Carnegie Endowment for International Peace. On his return, he published a summary of the proceedings and his assessment of its performance in coming to grips with the issues in the growing dangers of nuclear proliferation. I ask unanimous consent that his report be printed in the RECORD.

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

REPORT FROM GENEVA

(By Thomas A. Halsted)

The Non-Proliferation Treaty (NPT) Review Conference which took place last month at the Palais des Nations in Geneva, Switzerland, ended the evening of Friday, May 30, after four weeks of debate. The Conference was convened in compliance with the Treaty's Article VIII, which called on parties to meet five years after the Treaty's entry into force to examine whether "the purposes of the Preamble and the provisions of the Treaty are being realized." The conferees concluded their discussions by adopting a compromise declaration, drafted by Conference President Mrs. Inga Thorsson (Sweden) after a drafting committee had failed to reconcile divergent views. The declaration reaffirmed the conferees' support of the Treaty's purposes, called on the parties—particularly those possessing nuclear weapons—to do more to meet their treaty obligations, and proposed that a second Review Conference be convened in 1980. In two hours of discussion which followed the adoption of the resolution, a number of the delegates delivered final statements to the Conference, many of them expressing dissatisfaction about the outcome of the talks; it is a foregone conclusion that the disputes aired then and earlier at the Review Conference will be raised again in other forums in coming months.

Almost on the heels of the Conference came the unwelcome news that West Germany (which had just completed ratification of the Treaty) was about to conclude a multi-billion dollar deal to provide all the elements of the nuclear fuel cycle (enrichment, reactors, and plutonium fuel separation facilities, adequate to make nuclear weapons if desired) to Brazil, a conspicuous non-party to the NPT. That such a transaction was completely legal under the Treaty demonstrated at a most unfortunate time how easily and dramatically its intent could be circumvented.

But even without this depressing punctuation mark, the Conference was disappointing. Not that anything really unexpected occurred; I had supposed that there would be a month of fairly inconclusive debate over the rights and obligations of treaty parties, coupled with some progress toward solving some of the more urgent technical obstacles standing in the way of providing the benefits of the peaceful atom to as many consumers as possible. What I, and perhaps a few other optimists were less prepared for, was the degree of acrimony and discord that permeated much of the discussion, chiefly of the more political problems, and that may in some subtle ways make the NPT regime less stable in the future.

Considering that speaker after speaker at the Conference referred to the meeting as the most historic disarmament conference to be held in thirty years, it was remarkably poorly attended and generated almost no attention from the world press. Of the 96 nations eligible for full participation only 58 bothered to show up. Before the Conference all Parties had been invited to attend; several had been unaware of the meeting. One asked if it were a party to the Treaty; one eligible party (Iraq) requested and obtained permission to participate as an observer rather than a full party, thereby exempting itself from the obligation to pay a share of the $645,000 budgeted for the month-long session.

In addition to the 58 parties, 7 signatories not yet parties attended, and 7 additional non-signatories attended as observers. (See box, p. 2.)

ASSESSING THE REVIEW CONFERENCE

Was the Conference a success? Opinions ranged from the assertion that the fact that over 90 states have ratified the Treaty proves the smashing success of the Review Conference to the charge that if the nuclear superpowers do not immediately negotiate a comprehensive test ban, undertake immediate and major reductions of strategic arms, and vow never to use nuclear weapons against anyone not possessing them, it will have been a catastrophic disaster.

There is some validity in both of these extreme positions. Considering the worst that might have happened in the past seven years, the fact that the Review Conference took place at all is a plus. That there are as many as 96 parties to the Treaty is a credit both to the original concept of the Treaty and to the confidence that new parties have placed in it, no matter what its apparent shortcomings. That none of the parties that have subscribed to the NPT has subsequently withdrawn from it has probably significantly strengthened the Treaty.

It must be remembered, however, that those 96 states that have ratified the NPT still do not include in their number the half dozen or so most likely to retain an interest in acquiring nuclear weapons—the problem the Treaty was intended to solve in the first place.

The Treaty cannot stop proliferation, only make it a little harder to facilitate. The way the Treaty has been implemented to now was reflected in the development of the debate in the two main committees of the Review Conference—one dealing with disarmament and other security problems, the other with technical issues related to the orderly growth of peaceful nuclear industry. As expected, it turned out easier to come up with promising or at least acceptable solutions to the technical problems than to solve the essentially political ones.

PROGRESS ON PEACEFUL USES

In the technical area, the Conference gave renewed stimulus to some promising concepts: to the idea of regional or multinational fuel cycle centers, for example, and perhaps to a more careful appraisal of the real prospects for and problems of peaceful nuclear explosions.

The Conference will undoubtedly also help to encourage development of improved safeguards systems, heighten concern about security of nuclear materials and facilities, and, hopefully, lead to less discriminatory supplier policies. In short, the Conference underscored the fact that for the most part the Treaty has been an effective instrument for facilitating access to the peaceful uses of nuclear energy.

SECURITY QUESTIONS STAY UNANSWERED

Where the Treaty—and the Review Conference—continue to fall short remains in the harder questions of security, chiefly those of implementing Article VI, dealing with the obligations of the nuclear-weapons parties (the U.S., Britain, and the U.S.S.R.) to do more about disarmament and arms control. These problems were made more difficult to grapple with at the Conference by the hard-nosed approach the nuclear powers chose to take. No one realistically expected the U.S. and U.S.S.R. to "take the pledge" at the Review Conference and give up the arms race entirely, but neither did it seem reasonable for them to react to criticism of their behavior by asserting that the scope and peace of their bilateral arms control negotiations were nobody's business but their own. A Soviet delegate called such criticism "unacceptable interference."

If non-proliferation means the less nuclear weapons the better, the nuclear powers must set a better example. They can and must do more than they have so far been willing to do, toward ending nuclear tests, reversing the qualitative and quantitative strategic arms race, and adopting some form of commitment not to use nuclear weapons against those who have agreed to forswear them.

These are steps they should take even if there were no Non-Proliferation Treaty. Having in their hands the ability to destroy the world, they have the obligation to do as much as they can to reduce their capacity to do so and the likelihood that they might.

But even if the superpowers took these necessary steps tomorrow, their action would still leave unresolved the immediate security concerns of the potential sixth, seventh, or eighth nuclear-weapons powers, whose decisions to acquire nuclear weapons will not be based on concerns about attack from the United States or Soviet Union but rather from their neighbors.

In this area, it is events and undertakings outside the scope of the Treaty and beyond the responsibility of the Review Conference that will most affect the future of nuclear weapons proliferation.

Regional political solutions to regional conflicts, including serious consideration of nuclear-weapon-free zones, in those few areas where they seem feasible, will do far more to remove incentives for "going nuclear' than any imaginative technological fix, however laudable, which might make it more difficult to obtain the means to do so. Furthermore, the suppliers of conventional arms are certainly not doing their part to aleviate these regional tensions, or to lessen the likelihood that appetites for nuclear weapons will be diminished by continuing to dispense their lethal largesse so abundantly to troubled parts of the world. A Non-Proliferation Treaty for conventonal arms could do a great deal to bolster the nuclear NPT.

SUMMING UP

What, then, did the Review Conference accomplish? That it took place at all, reaffirming a commitment to the Treaty, may turn out to have been its most significant achievement. If it also served to underscore the many grave problems nuclear weapons and nuclear power have posed for the world, and to stimulate creative thinking toward their solution, it will have been well worth holding. Even the widespread dissatisfaction expressed by many of the non-nuclear powers present could turn out to be beneficial if it finally prods the nuclear powers to faster and better progress in disarmament.

The Review Conference provided a forum for a careful reassessment of the risks and

benefits of the peaceful atom. If some day it will also be possible to start thinking seriously about fewer nuclear-weapons powers rather than merely congratulating ourselves that there are no additional ones, the Review Conference could signal the beginning of a welcome step toward international sanity.

Some of the non-governmental observers present at Geneva felt the Conference had been a failure. They aparently saw it as an occasion for the nuclear weapons states, suitably chastised, to get religion, to realize that they had to mend their ways and could no longer set such a bad example.

I take a different view. One could hardly expect in thirty days to bring about solutions that had not been found in five years. The Non-Proliferation Treaty is a complicated instrument—an amalgam of political and technological commitments and half-promises, a bargain between states with very different objectives and approaches, both to their security and to solving the problems facing a world of nuclear energy. The Review Conference was not a forum for major new developments, only a check point at what—hopefully—is an early stage in the life of the NPT and a broader international concern about the many problems of the Nuclear Age.

SENATOR CLARK SPEAKS BEFORE THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Mr. HUMPHREY. Mr. President, last Sunday, July 7, the American School Food Service Association held their 29th annual convention in Chicago, Ill. The convention brought together over 2,500 people to discuss the future of the child nutrition programs, and I was pleased to note that my good friend and colleague, DICK CLARK, was their keynote speaker.

Over the years, the American School Food Service Association has earned a reputation for their outstanding leadership in improving the child nutrition programs. In much the same manner, Senator CLARK has become one of the strongest advocates in the Senate for these programs, and he deserves our special thanks for his hard work. I serve with Senator CLARK on the Senate Agriculture Committee where the child nutrition legislation is written, and he always can be counted upon to bring to that committee the kind of sensitivity and awareness that are vital to the continued prosperity and success of these important programs.

Mr. President, the child nutrition legislation will be considered in the full Senate shortly. I ask unanimous consent that Senator CLARK's excellent speech before the 29th annual American School Food Service Association be printed in the RECORD.

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

SPEECH BY DICK CLARK

Thank you very much for your warm welcome. It's a pleasure and a great honor for me to join you this evening, and I especially appreciate Helen Walker's kind introduction and the invitation that was extended to me on your behalf by my good friend, Vern Carpenter. In Iowa, Vern has earned a reputation for being one of the most effective administrators of any statewide program. Next year, when Vern takes over the chairmanship of the association's legislative committee, I'm confident that he will bring the same kind of leadership to that position that has characterized his years as director of Iowa's child nutrition programs. I have depended upon him a great deal and he will certainly have my support in his new position.

For the past 2½ years, I've had the opportunity to work with your national organization on a number of critically important issues, most recently the new authorizations for the child nutrition programs.

You're part of an incredibly active, energetic and dynamic group—with almost 60,000 members nationwide. The Congress is very aware of your growing strength and importance and so are many of the Federal agencies, especially the U.S. Department of Agriculture. In fact, I've found from first-hand experience that the Senate Agriculture committee and many other Congressional committees depend upon the association and its members to supply the kind of vital information and technical assistance that consistently have helped improve the status of the child nutrition programs.

You've made an important contribution to this country's well-being, and with your continued efforts, I'm confident that some day in the future, a truly comprehensive child nutrition program will be realized—one that provides every child with a nutritious meal each and every day. We ought not to accept anything less. Surely, that isn't asking too much. Food is the most basic staple of life—it's not a luxury, it's a necessity.

You've come together for the 29th annual convention during a most crucial time.

The domestic economy is in the depths of a recession, more than eight million people still are out of work. One out of eleven Americans is without a job. And, they're having a very difficult time right now feeding their families the food they need. We are quite aware of what malnutrition does to children. So you have an additional responsibility as you meet here this week.

In the next few months, we have some very difficult choices to make, and determining the direction of the child feeding programs is the best illustration because many questions remain unanswered. Will we expand the child nutrition programs to truly reach all children? Or will we focus on just reaching a part of America's children?

Will we continue economic segregation in the lunchroom when we have long since banned it in the classroom?

These and many other questions need to be answered, and we are looking to you to help solve them.

In the past, we have accomplished a great deal. We have achieved goals that once we thought were impossible. We have moved forward and we have witnessed these changes because you and your association have worked very hard and demonstrated our children's needs.

Let's take a moment to briefly review just a few of our most recent gains:

Reimbursement rates for all lunches have increased from 4 cents to about 12 cents.

Free and reduced-priced lunches reimbursement rates have risen; and there are automatic escalator clauses on all reimbursement rates;

Non-food assistance has been funded for needed equipment;

The school breakfast program has been implemented;

Free milk provisions were added to the special milk programs;

Outreach efforts have encouraged many children into the various child feeding programs.

All of these very basic measures began as part of the legislative recommendations of your association.

You can take special pride in their implementation. But the agenda of unfinished business is equally important.

This year, these gains will be augmented when congress gives final approval to legislation to reauthorize, revise and expand the present child nutrition programs. The House of Representatives has passed a good bill, and the Senate Agriculture Committee has reported substantially the same bill to the floor for consideration by the full Senate.

Under the Senate bill, the school breakfast program will be upgraded so that every school and every child who attends them gets the kind of nutritionally balanced breakfast that's essential. We have not yet met the potential of this program, and not very long ago, State child nutrition directors indicated their concerns about this trend in a survey conducted by the U.S. Senate Select Committee on Nutrition and Human Needs. In the future, the school breakfast program should be given more attention. Hopefully, this legislation will help us meet that objective.

The renewed school lunch program provided in this legislation will continue to include reduced price lunches so that then inflation won't make it impossible for the children of many middle and low income families to eat nutritious meals.

There are two problems with the Senate bill in my judgment, which make it inferior to the House-passed bill and they must be corrected before final passage in the Senate.

First, the Senate Committee on Agriculture did not include a provision to offer reduced price lunches to children who are at 200 percent of the income poverty index. Thus, if the Senate bill was adopted, reduced price lunches would continue to be optional at 175 percent of the income poverty index. Because of the importance of including this provision in the legislation, I plan to cosponsor an amendment to the committee bill during debate on the Senate floor. In my judgment, there is a good chance that the Senate will act favorably of this amendment, and since the House included it in their bill, there would not be a problem getting it approved in a Joint House Senate Conference Committee.

The second problem is that the Senate Agriculture Committee bill—unlike the House-passed bill—does not provide an additional 5 cent reimbursement for each lunch served to children who do not qualify for free or reduced priced meals. Clearly, we should provide this. There's no doubt that this extra nickel would help prevent the loss of paying children from participation in the lunch program. We must attempt to restore these funds, otherwise, more and more children will "brown bag" it or not eat at all.

The summer feeding program and the child care food program both have been upgraded in the Senate bill, and they will be put on an equal footing with school lunch and school breakfast. As a result children who attend day care centers will be eligible for nutritional assistance, and every child who attends a summer feeding program will receive a free meal. It also means that the summer feeding program and the child care food program will be eligible for commodities, for reimbursement rates fixed in the law, and for non-food assistance. We are proud of these new provisions—they will help improve our children's nutrition.

Most importantly, this legislation recognizes the school lunch program as a model after which to fashion other child nutrition programs. You have helped build that confidence, and it is our job in Congress to help you maintain it, and to continue to expand our nutrition programs until every child in America receives nutritious meals. In a nation as affluent as ours, in a nation that has $20 billion to spend going to the moon, in a nation that can spend $100 billion on weapons for destruction and death, certainly we ought to be able to feed our own children.

I'd like to specially mention the W.I.C. program:

The program that was developed to provide nutritious supplemental food to women, in-

fants and children. Under the Senate legislation, administrative costs would be increased to 20 percent, and nutrition education would be specifically mandated as a condition for participation in the program. Hopefully, these improvements, and an authorization level of $250 million a year, will prevent mothers and their children from further malnourishment.

Finally, it's time we face up to the fact that one of our greatest challenges is the development of a comprehensive national nutrition program that includes an education component. It isn't enough to simply feed children. We must teach them about nutrition as well. That is why we have introduced the National Nutrition Education Act of 1975, additionally, I have introduced the Comprehensive Health Education Act to make the school lunchroom a laboratory for learning. Children must be taught more about nutrition, taught what foods are good for them—what to avoid.

Taken together, these provisions of the legislation which I have been discussing will help ensure the future integrity of the child nutrition programs. And they will help enforce our mutual goals: to increase participation in the programs as well as to continue the high quality of meals that are served.

Unfortunately, one roadblock does remain: the administration has opposed the legislation which is about to pass Congress. As you know, President Ford asked the Congress to approve a "block grant" proposal to vastly change the child nutrition programs. That proposal was summarily rejected by the House, and the administration couldn't even find one Senator to introduce it in the Senate.

Under the administration's plan, all the child nutrition programs now in effect would be consolidated, and they would only attempt to assist this Nation's most needy children.

Under the President's proposals, the following would be completely eliminated:

Diet supplementation for 650,000 low-income women, infants, and children in 48 States;

2½ billion individual school lunches for children from middle-income homes;

Milk for tens of millions of young schoolchildren;

All meals in day care centers, head start centers, and

All school breakfasts, taking food away from over 1½ million young children each day.

What makes this action particularly unfortunate is that it comes at a time when these programs, tried and proved, could be a real help to the people of this country when they are most in need.

At a time when food costs are rising over 15 percent a year, when unemployment is hitting record-breaking numbers, when we're in the depths of a recession, the Federal nutrition programs are in a unique position to help our people.

Should the President veto the child nutrition legislation, we will need your help. It takes a two-thirds majority in each House of Congress to override a veto. And so far this year, the Congress hasn't had a very good track record in overriding vetoes.

Anticipating a Presidential veto may be premature, but it is a very real threat. President Ford has promised to veto every new spending program approved by the Congress, and the Department of Agriculture myopically has placed the child nutrition programs in that category.

In order to avoid a Presidential veto and to ensure enactment of the child nutrition legislation, first and foremost, you must let the President know about your continued support for the programs. In Congress, we'll show our support for them by approving the legislation by an overwhelmingly favorable vote. I believe we will pass the bill and send it to the President by the end of this month. You can help by sending a letter or telegram to the President telling of your support, and it also would be good to again write to your Senators and Congressman to let them know about your concerns. Let's resolve right here and now, to write these letters just as soon as this conference comes to a close. Your effort may make the difference.

One thing is certain: you must remain well organized in our efforts. It's no secret that those people who are the best organized, those who can effectively communicate with their Congressmen and Senators, are the people who can get the legislative process to work for them. It's easy to say, let somebody else do it. But if you don't speak out, no one else will. Your track record over the years is excellent, so let's continue to work together to keep it that way.

As long as it's necessary, we must let this administration know that the nutrition programs enjoy a broad base of public support—from every segment of our society. Another point, we must let the Congress and the administration know that we do not approve of any efforts to transfer the child nutrition programs from the U.S. Department of Agriculture to another agency.

The U.S.D.A. is the one agency that's intimately familiar with food and nutrition. It has more expertise than any other agency. Transferring the child nutrition programs to another Federal agency wouldn't save any money. It wouldn't improve the programs' efficiency, and most importantly, neither would it help any of this Nation's children.

On another issue, commodities contributions should remain a part of the child nutrition programs. We are well on our way to surpluses in many commodities again, and that's why the structure for purchasing and distributing commodities should remain intact.

Finally, I know that many of you are concerned about the quality of meals served to Junior High and High School students. We need to maintain the nutritional integrity of the meals, and it will be important to continue serving nutritionally complete type "A" meals. This will ensure the continued quality of the programs, and I note with great pleasure that the legislation that's been adopted by the House of Representatives and the Senate Agriculture Committee will allow you as administrators to fulfill this objective.

Again, I want to thank you for inviting me and I look forward to working with you to improve the nutrition of our children all over America.

THE UNITED STATES AND HUMAN RIGHTS CONVENTIONS: A REVIEW BY A COMMITTEE OF THE WISCONSIN STATE BAR ASSOCIATION

Mr. PROXMIRE. Mr. President, the June 1975 issue of the Wisconsin Bar Bulletin contains a particularly interesting and succinct summary of the U.S. record in ratifying the major human rights treaties which have been submitted to the Senate. It was prepared by the Committee for World Peace Through Law and presents a dismal view of this body's dedication to human rights.

They found that the U.S. Senate had not ratified a single human rights treaty since 1968. Not one. And there are at least eight major treaties awaiting action. These include conventions relating to forced labor, freedom of association, equal remuneration for men and women, the political rights of women, racial and education discrimination, and a treaty outlawing the crime of genocide.

The committee concluded that—

It is as though the United States suddenly, following World War II and after years of leading the way, had decided to become not only a follower but in fact the last straggler. When one considers that Americans often claim authorship of most human rights documents adopted by the United Nations or its affiliated agencies, it is deplorable to learn that our country has not signed some of those treaties which it once so enthusiastically and publicly fathered. Most Americans cannot believe the United States is a prime foot-dragger on this score. It is inconceivable that the United States has even failed to ratify the Genocide Convention. But the history of the Genocide Convention provides a good example of the usual treatment accorded to human rights treaties by the United States.

Their brief but excellent review of the history of the Genocide Convention is painfully familiar to the Members of this body who have supported efforts to secure ratification of this treaty.

It demands the attention of the Members of the Senate.

I ask unanimous consent that this article be printed in the RECORD at this point.

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

HUMAN RIGHTS TREATIES

Many individuals and organizations throughout the world have consistently supported the recognition of human rights as a necessary basis for achieving world peace. For example, at its most recent biennial world conference at Abidjan, Ivory Coast, in August, 1973, the World Peace Through Law Center again expressed its long standing position by adopting the following resolution:

"We urge ratification of covenants which constitute the Human Rights Treaties, such as the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention on Genocide; the Conventions on Abolition of Slavery and on Slave Trade; and the various international and regional Conventions against Racial and other forms of discrimination."

More recently there was introduced into the House of Representatives (93rd Congress) Resolution #557 urging the Senate to give its advice and consent to some of the important human rights conventions adopted by the United Nations. The Resolution was referred to the Committee on Foreign Affairs; and after extensive hearings, its Subcommittee on International Organizations issued a report recommending approval by the Senate of the Genocide Convention and early attention to other human rights treaties, including the one on Racial Discrimination. The status of the United States with respect to these treaties has been one of delay and inconsistency. This brief report (based largely on testimony of this Committee's chairman, in his individual capacity, before the House Subcommittee) is an attempt to review the history of how this country reached its present puzzling position.

By its Declaration of Independence in 1776, the United States inspired renewed hope throughout the civilized world for recognizing the dignity of man. A decade later it spelled out individual rights through the Bill of Rights. During the ensuing generations this country moved forward, step by step, to advance the rights of the individual, suffering through a tragic Civil War to give meaning to the words "all men are created

equal." During these first 200 years, the United States not only furthered recognition of human rights for its own nationals, but it also constantly made its sympathies known and its influence felt for individual rights on the international scene. This American attitude reached a high point of self-sacrifice when we entered World War II, partially in self defense but spiritually because our country could not exist as the great humanitarian nation of the world and do nothing to prevent the crimes against humanity being committed by the Nazi government. When the war finally ended, the United States was not only the most materially powerful nation in the world, but it was the world leader for the ideals expressed in the United Nations Charter. The Charter specifically sets out as one of its purposes the furtherance of "respect for human rights and fundamental freedoms." Through ratification of the U.N. Charter, all members pledged themselves to achieve this noble objective.

At the San Francisco conference in June, 1945 when the Charter was adopted, President Truman, speaking for the United States, said:

"Under this document we have good reason to expect the framing of an International Bill of Rights, acceptable to all the nations involved. That Bill of Rights will be as much a part of international life as our own Bill of Rights is a part of our Constitution. The Charter is dedicated to the achievement and observance of human rights and freedoms, and unless we can attain these objectives for all men and women everywhere—without regard to race, language or religion—we cannot have permanent peace and security."

Thereafter, under the leadership of the United States, on December 10, 1948, the United Nations formulated and adopted the Universal Declaration of Human Rights. Although this was not the International Bill of Rights which many at San Francisco had envisioned, nevertheless it was the first time in history that the community of man spelled out those basic rights to which every human being is entitled. That Declaration has now taken on a unique position throughout the world; and from its guiding principles have flowed a series of United Nations treaties covering specific rights.

The first and probably best-known of these treaties is the Genocide Convention, adopted by the U.N. General Assembly during the late 1940's. Almost as well known is the treaty on Elimination of Racial Discrimination, adopted in 1965. However, the most inclusive of the conventions are the group of treaties adopted by the General Assembly in 1966 usually referred to as the International Covenants on Human Rights. These are what President Truman had in mind at San Francisco and include the Covenant on Economic, Social and Cultural Rights and the Covenant on Civil and Political Rights. When the General Assembly declared 1968 as International Year for Human Rights (being the 20th Anniversary of the Universal Declaration of Human Rights), it urged that special efforts be made to secure ratification by member states of nine human rights treaties:

1. The Supplemental Convention on slavery.
2. The I.L.O. convention relating to forced labor.
3. The I.L.O. convention on discrimination in employment.
4. The I.L.O. convention on equal remuneration for men and women.
5. The I.L.O. convention on freedom of association.
6. The UNESCO convention against discrimination in education.
7. The treaty on political rights of women.
8. The Genocide convention.
9. The treaty against racial discrimination.

Prior to this time, the United States had ratified (in 1967) only one of these nine treaties, viz. the Supplementary Convention of the Abolition of Slavery, Slave Trade, and Institutions and Practices. Since 1968 not even a single human rights treaty has been ratified by this country. It is as though the United States suddenly, following World War II and after years of leading the way, had decided to become not only a follower but in fact the last straggler. When one considers that Americans often claim authorship of most human rights documents adopted by the United Nations or its affiliated agencies, it is deplorable to learn that our country has not signed some of those treaties which it once so enthusiastically and publicly fathered. Most Americans cannot believe that the United States is a prime footdragger on this score. It is inconceivable to them that the United States has even failed to ratify the Genocide Convention. But the history of the Genocide Convention provides a good example of the usual treatment accorded to human rights treaties by the United States.

When President Truman in 1949 sent the Genocide Convention to the U.S. Senate for its advice and consent, approval by the required two-thirds of that body was considered more or less routine. As the President pointed out in his letter of transmittal:

". . . by the leading part the United States has taken in the United Nations in producing an effective international legal instrument outlawing the world shocking crime of Genocide, we have established before the world our firm and clear policy toward that crime."

However, to almost everyone's surprise, opposition to the treaty arose, and its spokesman was the American Bar Association.

Although the ABA was usually regarded as conservative, on questions of international law it had taken a forward-looking position, contrary to the isolationist philosophy that was reappearing as part of the then-developing cold war. However, in September, 1949 the Bar Association adopted a resolution opposing ratification of the Genocide Convention on the ground that it "involves important constitutional questions and raises important fundamental questions but does not resolve them in a manner consistent with our form of government." This position was primarily based on an alleged threat to the sovereignty of states within the United States. There were even those who seemed to believe that if a citizen of a southern state were accused of the crime of lynching, he would be subject to arrest by a foreign power and could be tried before a foreign court. It was clear from a reading of the Convention that the usual crime of murder, including lynching, was not covered by the treaty. It was also clear that any persons charged with genocide were to be tried by a court of the nation in which the act was committed. Trial by an international penal tribunal, if one were ever created (and none has been), was possible only for citizens of those nations which had accepted such international jurisdiction.

The hearings before a subcommittee of the Senate Foreign Relations Committee in 1950 were lengthy. Eventually the subcommittee filed a report supporting ratification but, in order to satisfy real or imagined fears of the objectors, recommended certain clarifications (which, among other things, would resolve doubts of the Convention's applicability to a single lynching). Nonetheless, the full Senate committee delayed action. By that time the chilling winds of McCarthyism began to be felt, the cold war had attained a sub-zero level, and anything which seemed to favor cooperation with foreigners became suspect. (It was ironic that McCarthyism should have had such an effect because Senator McCarthy subsequently announced his support for ratification.) The matter was ultimately tabled and the Genocide treaty remained in the deep freeze for 20 years. From 1950 to 1963, although various citizens' groups urged ratification of other human rights treaties, none were sent to the Senate for its advice and consent and no further serious effort was made to force action on Genocide.

Finally, recognizing the importance to our national interest of ratification of these treaties, in 1963 President Kennedy did send three new conventions to the Senate. They were the Convention on the Political Rights of Women, the Convention on Forced Labor, and the aforementioned Supplementary Convention on Slavery; and each had been considered sufficiently non-controversial as to insure favorable action. The U.S. Constitution long ago made slavery and forced labor unlawful and granted political rights to women. Nevertheless, a number of lawyers, including many of those who had originally opposed the Genocide treaty, still expressed strong opposition to ratification. Beginning in January, 1967 Senator William Proxmire began issuing a series of statements on the floor of the Senate demanding action on these treaties, and a special subcommittee of the Foreign Relations Committee was appointed to hold hearings. After a lengthy debate within the ABA's House of Delegates in August, 1967, the Association resolved to oppose the womens rights treaty, to withhold support of the treaty against forced labor, but to support ratification of the slavery convention. Thereafter the Senate did approve the Slavery treaty, which seemed particularly significant because it deals with certain phases of marriage, traditionally considered a mater of local, domestic concern. It was felt that the Senate had adopted the legal proposition that the United States has the constitutional power to enter into human rights treaties. Nevertheless, the subsequent history of our failure to ratify the Genocide Convention and all other treaties indicates that many still refuse to recognize this fact.

In February, 1970 President Nixon urged the Senate "to consider anew this important convention [Genocide] and to grant its advice and consent to ratification." The ABA House of Delegates, upon the recommendation of several of its sections and committees, then reconsidered its 1949 position but by a very close vote declined to change that position. Meanwhile the Senate Foreign Relations Committee, acting upon the President's request, held several meetings and recommended ratification. The matter did not reach the Senate floor for a vote that session. In 1971 the Senate Committee held further hearings and again reported the Convention favorably to the Senate, subject to the previous understandings and declarations. However, no vote was taken by the Senate at that session either. No further hearings were held in 1973, because (in the words of the Senate Committee) ". . . in view of the already voluminous record made on the treaty, the committee . . . ordered the convention report favorably to the Senate without a dissenting vote." The matter was placed on the Senate calendar for early action in 1974; but once again a vote was prevented, this time through a threatened filibuster. At present, under the Senate rules of procedure the matter has again been referred to the Foreign Relations Committee.

Justice Tom C. Clark (retired), chairman of a Special Committee of Lawyers of the President's Human Rights Year Commission, stated in his letter of transmittal dated August 20, 1969:

"I would like to reiterate here, however, our finding, after a thorough review of judicial, Congressional and diplomatic precedents, that human rights are matters of

international concern; and that the President, with the United States Senate concurring, may, on behalf of the United States, under the treaty power of the Constitution, ratify or adhere to any international human rights convention that does not contravene a specific Constitutional prohibition."

From a practical standpoint, in 1971 the President's Commission for the Observance of the Twenty-Fifth Anniversary of the United Nations (the "Lodge Commission") reached a conclusion similar to that of the earlier "Harriman Commission" when it stated:

"The United States would be in a far stronger position to play its historic role as champion of individual rights and to take a leading part in consideration of alleged violations of international standards if it ratified the instruments it has helped to develop."

This Committee fully supports both of the above findings and calls upon the State Bar and all lawyers and other citizens to endorse ratification of the human rights treaties, with whatever reservations and understandings the Senate may deem appropriate. But we cannot continue to ignore this essential subject.

Respectfully submitted:
Bruno V. Bitker, *Chairman*, Milwaukee.
Richard A. Bilder, Madison.
George A. Evans, Jr., Milwaukee.
Forrest D. Hartmann, Baraboo.
Paul A. Hibbard, Watertown.
Malcolm P. Mouat, Janesville.
Robert J. O'Connell, Chicago.
John W. Reynolds, Jr., Milwaukee.
Aaron L. Tilton, Milwaukee.
Ralph von Briesen, Milwaukee.

Mr. PROXMIRE. Mr. President, I would also like to take this opportunity to commend the members of the Wisconsin State Bar Association's Committee on World Peace Through Law for their tireless efforts to keep these important human rights issues before the public and the Senate.

This committee is chaired by one of Wisconsin's most distinguished citizens, Bruno Bitker, a Milwaukee attorney, who has long been active in the crusade for human rights. He is currently serving as chairman of the Governor's Commission on the United Nations and has long been one of the most outstanding supporters of the Genocide Convention.

RETIREMENT OF ADOLPH T. SAMUELSON, ASSISTANT COMPTROLLER GENERAL

Mr. RIBICOFF. Mr. President, Mr. Adolph T. Samuelson, Assistant Comptroller General of the United States, elected to retire from the Federal service effective June 27, 1975. This date marks the conclusion of an outstanding career in the public service which warrants recognition.

We have increasingly come to recognize the valuable service rendered to Congress, its committees, and Members by the General Accounting Office and members of its fine professional staff. Through its reports, as well as testimony and briefings, the GAO provides us with much valuable and objective information to help us reach better decisions and carry out our oversight responsibilities.

As we know, building and maintaining a capable professional institution, such as the GAO has become, requires the dedicated efforts of competent leaders. In this regard, Mr. A. T. Samuelson has served the GAO and his Govrenment exceptionally well during his long career. He joined the GAO in 1946 after having spent more than 8 years in the practice of public accounting and served more than 4 years in the Navy, rising to the rank of commander.

Serving first in the former Corporation Audits Division and then in the Division of Audits, Mr. Samuelson played an important part in professionalizing the work of the GAO, moving beyond checking on fiscal matters and into the appraisal of the management of Federal programs and agencies. In 1956, he was named Director of the then recently established Civil Accounting and Auditing Division, later called the Civil Division, by then Comptroller General Joseph Campbell. He served in this capacity for 16 years, directing the work of hundreds of professional accountants and auditors in evaluating the management and effectiveness of the agencies and programs of virtually all of the Federal civilian establishment. During this period he was responsible for the studies and audits which resulted in more than 1,500 reports to Congress dealing with diverse subjects ranging from the progress and adequacy of management of the interstate highway program to the effectiveness of the many programs which comprised the war on poverty.

In 1972, the present Comptroller General, Elmer B. Staats, appointed Mr. Samuelson an Assistant Comptroller General with responsibility for overseeing the work of three of GAO's major operating divisions which were established as part of a general reorganization of the agency designed to enhance its service to Congress.

Throughout his career Mr. Samuelson provided outstanding leadership in developing competent professional staff dedicated to carrying out GAO's responsibilities with the highest degree of integrity, dedication, and objectivity. He also found time to contribute generously, through membership and active participation in several professional associations and contributions to professional journals, to the development of the accounting profession generally.

Mr. Samuelson is a recipient of the GAO Distinguished Service Award and in 1971 received GAO's highest award, the Comptroller General's Award.

Having devoted virtually all his working career to outstanding public service, Mr. Samuelson leaves the GAO with our gratitude for his contributions to improving the Federal Government and our wishes for a long and productive retirement.

CONSUMER PROTECTION AND VETERANS EDUCATIONAL TRAINING PROGRAMS

Mr. HARTKE. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I have for some time been concerned that Veterans' Administration educational assistance benefits be paid only for the purposes that Congress intended and that veterans obtain the educational and vocational objectives they seek. While the current program for Vietnam-era veterans has, I believe, been a successful one which has and will continue to return high dividends to the Nation, a number of problems have been encountered during the past several years, which have occasioned amendments first, in Public Law 92–540 and subsequently in Public Law 93–508, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974. I might add that these problems continue as a recent series in the Chicago Tribune concerning certain vocational schools has revealed.

Among the amendments adopted unanimously by the House and Senate last year, were provisions disapproving veteran enrollment in any institution which utilizes advertising sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. Also as a condition of continued eligibility schools offering vocational objective programs must demonstrate that at least 50 percent of their available course graduates in a preceding 2-year period have obtained employment in the occupation for which trained.

Because there has been considerable interest expressed recently concerning these provisions and their legislative history, I believe it appropriate and useful to insert in the RECORD relevant excerpts from the Senate committee report to these provisions, the report of the committee of conference, and those provisions of title 38, United States Code, concerning the subject which were amended by Public Law 93–508. Accordingly, I ask unanimous consent that they be printed in the RECORD.

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

[Excerpts from Senate Report No. 93–907 of the Senate Committee on Veterans' Affairs, to accompany S. 2784, June 10, 1974]

* * * * *

BACKGROUND AND DISCUSSION

* * * * *

Controls to prevent abuses

S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans' educational assistance program. The Committee is aware of and shares the deep concern of certain senior and influential members of Congress about abuses of the G.I. bill program in general and the anticipated problems associated with the payment of a partial tuition assistance allowance. In response to these concerns, a number of specific controls with respect to the tuition payment system were adopted to reduce the possibility of abuse. Additionally, ample discretionary authority is granted to the Veterans' Administration to prescribe such rules and regulations as are "necessary to implement and prevent abuses of the program for payment of partial tuition assistance allowances." There are also a number of Federal criminal statutes presently in existence which would be applicable to any person or institution which acted to abuse the program.

At the same time, it should be noted that while it is true that any increase in the amount of Federal funds a veteran has available to purchase services will serve as a strong economic incentive for certain schools to seek out and enroll these veterans, the Committee believes that the basic problem is *not* in the level or manner of payment of Federal funds. Rather, the fundamental problem rests either with the quality of serv-

ices offered or with deceptive erroneous or misleading advertising, sales, or enrollment practices. In the first instance, lack of effectiveness in the basic approval process to qualify institutions for VA payments can result in Federal expenditures for inferior services. An example would be vocational objective courses which do not qualify the veteran to obtain the job for which he trained. In an extensive investigative reporting series concerning the vocational school industry, the Boston Globe's Spotlight Team concluded, for example, that:

[T]he career-training field has been cornered by a profit making school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

This highly profitable, publicly subsidized market has exploded in the past five years spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

. . . [T]he Spotlight Team . . . found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses.

In the second situation illustrating the basic opportunity for abuse, institutions or their employees which utilize advertising, sales, or enrollment practices making oral or written claims which are erroneous, deceptive, or misleading—either by actual statement, omission, or intimation—deny the veteran accurate, useful information necessary for him to compare and make an informed judgment about possible enrollment in a course.

The Committee believes that the recent proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, the long investigative series on vocational schools conducted by the Boston Globe, the draft report of the Brookings Institution Study for the Office of Education entitled "Private Accreditation and Public Eligibility," and the Federal Trade Commission's File No. 722-3149 covering practices and performance of the proprietary vocational and correspondence school industry to which the Committee was granted access, all chronicle the problems mentioned and confirm the foregoing analysis.

The Brookings study, like the 1972 Newman Report on higher education which preceded it, raised important questions concerning the reliance upon "accreditation" as a key to eligibility for public funds. The preliminary draft study quotes an unidentified Federal official as saying:

Direct and indirect Federal financial support . . . has played a major role in the growth of the private vocational school industry with only the most minimal safeguards . . . Thus, the Government itself has underwritten the development of school abuses and has a major responsibility to ensure that the abuses of the industry are reformed.

As a consequence, the reported bill clarifies and extends VA authority consistent with the objective of avoiding abuses. Statutory authority has been tightened and generally made applicable to schools regardless of whether they are "accredited or non-accredited." In this connection, the Committee concurs with the 1970 testimony of the Veterans' Administration on the Federal Trade Commission's proposed guides for private vocational and home-study schools, which concluded:

There is a need for guidelines to be established which would control the content and the operation of the courses of education which are offered by the schools, accredited and non-accredited. *These guidelines should be over and above those established by the National Home Study Council and National Association of Trade and Technical Schools.*

Additionally, the reported bill clarifies and strengthens the law with respect to the Administrator's authority to disapprove enrollment of veterans in institutions which utilize advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading and provides for greater coordination with the Federal Trade Commission.

* * * * *

Veterans' training by correspondence

As part of its continuing legislative oversight activities, the Committee requested the General Accounting Office to examine the implementation and operation of amendments to the title 38 provision governing training programs by correspondence made in 1972 (Public Law 92-540). Those amendments provided for full disclosure of the obligations of both the institution and the veteran as well as a 10-day mandatory cooling-off period following which there must be a written affirmation by the veteran before he becomes financially obligated in any way. Public Law 92-540 also required correspondence schools to refund tuition to veterans who terminate prior to course completion on a lesson-completed basis rather than time-elapsed basis.

At the request of the Committee, the General Accounting Office examined the implementation of these provisions at eight correspondence schools. These schools (all accredited by the National Home Study Council) as of December 31, 1973, had a combined veteran enrollment of 180,000 or 63 percent of the 288,000 veterans enrolled in correspondence training nationwide under the GI bill. In addition to talking with school officials and examining student files, the General Accounting Office also contacted on a random selection basis, 160 veterans or 20 from each school, evenly divided between current enrollees and veterans who had discontinued the training before course completion. In its report to the Committee, the General Accounting Office found that the schools they visited were:

. . . generally adhering to the major provisions of Public Law 92-540. For the most part contracts and refund policies have conformed to the requirements of the law.

In summary, we did note the following:

Certain actions by the schools did not appear to fully comply with the spirit and intent of the law.

The VA could take action in some instances to facilitate compliance with the law.

There is confusion as to how to precisely compute the ten day period for reconsideration of enrollment.

The wording on the VA affirmation forms seems to be confusing.

At two of the eight schools, veterans had to notify the schools of their intent to cancel at least twice before refund would be made.

At one school collection letters were sent to the veterans indicating the refund provision would be canceled unless tuition payments were made.

13 percent of the veterans we talked to stated they were not aware the VA would pay for only 90 percent of the cost of the course.

20 percent of the veterans indicated they did not fully understand the school's refund policy.

A good number of the problems just noted are, according to the General Accounting Office, directly connected either with "unclear wording on the affirmation form" or in the "methods of delivery of affirmation forms to the veterans." The official affirmation form developed and distributed by the Veterans' Administration is as follows:

I have read and I understand the enrollment agreement that I entered into with the above named school and the date indicated in item four. I hereby affirm such enrollment agreement and certify under penalty of law that I have not signed this affirmation until after the expiration of 10 days from the date I signed the aforesaid enrollment agreement. (VA form 22-1999 C).

Investigators found two schools used exact copies of the VA form while the other six were using their own forms (apparently in contravention of VA regulations). In its report to the Committee the General Accounting Office observed:

The wording of both the VA and school designed form may confuse the veteran. Neither form states that the purpose of the affirmation is to allow veterans time to reconsider their decision to enroll. One-third of the veterans were contacted who remembered signing affirmation forms told us they did not understand the purpose of the document.

Thus, in order to clearly effectuate the intent of the law the Committee (based upon the information supplied by the General Accounting Office) directs that the Veterans' Administration rewrite the affirmation form and ensure that it is utilized by all correspondence schools enrolling eligible veterans, wives, or widows. The affirmation form should clearly reflect the intent of the law that the veteran has at least 10 calendar days after signing the contract to reconsider his decision to enroll in the correspondence course, and further that the veteran is not financially obligated in any way unless he reaffirms those intentions following the 10-day "cooling-off" period.

The Veterans' Administration should also take appropriate steps to ensure that sales representatives do not distribute or secure the veteran's reaffirmation when he *initially* signs the enrollment agreement (*or shortly thereafter*). The affirmation form should be executed only following the expiration of the ten-day period.

Additionally, in light of the fact that a significant number of veterans were not aware that the VA paid for only 90 percent of the cost of the course or did not fully understand the schools' refund policy, the Committee also strongly believes that readily understandable information concerning both of these matters should be included on the affirmation form.

The Committee is particularly disturbed by the report of the General Accounting Office which indicates that schools were slow in making refunds to those who terminated the course and in certain circumstances would not make a refund to a non-affirmed veteran upon the receipt of the first notification to cancel. These schools required at least two notices to cancel and if the veterans did not respond, enrollment was canceled but no refund was made. Thus, the committee has found that the affirmation notice should clearly indicate the conditions under which refunds are made and that the Veterans' Administration should take necessary administrative steps to ensure that all institutions promptly refund monies within 30 days following receipt of notification to cancellation or nonaffirmation by the veteran.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 2784, AS REPORTED

* * * * *

SECTION 204

Clause 1 amends section 1673(a)(2) to expand the provisions of the section to apply to all courses with a vocational objective the existing minimum 50-percent placement requirement. This amendment is consistent with current VA authority and administrative practice which requires, as a condition of initial or continued approval for VA payment, that a substantial number of vocational course graduates obtain employment in the occupation for which the course trained them. A "program of education" is defined in section 1652(b) as a course of study or training "which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and

identified educational, professional, or vocational objective." The Veterans' Administration, Department of Veterans' Benefits, Program Guide for the Implementation of Regulations under title 38 states in pertinent part that:

Any program not leading to a high school diploma, a college degree, or a postdoctoral certificate from an accredited college or university must lead to a vocational or professional objective. A vocational or professional objective is a recognized occupation that is listed in the Dictionary of Occupational Titles or one that is subject to listing therein. . . . A vocational school course may be authorized for an occupational objective if graduates of the course generally qualify for employment in the stated job objective. If there are licensing requirements in the State for the occupation, completion of the course must meet the requirements for taking the licensing examination. If completion of the course will not meet the requirements for taking the licensing examination, the vocational course should not be authorized as a program of education. If there are no licensing requirements, completion of the course must be generally recognized by prospective employers as qualifying for employment in the State occupation. If graduates of the course can not obtain employment in the community where the course is given because they are not considered qualified, the vocational course should not be authorized as a program of education.

In order to determine whether a school offering a course in fact fulfills the requirement for attainment of an occupational objective, the Veterans' Administration has for a number of years instructed the State approving agencies to require that a school demonstrate that a substantial portion of its students who complete the course has in fact obtained employment in the jobs for which the course trained them. Instructions covering State Approving Agency reimbursement contract for fiscal year 1975 issued by the Veterans' Administration on March 27, 1974 (DVB CIRC 22-74-2) state for example:

8. *Program of Education—Vocational*: We continue to receive complaints from veterans concerning some vocational courses. The complaints generally are centered around course content, quality of the course, the instructional materials, and the fact that completion of the course is not generally recognized by industry as meeting the vocational requirements for the occupation for which the course purports to train the veteran. The State Approving Agency, in approving a course or in reviewing a course already approved, should be certain (a) that the curriculum is adequate to accomplish the training objective for which the course is designed, (b) that the quality of the instructors assure competent and complete training for the vocational objective, and (c) that the course completion by itself is generally being accepted by the industry for employment purposes. For example, courses may have as their stated vocational objectives, insurance adjuster, motel-hotel manager, or computer programmer. A course leading to any one of these objectives, or any other vocational objective, should not be approved, or the approval continued unless the school can demonstrate that a substantial number of its graduates are thereby able to obtain employment in the occupations for which trained by the course.

The foregoing has been a longstanding concern of the Veterans' Administration, and, in an appearance before the Federal Trade Commission on proposed guidelines for proprietary vocational home study schools in 1970, VA officials testified that:

A common complaint of the veterans is that of not obtaining a job upon completion of the course. They claim that it has been part of the salesman's routine to promise the veteran that the school would find him employment after he had successfully completed the course. . . .

For vocational courses, employment opportunities play an important role in a student's decision to take a particular course. Students upon completion of a course in most instances are under the impression that they would then qualify for a job in their field of training. . . .

The continued complaints noted by the VA in its instructions issued pursuant to the Fiscal Year 1975 State Approving Agency contracts indicates that the requirement of substantial placement is not in fact being met.

In this connection, a recent outstanding investigative series concerning proprietary vocational institutions conducted by the Boston *Globe* found, for example, that the Massachusetts State Approving Agency was not following VA requirements concerning substantial placement. According to the *Globe:*

In a bulletin to all its State agents in charge of approving the schools to train veterans, the VA directed the institutions show "substantial placement" of its graduates in jobs before being cleared.

In Massachusetts, VA Approval Agent James E. Burke said he "just never received the bulletin" and approved 130 schools without checking for substantial placement.

Veterans' complaints persisted and in May 1971, the VA sent State agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and "immediately implemented it by requiring 50 percent placement."

Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the school to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith.

The *Globe* further found that claims of high job placement by school salesmen for many vocational schools were at considerable variance with the actual facts. While the *Globe* found that area public vocational schools consistently had high job placement ranging from 62 percent to 95 percent, many profit-making vocational schools had very poor placement rates. The series cited a proprietary school offering courses which trained dental assistants in which only 22 percent of its students had found jobs. The *Globe* also quoted a knowledgeable former employee of another school as saying that a survey by a proprietary vocational school found that 70 percent of the graduates of the school's medical and dental assistants courses and over 95 percent of its broadcasting graduates had *not* found employment.

This contrasted with Northeastern University's dental assistant course in which 83 percent of its students received employment as dental assistants. Another former employee of a computer school is quoted as saying that only 50 percent of the school's enrolled students graduated and of its graduates only 10 percent had gotten "decent jobs." Again, by contrast, a public regional technical school in the same area revealed that 82 percent of the students who enrolled had completed its data processing course and that, of that number, 95 percent were placed in jobs for which they were trained.

The Committee believes that reputable public and private institutions offering vocational objective programs should not encounter any difficulties with the amendments made by this section. Information obtained from the fiscal year 1972 annual reports of the States to the Office of Education pursuant to the Vocational Education Act of 1963, as amended, reveal that 62.6 percent of the graduates of those public post-secondary vocational schools utilizing Federal funds under that 1963 act secured full-time employment in the field for which they were trained. It should also be noted that the completion rate for all these courses exceed 70 percent. The following table shows placement percentages for such public post-secondary vocational schools in various specific occupational categories grouped by broader generic classifications:

TABLE 14.—FISCAL YEAR 1972 PLACEMENT OF STUDENTS COMPLETING POST-SECONDARY VOCATIONAL EDUCATION PROGRAMS UNDER THE VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED

Occupations	Completions	Employed full-time	Placement percentage
Agriculture	8,622	5,446	63.2
Distributive education	26,070	15,891	60.9
Health	64,173	44,998	70.1
Home economics	8,688	4,752	54.8
Office	88,916	53,625	60.3
Technical	40,990	23,985	58.5
Trade and industry	89,641	55,951	62.4
Total	327,100	204,948	62.6

Similarly, a 1972 in-depth study of students in the Texas Community College system enrolled in post-secondary vocational education conducted by the Specialty Oriented Student Research System found that 75.3 percent of its graduates were employed in training-related jobs. The following table shows the results of the survey (which was taken 7 months following completion of training) broken down by veterans and nonveterans:

TABLE 15.—PERCENTAGE OF EMPLOYED GRADUATES OF TEXAS PUBLIC VOCATION EDUCATION PROGRAMS IN TRAINING-RELATED JOBS, 1972

Student	Number	Percentage
Veterans	288	69.5
Nonveterans	1,019	76.8
Total	1,247	75.3

The new provision in the reported bill would thus require evidence that at least half of the veterans completing the course within the most recent two-year period were in fact employed in a specific occupational category for which the course was designed to provide training. Obviously, a course which purports to train veterans to become operators of large earthmoving equipment with high paying salaries will not fulfill this requirement if a graduate obtains employment at a much lower salary in which the only earthmoving equipment he utilizes is a hand shovel as a manual laborer. To cite other examples, there are large differences in specific occupational categories (as well as in salaries) between "computer programmers" and "key punch operators," between large diesel semitruck operators and local delivery men. As the Veterans' Administration Veterans' Benefits Program Guide currently directs:

School officials, applicants, and job establishment officials sometimes state the occupational objective at a higher level than it is possible for the trainee to reach as a result of completing the program. A Certificate of Eligibility should not be issued for an objective unless the program outlined will qualify the eligible veteran or person for employment in the occupation without additional training.

The Veterans' Administration Liaison Representative and the State approving agency officials should assist schools and establishments in identifying the appropriate vocational objective for each approved program. When a program does not provide sufficient

training to qualify a person for a skilled journeyman job, it may be that a lower level job can be established as the objective. An example would be "Electrician Helper, DOT Code 829.887" for a lower level course and "Electrician DOT Code 824.281" for a higher level course.

Thus, it is intended that the amendment in the reported bill provided for in this section should accomplish two results. First, to ensure that the school would be approved only if it could demonstrate that at least one-half of its graduates have in fact obtained employment for the specific vocation for which the course had trained them. Second is to ensure that the institution accurately states to the prospective veteran enrollee what in fact is the actual and reasonably anticipated vocational objective of the course.

The Committee also wishes to emphasize that, as a supplement to the amendments made by this section, the VA should continue to exercise its general authority to ensure that any course offered qualifies as a "program of education" under section 1652(b). To do so, the course must be generally accepted as necessary to fulfill requirements for the attainment of a vocational objective.

To be "generally accepted," a course must be recognized by government or industry as providing the quality and quantity of training to furnish the skills needed to perform the job, and the course must be a proven means of acquiring such skills. If, for example, the customary method of training in a geographical area for a particular job is by apprenticeship, a school's course purporting to lead to the same objective may not be considered as "generally accepted" unless there is clear evidence that the course definitely qualifies the trainee for a specific occupation.

If training for a particular job is customarily furnished by the employer and little or no weight is given school training for such job by employers in the industry, such a school course may not be considered as "generally accepted."

If a job requires a license, the course must satisfy all of the educational requirements for licensure before it may be considered "generally accepted." If licensure is by examination, the course must have any approval required for the examination. For example, the only school courses that qualify an individual to take an aircraft mechanic license examination are those certificated by the Federal Aviation Administration. A noncertificated course may not be considered as "generally accepted" under section 1652(b).

Any prerequisite to obtaining the job other than the training itself must be a prerequisite to or part of taking the course. For example, if employers customarily require a high school diploma for a particular job, any course purporting to train for that job must include a high school diploma as an entrance requirement.

A course must fulfill requirements for the attainment of the objective. This means that it must fulfill all requirements. The course must be complete and must provide all of the training needed, so that a graduate will be qualified to perform the job for which he is trained. On the other hand, if a job requires little or no training, a course leading to that job objective is not "generally accepted" as necessary.

Additionally, the VA should ensure that the State Approving Agency actually do determine that a course is in fact generally accepted as necessary by *prospective employers*. Employers should be asked specifically what weight, if any, they would give the course in considering an application for employment.

Clause 2 would amend paragraph (3) of section 1673(a) to provide that the Administrator shall not approve the enrollment of an eligible veteran in any course if he finds the advertising for the course contains significant avocational or recreational themes. Section 1673(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of veterans in "any type of course which the Administrator finds to be avocational or recreational in character" with certain exceptions if the eligible individual can submit justification that the course will be of "bona fide use in the pursuit of his present or contemplated business or occupation." Among the courses which the Veterans' Administration currently "presumes" to be avocational or recreational in character are any photography or entertainment course, any music course, instrumental or vocal public speaking courses, and courses in dancing or sports or athletics (such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating or other sport or athletic courses).

Given the foregoing, the Committee has been quite concerned about the recent proliferation of extensive two-page color advertisements in national magazines by institutions seeking to enroll veterans which stress recreational or avocational themes. Certain correspondence schools (accredited by the National Home Study Council) enrolling eligible veterans advertise "home entertainment electronic" systems courses in which veterans are told, among other things, that "you'll be dynamite" and "do it for fun."

In order to gain approval by a State Approving Agency and to avoid the statutory prohibition of section 1673(a)(3), these correspondence courses assert they are designed to equip the veteran with a particular vocational skill in order to earn his livelihood, such as a TV repairman, for example. While the courses offered may, in fact, furnish the skills needed to obtain that vocational objective (although completion rates are distressingly low and there is little available specific information as to the subsequent employment history of its students) the advertising for these courses is often at variance with its stated intent. These advertisements suggest in a variety of subtle and not so subtle ways that enrollment in the course (which typically costs about $1,500), will enable the veteran to obtain valuable merchandise such as a 25-inch color television set which the veteran can assemble in his spare leisure time, and which is principally to be paid for by the Veterans' Administration. In addition, the advertising will often typically note that the veteran can acquire skills that will enable him to repair his personal electronic equipment or will present an "opportunity" to obtain part-time (i.e. avocational) income.

Of course, the Committee wishes to emphasize that there is nothing intrinsically wrong with avocational or recreational objectives. But, if that is an intended purpose of the course, then it is clear that payment by the Veterans' Administration to enrolled veterans is not authorized under title 38, United States Code. It is further evident to the Committee that even if the course is not avocational or recreational in character the Administrator should not approve enrollment of veterans in the course if the advertising or enrollment practices contain significant avocational or recreational themes. In those cases, either the advertising is misleading, deceptive, or erroneous as to the true nature of the course offered or it accurately reflects the avocational or recreational character and intent of the course. In either even, the Committee believes that the expenditure of Federal funds would be at variance with the intent and purpose of this program.

The Veterans' Administration is unable to estimate the prospective savings that would result if this provision is enacted.

Clause 3 would amend section 1673(d) to extend to accredited courses the statutory prohibition in certain circumstances against VA approval of enrollment of eligible veterans in nonaccredited courses not leading to standard college degrees. Currently, subsection (d) directs the Administrator not to approve the enrollment of any veteran (not already enrolled) in any nonaccredited course below college level offered by a proprietary profit or proprietary nonprofit educational institution where more than 85 percent of the eligible students are wholly or partially subsidized by the VA or the institution.

This section, which was first enacted by Congress when it authorized the Korean Conflict GI Educational Assistance Program in 1952 under Public Law 82-550, was an outgrowth of recommendations of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill which issued its report in February 1952. The House Select Committee, chaired by the Honorable Olin E. Teague, looked extensively into the abuses and problems which plagued the World War II GI bill program in concluding that "a new act should be written extending educational benefits to veterans who served during the Koeran conflict." It recommended in part that:

4. Enrollment of veterans in institutional training should be limited to courses offered by public schools and colleges, or to courses in private schools which have been in successful operation for at least one year and which maintain an enrollment of at least 25 percent nonveteran students.

The result of this recommendation was the enactment of section 1673(d). Reviewing the legislative history and intent of this section, it is evident to the Committee that Congress was concerned about schools which developed courses specifically designed for veterans with available Federal monies to purchase such courses. At the time that section was enacted the veterans educational assistance program was, of course, the prime (if not sole) source of Federal funds that could be utilized by students who enrolled in such courses. The ready availability of these funds obviously served as a strong incentive to some schools to enroll eligible veterans. The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans' Administration was a way of protecting veterans and allowing the free market mechanism to operate. That is, the price of the course was also required to respond to the general demands of the open market as well as to those with available Federal monies to spend. A minimal number of nonveterans were required to find the course worthwhile and valuable or the payment of VA funds to veterans who enrolled would not be authorized. As originally enacted in 1952, the 85-15 rule applied only to "nonaccredited" courses not leading to a standard college degree.

It should be noted that the use of "nonaccredited" reflected the fact that at that time few, if any, proprietary below college level courses were accredited. The subsequent proliferation of accrediting agencies, such as the National Home Study Council (NHSC), the National Association of Trade and Technical Schools (NATTS), and the Association of Independent Colleges and Schools (AICS—formerly the Association of Business Schools), which have granted accreditation to the majority of proprietary below-college-level schools whose courses are approved for the enrollment of veterans, has effectively removed almost all schools from the purview of section 1673(d). For example, it is estimated that the vast majority of all veterans enrolled in courses not leading to a standard college degree offered by proprietary institutions are enrolled in "accredited" courses.

The amendment made by clause (3) of this section to include accredited as well as nonaccredited schools will once again allow the intent of this section—which the Com-

mittee approves—to be realized for more than just a small minority of the schools whose courses are approved for veteran enrollment. In this connection, it should also be noted that it has been the experience of the Committee that problems and abuses encountered under the current program are generally as prevalent among accredited as nonaccredited courses not leading to a standard college degree which are offered by proprietary institutions.

Courses offered under subchapter IV for the educationally disadvantaged and under subchapter VI for PREP are exempted from the operation of this revised section since by their very nature they are, pursuant to congressional direction, designed for enrollment of veterans and other eligible persons under this title.

As originally introduced in S. 2784, the amendment would have included in addition to counting veterans and other eligible persons subsidized by the Veterans' Administration in computing the 85-percent total, those students enrolled in the same course whose educational charges are paid by the Department of Health, Education, and Welfare under provisions of the Higher Education Act of 1965, as amended.

While the Committee believes that the inclusion of other students receiving Federal assistance is consistent with the general intent of this section as previously discussed, it believes further study of the full impact of such a revision is called for prior to further action on such an amendment. Accordingly the Committee expects the Veterans' Administration to explore jointly with the Office of Education in some detail the full impact and ramifications of this proposal or some modification thereof.

The Veterans' Administration has informed the Committee that it is unable to estimate the cost impact of section 204 because it does not currently have any information as to veteran enrollment in accredited courses which may exceed 85 percent of the total course enrollment. Accordingly, the Committee is unable to estimate the prospective savings that would result if this provision is enacted.

* * * * *

SECTION 215

Clause 2 adds a new section 1795 entitled "Limitations on certain advertising, sales, and enrollment practices" which clarifies and expands current VA authority. Existing law contained in section 1776(c)(10) provides that a nonaccredited course offered by an institution may be approved for the enrollment of veterans only if the appropriate State Approving Agency has "found upon investigation" that:

(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State Approving Agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

The amendment made by clause (2) would direct the Administrator not to approve for VA payment, the enrollment of any veterans under chapter 34 or eligible persons under chapter 35 in a course offered by *any* institution (accredited or nonaccredited) if it utilizes erroneous, misleading, or deceptive advertising, sales, or enrollment practices.

The concern over advertising, sales, and enrollment practices of various institutions where courses are approved for the enrollment of veterans has been a continuing one and has grown more widespread in recent years. The Veterans' Administration in testimony before the Federal Trade Commission in 1970 noted that it was "particularly pertinent to the problems encountered by the Veterans' Administration" to "assure that the prospective student will not be deceived or otherwise deprived of vital information when choosing a course. . . ." The Committee received testimony in 1972 from the Veterans' Administration outlining a number of "various questionable sales tactics or false claims." Amendments subsequently adopted by the Committee and enacted into Public Law 92-540 provided for a mandatory 10-day "cooling-off" period for prospective veteran enrollees in correspondence courses to enable the veteran a period of time absent any "high pressure" sales tactics to decide, after adequate reflection and with full knowledge of the provisions of the agreement, whether he in fact still desired to pursue that course of study. In addition, amendments in the 1972 act provided that the enrollment agreement shall "fully disclose" the obligations of the school and the veteran and that it shall "prominently display the provisions for affirmance termination, refunds, and the conditions under which payment of the allowance is made. . . ."

In hearings this year, consideration of a partial tuition assistance allowance (adopted in the reported bill) focused Committee attention on ways to avoid or reduce possible abuses. In this connection, Chairman Hartke directed a lengthy 11-page letter on March 25, 1974, to the Administrator requesting detailed information on the administration of VA benefits and on the course approval/disapproval process. The voluminous answer which was prepared by all VA Regional offices has proved helpful to the Committee in consideration of, and adoption of various amendments. The Committee was also granted access by the FTC to information and material contained in the Federal Trade Commission File No. 722-3149 which bears on the practices and performance of the proprietary vocational correspondence school industry. Finally, the investigative series on vocational schools which appeared in the Boston *Globe* has also proved helpful in documenting problems which are confronted by veterans utilizing their GI bill benefits.

As a result, the Committee has concluded that amendments to clarify and expand the law concerning the limitations on certain advertising, sales, ad enrollment practices are necessary and appropriate. The Committee wishes to make clear that these provisions apply to all schools, private or public, accredited or nonaccredited. Reputable institutions should welcome the amendments made by this section, since these amendments are designed to protect veterans against enrollment in just those schools engaging in improper practices. The business standards of the National Homes Study Council for example, provide in pertinent part:

An advertisement or piece of promotional literature used by an accredited school must be completely truthful and must be prepared and presented with dignity and in such a manner to avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates.

In a paper submitted to the National Invitational Conference on Consumer Protection and Postsecondary Education in Denver, Colorado on March 18, 1972, entitled "Suggested Advertising and Guidelines for Educational Institutions", William H. Goddard, the Executive Director of the National Association of Trade and Technical Schools (NATTS), suggested the following as a basic advertising policy for educational institutions:

In the solicitation of students, a school should not directly or by implication, misrepresent the services it renders. All advertisements and promotional literature used should be truthful, informative and constructive and avoid conveying any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services or the occupational opportunities for its graduates. The true purpose and nature of a school's offerings should be evident in all advertising. Every advertisement should constitute to the reader a clear statement of a bona fide offer or announcement made in good faith. It should be written to its anticipated readership, normally persons unsophisticated in the traditional word usage of the education industry. Therefore, words and emphases must be truthful and selected with extreme care.

All advertising should forthrightly disclose the purpose of the advertising—that education or training, not a job, is offered, and that the advertiser is a school. If training for employment is advertised, the name and nature of the occupation for which the training is offered, as well as current and anticipated conditions and opportunities at the school and in occupational areas, may not be obscured or exaggerated.

Goddard also noted that:

Clarity is an important element of school advertising. Advertising should be directly relevant to student solicitation and is to be written to its anticipated readership, normal persons, unsophisticated in the traditional language used in education. Therefore words must be selected with extreme care. Advertising claims that might be construed as literally true, must be literally true. If there is doubt, the burden will be on the advertiser to document the claim and prove the point. Schools should avoid the use of sensitive words that might mislead, confuse, offend, or which might be subject to easy misunderstanding or considered to have a double meaning.

The Committee believes that the amendments adopted in the reported bill are thoroughly consistent with the foregoing. A more detailed discussion of new section 1795, as added by clause (2) of section 215, follows:

§ 1795. Limitations on certain advertising, sales, and enrollment practices

Subsection (a). This subsection provides that advertisers shall not approve the enrollment of any eligible veteran or eligible wife, widow, or child in any course offered by an institution if that institution utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. It would not be productive, nor possible to catalogue all the possible violations that could occur under the section and the deceptive practices that have occurred in the past.

The Committee is particularly concerned, however, about a number of matters which bear further discussion. One involves the misrepresentation of the nature and quality of the training or facility or of the qualifications of the instructors. In this category fall claims about the size or experience of the school, its affiliation with well known companies or training programs, the availability of expert instructors or guest lecturers, the size of its teaching faculty, and the source and quality of its instructional materials. Deceptive practices may occur when a school indicates that the objectives of its course are one thing when in fact those graduates of the school who get jobs may get jobs that are less prestigious with less salary and with less chance for ultimate advancement than the job for which they thought they were training. Such problems are not uncommon. In response to Chairman Hartke's March 25 letter on the administration of GI bill benefits, one VA regional office reported disapproving—until the terminology was dropped—a course which was inadvertently advertised as a "Journeyman Electrician" course. In fact such objective could

not be obtained without on-the-job experience after completion of the course. The Committee agrees with the Executive Director of the National Association of Trade and Technical Schools who has suggested that:

Impressions and objectives as read in advertising must be consistent with the schools stated objectives as based on the reasonably expected attainment of typical graduates. . . . Catalogues and other brochures published by the school should clearly disclose, in advance of enrollment, normal and traditional limitations and restrictions, if any, on admissions and employment opportunities, such as medical requirements, licensing, internship, apprenticeship, union age, education, examination and experience requirements.

A second Committee concern is about misrepresentation of the availability of placement services and employment opportunities. As part of its analysis of a comprehensive vocational school questionnaire, the Chicago regional office of the Federal Commission found that earnings and "opportunity" advertisements were present in all 74 types of vocations surveyed. In this connection, a recent internal staff memorandum to the Federal Trade Commission, concerning trade regulation rules for the proprietary and home-study school industry, made the following observations:

Vulnerability caused by the lack of a definitive career goal is compounded by the fact that the consumer is often unemployed or unable to find acceptable employment and not sufficiently knowledgeable to assess the present and future job market for a particular skill. As a result, he often relies solely on the statements of the proprietary school itself; statements that tell him that the particular vocational field is an "expanding industry" or has a "big job demand". However, these statements are either misrepresentations or gross inflations of the school's ability to place its students.

* * * * *

With few exceptions, the proprietary schools' advertising campaigns create the impression that: (1) employment demand or particular earnings levels exist for trained or skilled persons; (2) consumers who enroll will be qualified for the indicated job or salary upon completion of the course; and (3) completion of the course will enable the typical consumer to get the job or earn the salary. These advertisements are particularly troublesome because they surround their claims with an aura of authority. Consumers are confronted with trade names which erroneously imply employment connections with large employers. Testimonials from former students are used to convey the impression that typical students obtain jobs or high earnings.

This form of advertising is not only deceptive in many cases but is unfair as well. Under the *Pfizer* doctrine [*Pfizer, Inc.*, 81 FTC 23 (July 11, 1972)], an advertising claim is "unfair" if the advertiser has no reasonable basis for his claims at the time of their publication. An unfair ad, whether or not it proves to be false, can be enjoined because the injury to consumers would be great if the ad were false. [see *H. W. Kirchner*, 63 FTC 1282 (1963); *National Dynamics Corporation*, Docket No. 8803, aff'd 2nd Cir., Docket No. 73-1754 (March 6, 1974)].

As the Executive Director of the National Association of Trade and Technical Schools has also noted:

An affirmative claim should not be used unless there is a reasonable basis for making such a claim. Advertising claims are to be used only when they are supported by previously documented factual data or research that are available on the school premises for review by interested persons. A relatively insignificant number of cases should not be used as a basis for advertising claims. The incidental achievements of a few persons, while perhaps providing an aura of great promise, are not sufficient grounds for embellishments in advertising.

Finally, the Committee wishes to emphasize that advertisements, sales, or enrollment practices can be erroneous, deceptive, or midleading by *omission* as well as by the actual statement or intimation. Such omissions might well include the failure to disclose to the veteran any other material facts concerning the school and program of instruction or course which are reasonably likely to affect the decision of the veteran to enroll therein. Again, as William Goddard has noted:

A prospective student is entitled to sufficient data to make an informed decision on training opportunities in institutions. A school is therefore obligated to provide sufficiently detailed data in advance of enrollment to enable prospective students to clearly understand their opportunities, limitations and obligations. . . . Although it is recognized that advertising space limitations might restrict desirable explanations, the text should avoid abbreviated claims that might tend to be easily misunderstood. If an item is considered important enough to be included in advertising, it should be presented in a manner clearly understandable to anticipated readers. A school may not claim space limitations as a reasonable excuse for limited disclosure that could tend to obscure, conceal, mislead, omit, deceive, confuse, distract or otherwise contrive to create substantial misunderstanding or criticism.

Subsection (b). This subsection provides that the Administrator, in carrying out investigations and making determinations under subsection (a), shall utilize, where appropriate, the services and facilities of the Federal Trade Commission (consistent with its available resources) pursuant to an agreement entered into under authority of present section 1794. The preliminary findings and results of any investigation of any case which the Federal Trade Commission in its discretion accepts is to be referred back to the Administrator for appropriate action by him within 90 days after such referral. This subsection is not intended to supplant but only to supplement the authority and responsibility of the Administrator under title 38. It is intended to provide a more formal structure and framework to existing authority in order, hopefully, to promote a greater coordination of activities and exchange of information between the VA and the Federal Trade Commission than currently exists. In this connection, the Committee is at a loss to understand the continued reluctance of the Veterans' Administration to include in its packet of materials on educational benefits, which it mails to recently discharged veterans, the FTC Buyers Guide No. 11, entitled "The Pocket Guide to Choosing a Vocational School", as suggested by Chairman Hartke in a letter to the Administrator dated September 26, 1973. The Committee strongly urges the Veterans' Administration to reassess its position on this matter.

The Committee further believes that greater coordination and information interchange should occur at both the Central Office and Regional Office levels between the VA and the Federal Trade Commission.

It is not contemplated that comparatively minor problems, such as improper use of the term "VA Approved," would be referred to or accepted by the Federal Trade Commission. Such cases are routinely resolved expeditiously at the VA regional office level. On the other hand, cases involving situations with large, or potentially large, VA enrollments (with resulting large expenditures of Federal tax dollars) would be appropriate cases for referral. Similarly, unique questions concerning specific advertising sales or enrollment practices which may or may not be widely utilized by other institutions where courses are approved for VA payment could also be properly referred.

The Committee wishes to emphasize that nothing in this subsection is intended to diminish or relieve the Administrator of any authority or responsibilities he may otherwise have under this section or elsewhere under title 38.

Subsection (c). Provides that the Administrator shall treat as "conclusive evidence" for the purposes of subsection (a) whenever the Federal Trade Commission has entered any final order (excluding consent orders) entered by the Federal Trade Commission in an adjudicative proceeding pursuant to part 3.11 of the Federal Trade Commission's Rules of Practice. Such final orders are both quite rare and serious, and for this reason the Committee believes that discretion should be limited in such situations.

In addition to the foregoing however, the Veterans' Administration should continue to exercise its present discretionary authority with respect to enrollments of eligible veterans in institutions against the procedures followed once so informed. Some of the regional offices surveyed this past April (pursuant to the Chairman's March 25 letter) revealed variations in both the awareness of FTC proceedings and in the procedures followed once so informed. Some of the regional offices which were aware of cease and desist orders issued by the Federal Trade Commission often simply referred this information to the State Approving Agency (SAA) and apparently attempted little if any followup thereafter. Other regional offices entered into "negotiations" with the institution in question in an attempt to resolve the matter giving rise to the "cease and desist" order. Other regional offices utilized what the Committee believes to be the better practice, by taking immediate action to withhold the issuance of further certificates of eligibility and the award of educational benefits. Following this action the regional offices then proceeded to attempt to resolve the problems which gave rise to the order. If the school was not brought into compliance, the regional office then took steps to have approval withdrawn.

When a cease and desist order is issued, the Committee believes that the above-described latter procedure should be the normal practice of the Veterans' Administration. The Committee believes there should be close liaison and coordination of policies between the Veterans' Administration and the Federal Trade Commission, both as cease and desist orders and as to consent decrees entered into.

Subsection (d). Provides that, not later than 60 days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section. The report to be submitted should be sufficiently detailed and organized to permit Congress an opportunity for thorough oversight and review of the operation and administration of this section. In this connection, the Committee also understands that most questions concerning abuses are currently handled at the regional level. While the Committee does not undertake to question this procedure, it does believe there must be a more adequate and informative reporting system to the VA central office, so that such problems may be examined in an overall perspective and so that more uniformity of interpretation and enforcement may be achieved. Many institutions where courses are approved for payment of VA benefits do business in several States throughout the country. As a consequence, regional office directors in one State faced with certain questionable practices are often unaware of similar problems in other States either by the same or different institutions. Accurate and detailed reporting to the central office, and dissemination of appropriate information by central office to regional offices, should enable these trends and

problems to be spotted more readily and dealt within an evenhanded fashion nationally.

Clause 3 amends the table of sections at the beginning of chapter 36 to reflect the repeal of the current section 1795 and the creation of a new section under the same number concerning certain advertising, sales, and enrollment practices.

* * * * *

EXCERPTS FROM SENATE REPORT NO. 93-1107 OF THE COMMITTEE ON CONFERENCE, TO ACCOMPANY H.R. 12628, AUGUST 19, 1974

* * * * *

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE ON CONFERENCE

* * * * *

TITLE II. EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

* * * * *

The Senate Amendment clarifies and strengthens certain administrative provisions governing chapters 34 and 35 educational assistance program in order to prevent and mitigate against abuses by requiring that courses with vocational objectives must demonstrate a 50-percent placement record over the preceding two-year period in the specific occupational category for which the course was designed to provide training; by prohibiting enrollment in courses which utilize significant avocational or recreational themes in their advertising; and by providing that not more than 85 percent of eligible students enrolled in proprietary below-college level courses may be wholly or partially subsidized by the Veterans' Administration or the institution. The House bill contains no comparable provisions. The conference agreement includes these provisions, clarifying that the 50-percent placement requirement does not apply where it is clear that the individual graduate is not available for employment or trained during active duty. Situations in which a graduate could be regarded as not available for employment would include a graduate who becomes disabled, is continuing schooling, is pregnant, or undergoes a change in marital status which compels the graduate to forego a new career. In addition, a graduate who unreasonably refuses to cooperate by seeking employment should not be counted in determining whether the placement percentage has been attained. Such a lack of cooperation can include unreasonable demands as to job location, remuneration, or working conditions (The "reasonableness" of graduate cooperation should be tested, in part, against normal expectations created by the nature of the training offered by the institution and the advertising, sales, or enrollment practices which it utilizes.)

In addition, the conferees have agreed to add a parenthetical provision so as to exclude from the computation of the 50-percent placement requirement those numbers of persons who receive their vocational training while on active duty military service. The purpose of this modification is merely to avoid imposing an unreasonable requirement on such vocational institutions to follow such servicemen throughout their period of military service—which might be a matter of several years—in order to determine whether appropriate job placement had been secured following release from active duty. On the other hand, the conferees do not intend by this modification to manifest any less concern about the quality of training which active duty servicemen obtain under the GI bill, and the conferees continue to expect, as expressed in connection with consideration of Public Law 92-540 in 1972, that the base education officers and education program of the Defense Department will generally continue adequately to counsel active duty servicemen and to monitor closely the utilization by such servicemen of their GI bill entitlements.

The conference agreement also deletes the word "specific" in modification of the term "occupational category". This deletion was agreed to in order to permit the Veterans' Administration somewhat more latitude in writing regulations to carry out this requirement. The conference has been made aware that use of the Dictionary of Titles is in some cases obsolete or unduly restrictive. Accordingly, as defined by VA regulations, closely related employment obtained by course graduates could also qualify in determining placement figures. In providing for this flexibility, however, the conferees stress that it is still their intention that this requirement be interpreted in light of the very specific discussion and examples contained in the Senate committee report (No. 93-907) on pages 64 through 72.

The conferees are aware of the inherent difficulties in locating all course graduates and intend that a statistically valid and reliable sample approved and verified by the Veterans' Administration will satisfy the requirement of this section without necessitating that the institution secure information about each course graduate. The conferees would also anticipate that, in implementing the placement requirement under this section, the Veterans' Administration will allow schools a reasonable period of time to collect and submit the required data.

* * * * *

The Senate amendment provides that the Administrator shall not approve the enrollment of any eligible veteran or dependent in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type and provides that a final cease and desist order entered by the Federal Trade Commission shall be conclusive as to disapproval of such a course for GI bill enrollment purposes. The House bill contains no comparable provision. The conference agreement contains the Senate provision without the above described FTC-order-conclusiveness provision.

* * * * *

CHANGES IN EXISTING LAW MADE BY H.R. 12628 AS AGREED TO IN CONFERENCE AND SUBSEQUENTLY ENACTED INTO PUBLIC LAW 93-508

For the information of the Members of Congress, changes in existing law made by the bill (H.R. 12628) as agreed to in conference, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * *

PART III. READJUSTMENT AND RELATED BENEFITS

* * * * *

Chapter 34—Veterans' educational assistance

* * * * *

Subchapter III—Enrollment

* * * * *

§ 1673. Disapproval enrollment in certain courses

(a) The Administrator shall not approve the enrollment of an eligible veteran in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field, *or in any other course with a vocational objective*, unless the eligible veteran or the institution offering such course submits justification showing that at least one-half of the persons [completing] *who completed* such course over the preceding two-year period, *and who are not unavailable for employment*, have been employed in the [sales or sales management field] *occupational category for which the course was designed to provide training (but in computing the number of persons who completed such course over any such two-year period, there shall not be included the number of persons who completed such course with assistance under this title while serving on active duty)*; or

(3) any type of course which the Administrator finds to be avocational or recreational in character (*or the advertising for which he finds contains significant avocational or recreational themes*) unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

(b) Except as provided in section 1677 of this title, the Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by open circuit television (except as herein provided) or radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television, if the major portion of the course requires conventional classroom or laboratory attendance.

(d) The Administration shall not approve the enrollment of any eligible veteran, not already enrolled, in any [nonaccredited] course [below the college level] (*other than one offered pursuant to subchapter V or subchapter VI of this chapter*) *which does not lead to a standard college degree and which is* offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this [chapter or chapter 31, 34, or 36 of this] title.

* * * * *

Chapter 36—Administration of Educational Benefits

* * * * *

Subchapter II—Miscellaneous Provisions

* * * * *

§ 1796. Limitation on certain advertising, sales, and enrollment practices

(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

(c) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section.

* * * * *

Mr. HARTKE. Finally, Mr. President, the continuing need for this legislation which Congress approved so overwhelmingly last year is, I believe, further strengthened by a recent investigative series which appeared in the Chicago Tribune between June 8 and June 15.

These articles like the career school investigative series which appeared last year in the Boston Globe and the Washington Post, make a strong prima facie case that serious problems continue to plague the career school industry. If any institution or person mentioned in the series believes there are serious errors in these articles, I would appreciate receiving complete and specific details from them.

Because I believe these articles will be of interest to my colleagues, and because they bear on the issues I have just discussed, I ask unanimous consent that they be printed in the RECORD at this point.

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

[From the Chicago Tribune, June 8, 1975]

CAREER SCHOOLS—PROMISE SELDOM EQUALS DREAM

TASK FORCE REPORT

Thousands of students each year rely on correspondence and trade schools' promises of a better job thru education. Some get it. Others find themselves with a broken dream, poorer from feeding the coffers of unscrupulous operators in the $3 billion industry. This is the first in a series detailing the findings of a three-month investigation of the industry by the Tribune Task Force, directed by Pamela Zekman and including reporters William Crawford, William Gaines, and James A. Jackson.

The correspondence school sales executive was giving his staff a pep talk on peddling travel and airline careers to young women when it occurred to him that a spicy anecdote was in order:

"The girls get all dressed up . . . they are tripping over their high heels," said John Rhode, Illinois district sales manager for Associated Schools. "Sometimes it's really funny, like when she's overweight, or something, but I can't laugh. I just keep thinking about that $100 commission and I keep a straight face.

"Then, when I get back to my car, I roll up the windows and just lay back and roar."

Fortunately for the consumer, Rhode resigned his position several weeks ago in the midst of the Tribune Task Force's investigation, when it became apparent that both his sense of humor and business tactics had become one of the targets of a three-month investigation of 13 privately-owned correspondence and trade schools operating in the Chicago area.

But the departure of Rhode from a single school is small consolation to the consumer in an industry filled with fast-buck operators preying on men and women who believe education is the best way to a secure future.

Countless persons seeking to become airline stewardesses, nurses' aides, TV repairmen, truck drivers, cashiers, and interior decorators are spending $3 billion a year for correspondence and residence school courses. Many are worthless or of questionable value.

It is an industry that is booming while the nation's economy sags and, until recently, Rhode was around to collect his piece of the action.

Rhode's so-called sense of humor emerged during a pep talk attended by a Task Force reporter posing as a newly hired salesman. And as Rhode also reminded his staff that day in the storefront office at 1925 N. Harlem Av.:

"We have to act like executives of an airline school who are giving these kids an opportunity."

This was the posture Rhode adopted at the home of a woman reporter he believed was interested in signing up for the $1,295 travel agents' course he was selling. First he asked that she walk around the room. Then she was told to read an essay for diction so Rhode could "see how you present yourself to the public. We want to test your poise.

"In our last two classes we placed 80 percent of our graduates within 90 days," Rhode said. "There is lots of demand. Right away you should start out with $10,000 or $12,000 a year."

State records show that of the 1,037 Associated students enrolled in Illinois in 1974, 686 dropped out and only 9 were placed.

And while Associated geared its pitch to suggest that young women are being considered for airline stewardess jobs, all the women really get is 53 home-study lessons and five weeks' training at Coral Gables, Fla.

The courses involve information on becoming a ticket agent, reservations agent, Teletypist, ramp agent, ground hostess, and travel agent.

Students complained that the home study lessons were so easy they could take the tests without reading the text. They said much of their time in the Florida residence school was spent "calling each other up and pretending to make reservations."

"They had some machines down at the school, but we never got to touch those," said Joe Carranza, 2056 W. 21st Pl. "We just looked at pictures of the system."

When it's all over, they discover their diplomas are anything but a ticket to employment. Art Jackson, a spokesman for American Airlines, put it this way:

"We have our own training programs. We don't use the schools as a basis for hiring. If they had 10 years of operations school, we would still train them our way."

United Airlines spokesman Marc Michaelson said correspondence schools "are of no value whatsoever."

And Rex Fritsche, president of the Midwest branch of the American Society of Travel Agents, reacting to Rhode's promise of starting salaries of $10,000 to $12,000, said:

"Don't be silly, That's laughable."

John Miles, president of Associated Schools, Inc., defended the value of the school, even tho the airlines train their own employes.

"Every job you get they are going to train you their own way," he said. "What we give the students is a basic, complete course to better prepare them for the job," Miles said.

"This school business is the best selling item there is," Shelly Richmond, a La Salle Extension University salesman, said to a Tribune reporter posing as a sales trainee.

"Whenever the job market is bad people want education, and that's what you got to sell."

Salesmen boast $40,000-a-year commissions selling courses for Illinois-based schools, which have a current enrollment of 450,000 students.

Prospects learn of the schools thru ads in matchbook covers, girlie magazines, comic books, veteran publications, or "take one" displays in gas stations, liquor stores, and barber shops.

Reports of widespread abuses in some of the 250 Illinois-based correspondence schools were brought to The Tribune's attention by Gov. Walker's consumer advocate, Celia Maloney, after state investigators conducted a preliminary investigation.

She said a bill to curb deceptive sales practices in the industry was beaten down by lobbyists when it was introduced in Springfield. The bill, authored by her office, would have forced schools to inform prospective students and the state where school graduates are placed, who they are, and the salaries they receive.

It would also have required updated information on dropouts, and would have increased the cooling-off period after signing a contract from 5 to 10 days, to bring the state law in line with Federal Trade Commission guidelines.

Correspondence schools range in ownership from the financial giants of the country—Bell & Howell, Montgomery Ward, Macmillan Publishing Co.—to fly-by-nighters who operate cattle-buying schools out of the back seats of Cadillacs on the back roads of Indiana.

The public's first—and often only—contact with these schools is the slick salesman who appears at the door one day, peddling education like a vacuum cleaner.

A three-month investigation by Tribune Task Force reporters documented a number of abuses in the industry, including the following:

Reporters seeking employment as sales persons were never screened, and several schools sent them into people's homes selling courses they knew nothing about. They were never asked to obtain state required permits.

Government regulation is so ineffective, and frequently conflicting, that Commercial Trades Institute, a Montgomery Ward affiliate, can sell a $995 motorcycle repair course here that is not acceptable in Minnesota; and Florida-based Universal Training School, which lost its license to operate here a year ago, is still selling eight home study courses in Chicago.

Students spend hundreds of dollars to earn diplomas that are useless in obtaining employment. Automation Academy, for example, sells a $295 nurses' aide course that is not certified by the Chicago Board of Health, and graduates must be retrained elsewhere to get jobs.

Salesmen working strictly on commission are under pressure to enroll many students who will never get jobs they study for or even finish the course. More flagrant examples include a youth with a record of traffic violations enrolled in a truck-driving school and a Cuban who can neither speak nor read English taking a mail-order course written in English.

Students are told to "register here" on contracts misrepresented as enrollment applications, and schools are circumventing cancellation laws to avoid paying refunds to dropouts.

A Veterans Administration survey shows that a staggering 93 per cent of veterans who take high school home-study courses fail to complete them. The dropout rate for other courses is 86.4 per cent in the computer field, 79.2 per cent in electronics, 69.8 per cent in radio and TV repair, 51.8 per cent in airline courses, 49.8 per cent in air conditioning, and 46.5 per cent in hotel-motel management.

The Federal Trade Commission said in a May, 1974 report that "with an industrywide dropout of over 50 per cent and a virtually nonexistent placement record for a vast number of schools," at least half of the $3 billion spent by consumers in the industry each year is "totally wasted."

And postal authorities report that the loss due to mail fraud [where the government obtained convictions for phony advertising claims] more than tripled from $1,378 million in 1973 to $4,174 million last year.

The National Home Study Council [N.H.S.C.] and the National Association of Trade and Technical Schools [N.A.T.T.S.], groups that represent the industry of privately owned, for-profit schools, say they have attempted to control the fast-buck operators.

"These people over the years have given us a black eye, and we try to identify the worst

of them," said Michael Lambert, assistant director of the N.H.S.C. "We are in favor of tough state laws and adequate state personnel to control this kind of thing. It's hurting us."

Yet when legislation was introduced in Springfield to curb abuses, more than 50 industry lobbyists—some of whom were members of N.H.S.C. and N.A.T.T.S.—descended on the House Committee on Elementary and Secondary Education to oppose it.

Several firms, including Bell & Howell and La Salle, took corrective measures when they learned of The Tribune investigation, and without waiting for its completion, they fired salesmen or forced them to resign.

But perhaps the best warning to anyone considering a correspondence or trade school course, is to repeat the sales philosophy of John Rhode, the man who thinks it's funny when young girls trip over their high heels.

"Never let them [the customers] know you are a salesman. And, try to have a young woman's parents present during the interview.

"After I've pitched them, I sit back and ask if anyone has any questions. Have I overlooked anything? I haven't discussed the cost, so they probably bring it up. That means we are at the close [contract signing].

"I hand them this slip and say the cost is $1,295. 'Now which payment do you find more comfortable?' Then I don't say anything. The first person to speak loses."

Rhode also offered this bit of advice:

"When you describe the jobs with the airlines, you don't overplay it and say, 'Oh, it's wonderful.' You just tell them about it as if it meant nothing at all, and you tell them about the benefits—all the travel—glamorous places they would want to go. Hawaii. Puerto Rico.

"Not Cincinnati or Columbus.

"Remember, you are selling a dream."

[From Chicago Tribune, June 8, 1975]

YOU, THE TAXPAYER, PICK UP THE BILLS FOR PHONY COURSES

(By Pamela Zekman)

The largest single investor in the correspondence and trade school industry is you—the taxpayer.

Your agents are the Veterans Administration and the Federally Insured Study Loan [FISL] program. Each year they spend $500 million on home study programs they cannot control and know little or nothing about.

"We are in an odd position," said David Heath, education benefits specialist for the VA. "We issue the money, but we are prohibited by law from initiating any control or regulation over the school."

The National Advisory Council on Education Professions Development, in an April, 1975, report on abuses in the nation's educational system, had this to say about correspondence and trade schools:

"When a grateful nation enacted the G.I. Bill of Rights, it sought to make a monthly stipend available to veterans, not to have the money diverted into schools for bartenders, correspondence schools with dropout rates as high as 90 per cent, or to sharp operators, hiding behind quasi-educational trappings."

The report said educational abuses are on the rise, with students being defrauded, both financially and educationally, and added: "The federal government has not done enough to alleviate or prevent existing problems."

The VA relies on state agencies to accredit schools. The accrediting agency here is the Illinois Veterans Commission, which has a $234,000 contract with the federal government to perform this function.

But Eugene Duff, commission director, has only 10 employees to monitor more than 4,000 schools of all types approved for veterans' benefits. His office mainly makes sure there is an actual school, tangible lessons, and a teacher, he said.

"It's kind of incongruous," he said. "We supposedly are the approving agency, but we just don't have the staff. We don't have the readers or the expertise.

"We send a lesson or course to Washington and someone there in the Veterans Administration is supposed to have the people that are experts in home study. They read it before they accept it for publication."

However, Myron Wolowitz, assistant deputy director of program administration for the VA, told The Tribune:

"It's Duff's job to review courses. He is saying he doesn't have the staff or expertise . . . well, the staff for the District of Columbia consists of one person. I can't accept that. If he doesn't have the expertise, he can refer to outside experts."

Asked whether courses are reviewed in Washington, he said, "Absolutely not. There is at least one state approving agency in each state, and that's their job."

Duff said the VA bulletin for March showed the number of veterans enrolling for the first semester under the GI Bill was the highest in history—an increase of 24 per cent over last spring.

"And we don't have the increased personnel," Duff said.

Heath said: "Veterans fall for a sales pitch as fast as the next guy. And they are sought out because they can more easily afford it, because of the educational assistance."

The VA pays 90 per cent of home study fees for veterans.

Many schools, such as American Truck Driving, 7750 S. Cicero Av., have their entire payment program geared to get the maximum GI benefits. American features a $1,980 course, which includes $1,680 for 60 read-at-home lessons, with Uncle Sam paying 90 per cent, and only $300 for actual in-the-cab training.

Ed Fry, regional sales manager for the Bell & Howell schools, which have 78,000 veterans among their 120,000 students, tells his salesmen, "I'll bet every gas station in the city has at least one veteran who would rather be doing something else."

The General Accounting Office, a federal watchdog agency that reports to Congress, has determined that 75 per cent of all veterans enrolled in correspondence courses fail to complete them, and these veterans pay more than $24 million a year to schools for uncompleted lessons.

"Many correspondence schools have over 90 per cent of their students failing to complete their courses," the GAO said in an October, 1974, report to the Federal Trade Commission.

While the National Advisory Council on Education Professions Development report on abuses was critical of VA money unwisely spent, it also came to this conclusion regarding the FISL program:

"When Congress passed the Federally Insured Student Loan program, it intended the guarantee and the interest subsidy to help deserving students. The program has been exploited by salesmen on commission and by advertising brochures which deceive and distort."

The Department of Health, Education, and Welfare (HEW) administers the FISL program, in which the government guarantees students' loans for educational purposes. If the student defaults on the loan, the government has to pay.

Federal budget requests to cover defaults under the program have risen from $89 million to $115 million for the 1975 fiscal year, the report said.

Kenneth Kohl, associate commissioner for the Guaranteed Student Loan Program, said HEW entered the regulatory arena just this year.

But, Kohl points out, the task is an enormous one. Since 1965, HEW has been guaranteeing FISL loans for schools it never checked and leaving accreditation to the industry's own trade organizations.

"We're almost building a new dike. The important thing is the program gets a million loans out to students a year, and we can't let less than scrupulous people in the programs so Congress kicks the whole thing out the door."

[From Chicago Tribune, June 8, 1975]

YOU DON'T NEED TO KNOW ABOUT TRUCKS . . . JUST SELL

(By William Gaines)

The walls are decked with pictures of trucks. Some are torn from magazines, others are posters from trucking companies, and there is a calendar from a truck manufacturer. This could be the office of a trucking firm.

Actually it is the headquarters of American Truck Driving Schools, Ltd., 7750 S. Cicero Av., where I had been hired as a sales trainee.

During four days as an "admissions representative" I saw pathetically hopeful truck-driving applicants lied to, laughed at, bullied, conned, pressed for any amount of money they might have in their billfolds, and led down the primrose highway with indirect promises of good-paying jobs that don't exist.

"These are hard times, and all businesses are suffering, but not here," Larry Peterson, admissions director, told me. "We are selling jobs when people need jobs. The big money in franchising or freezer sales is over. This is where the action is."

The bigger the down payment a salesman can get on the $1,980 truck-driving course, the healthier his commission—a $30 commission on an $80 down payment, $50 commission on a $125 down payment, and $100 on $228.

The salesmen are so desperate for the down payments they harass applicants to beg and borrow the money from relatives and friends. Peterson, refusing to believe that one prospect had no money with him for a down payment, grabbed the man's wallet from his hands and searched it. It came up bare.

"I don't care what they do back there [in the school]," Peterson said to me. "I'm interested in getting that front money."

There is a constant flow of applicants, up to 30 a day, who saw TV commercials about the school or received phone calls made at random. And like most fast-buck schemes, this one is aimed at those who can least afford it.

"We are making these calls in the black area mostly," Peterson told his sales staff. "This is the high unemployment area and these people need jobs. "We may also hit the low-income white areas in the city and some of the suburbs where guys are laid off."

Calls are made from a prepared script:

"Hello Mrs.-Mr.—I am with American Truck Driving and I'm calling to see if there is any young man in the household, employed or unemployed, who would be interested in a good paying job making anywhere from $250 to $350 a week to start [pause] . . . driving a tractor trailer."

No mention is made that the caller represents a school, but once lured to the office, the interested party is told the job has been filled, tho there is an opening in the next training class.

The salesmen dress like truck drivers. They swear with the customers and at one another to create what they think is the proper atmosphere for a trucking company.

When a prospect asks to read a contract, Peterson keeps distracting him with questions like "Do you smoke? Do you drink?" until the man gives up and signs, without realizing he is committing himself to pay $1,098 before he ever gets into a truck.

I spent my entire first day with Peterson, who introduced me to customers as the "overseer of the entire program . . . here to

see that I don't enroll the wrong kind of people."

Peterson told me: "You don't need to know anything about the school or truck driving. I've never been in a truck." But to a prospective student, he said, "I'd still be driving myself, but it's my eyes. I can't do the night driving no more."

Peterson's sales pitch begins "I'm going to be honest with you and I want you to be honest with me. Are you willing to go to work immediately after we train you?" [The unemployed applicant readily agrees.]

This tactic gets him thinking about the placement without committing the salesman, Peterson told me.

"Will your wife let you be a truck driver? Some wives don't like it because they heard about all the young girls that hang around truck stops." (The applicant says he makes the decisions at home.)

This tactics gets him thinking about the glamor of truck driving and removes the "but I want to talk it over with my wife" objection when the salesman asks him for money.

"Do you want short haul or over-the-road driving? We've got a company wants a driver to go to L. A. and back. It only pays $525 a week. Some guys don't want it because they're used to making more."

Suddenly the phone on Peterson's desk rings. He tells the caller: "You don't have to worry about that slot. I've got a guy here who is willing to take a job right after we train him and his wife don't object."

I know the call is routine with every sales pitch—a well-timed ring from the salesman in the next office. For the customer, this sounds like his big break.

On my third day I watched as Peterson had an applicant sign a stack of papers, including a blank form certifying to the Veterans Administration that a certain number of lessons had been completed. This could enable the school to collect VA benefits regardless of whether the student took a lesson.

I was also present when a fellow reporter, James A. Jackson, posing as a student, was given a sales pitch by salesman Arthur Thomason, tailored just for blacks:

"The trucking companies are looking for black drivers because some are below quota, and if they don't make an effort to get qualified blacks they can lose their ICC [Interstate Commerce Commission] license."

Thomason showed Jackson a list of trucking companies the school said hired American graduates. But spokesmen for 15 of the firms checked told The Tribune they never hire drivers from truck-driving schools.

When a student asked to drive out and get his money back, a salesman talked him into taking a few more home study lessons, at $28 each, to insure getting enough money to cover his commission. The salesman then turned to me, in the student's presence, and quipped, "Do you know what it means to be bushed?" It's a term they use for conned.

H. Donald Overbey, school director, defended the school's program in a subsequent interview, but conceded he has "a hard time controlling the salesmen. There's no way I can do it. The salesman is in the office with a man and I can't always tell what he is saying.

"But every two or three weeks I hold an orientation. That's how I keep myself clean. I ask the students if they were promised a job by my salesmen, and if they say yes, I tell them we can't promise them a job.

"There is a certain amount of 'blue sky.' Every company does that in sales."

At American the "blue sky" is an orgy of selling. Peterson, to show his extreme confidence, one day put on the following performance as I watched him pitch a customer sitting across the desk:

"Okay, now I'm going to pitch this one and close [sign the contract] without giving any information. Are you ready?" I nod. "Are you ready?" The customer responds with a confused look.

Then Peterson whips into his sales talk: "I'm going to be honest with you. . . ." Not once in the 30-minute pitch does he mention the $1,980 cost of the course.

At one point he turns to me and says, "Okay, this is where I start to close."

And he does.

[From Chicago Tribune, June 9, 1975]

FOR $2,000, TRADE SCHOOL STUDENTS GET LITTLE ASSISTANCE

TASK FORCE REPORT

Practical training with modern equipment is the promise. Obsolete equipment and poor instruction often are the return for many students in the $3 billion correspondence and trade school industry. This, the second in a series, tells of abuses by residence schools uncovered in a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes reporters William Crawford, William Gaines, and James A. Jackson.

There is a snap, a flash of blue light, and a curl of black smoke wafting up from behind an air conditioning unit.

Four students at Greer Technical Institute in Norridge spent most of the day wiring a thermostat to the air conditioner and furnace blower, and they just switched the thermostat to the "on" position.

Tho they methodically followed the instructions of their teacher, Paul C. King, all they have to show for their efforts is one more blown fuse.

Frustrated, one of the students, Edward Nolan, 25, turns to King:

"Look! You've got me so confused I don't know what I'm doing. Why don't you just stay there and explain it to us, step by step? I've got so many wires coming out of this thing, I'll never remember tomorrow what I did today."

"Do it yourself," answers King, restudying his diagram to see what might have gone wrong. Then he discovers he's been working from the wrong sheet.

Blown fuses and erroneous wiring diagrams are only part of the learning story at Greer, a resident trade school owned by Ryder Systems, Inc., of truck driving fame.

A Tribune Task Force reporter attended class at Greer as part of a three-month investigation of the $3 billion a year correspondence and trade school industry. The investigation was undertaken after complaints of abuses by some of the 250 privately owned schools in Illinois were brought to the newspaper's attention by Gov. Walker's consumer advocate office, and after the state conducted a preliminary investigation.

At resident trade schools, such as Greer, students take courses on the premises, using the school's equipment. Home study students take courses thru lessons that arrive by mail.

In Greer's refrigeration, heating, and air conditioning course, the Tribune found all 24 students demoralized, holding little hope of getting jobs upon graduation. To a man, they contributed $25 to retain a lawyer to take action against the school for a full refund of their tuition.

Each student in the class paid nearly $2,000—mostly government money, veterans subsidies or federally-backed loans—in hopes of walking out of the class a fully trained technician.

They were the remains of a class of 32, minus the one-fourth that dropped out.

During the first half of the 30-week course, they went thru five instructors—some of whom quit, while others were fired by the school for incompetence.

The students discovered that one of their instructors, A. C. Fitzgibbons, was himself taking a night school course at Greer to stay one lesson ahead of the people he taught during the day.

One student, who dropped out of grade school at the age of 12 because of a learning disability, and who can neither divide or subtract, was unable to understand the course.

He told The Tribune that he pointed out his shortcomings to Larry Brown, administrative assistant to the director of the school, before he signed for the course. But "he told me to go buy a pocket calculator, and pushed a contract across the desk and asked me to sign it."

A frequent complaint of Greer students: never enough tools to go around. Thruout the day students interrupt one another asking, "Who's got the wire cutters?" or "Who's got the masking tape?"

Nor does Greer have a parts department, so students must stop off at a nearby junkyard to buy their own spare parts for projects.

At one point in his course, King instructed students on how to install a defective thermostat in an old heater, because the only thermostat available was broken. "But remember, this would be illegal . . ." King cautioned. "You'd have to buy a new one."

Maurice Quinn, 33, an ex-Marine taking the course, told The Tribune, "I could not believe the school had the gall to supply us with such equipment. The equipment was old. It was outdated. It was beyond repair. Everything was broken. The refrigerators didn't work, the compressors didn't work. We all felt and hoped that somehow things had to get better."

George W. Cates, Greer's director, told The Tribune that Greer has no teacher evaluation because "vocational teachers are hired on their credentials and thru their backgrounds." He said there is no testing of students because "all students are high school grads. If not, they have GEDs [high school equivalency] or work experience."

He said he was "aware" that some students had complained to the state's attorney's office and retained an attorney.

Greer in 1974 received $25,000 in federal funds administered by Mayor Daley's Office of Manpower under the Comprehensive Employment Training Act.

The Greer story is but one in the $800-million-a-year vocational school business, in which thousands of students find their aspirations of a solid future hopelessly shattered thru false job promises, marginal instruction, and inferior training equipment.

Such schools offer hundreds of courses ranging from auto repair to broadcasting, truck driving to nursing care, and how to work a cash register.

"We provide an education gap filler," said Phillip Taylor, a spokesman for the National Association of Trade and Technical Schools. "In many instances we can provide training in areas no private school can offer.

"The trade and technical schools have opened up new avenues for a much wider range of persons wanting to get into a given field."

While there are many legitimate schools, not every one of the 13 Chicago-area schools investigated by the Task Force passed the test.

Automation Academy, 22 W. Madison St., advertises in the Yellow Pages that you can "Train Now and Pay Later" for its $295 nurses' aid course or $395 keypunch class.

"We teach you what you need to know to get a job," Al Roberts, director, told a reporter who inquired about nurses' aide training.

He said jobs paid $150 a week, and flashed a list of hospitals he said hired Automation graduates. A check by The Tribune, however, showed that five of them either trained their own nurses' aides or required several years of hospital experience.

Christell Williamson, 28, who took the course, told The Tribune:

"I feel as tho I was cheated. I believed

I was paying for something and I got nothing. They didn't teach you a darn thing. You get this so-called diploma, but it's not worth anything."

She learned the certificate she received on graduation is not recognized by nursing homes here because the course is not approved by the Chicago Board of Health.

She was hired by a nursing home and was told she would have to take another course approved by the Board of Health and offered for free by the Board of Education.

"I thought I already had my certification because I had my diploma, but the nursing home said no. So here this new course was free and I gave the man at Automation $295 for nothing," she said.

Curtis H. Knight, owner of the school, told The Tribune he was unaware until recently of the ordinance requiring nurses' aides to attend board-approved schools and was attempting to get approval.

"Had we known this thing existed, we would have gotten into compliance immediately," Knight said.

A Board of Health spokesman said a representative of the school "came down here once," to inquire about the ordinance, but the board never heard back from the school again until after the Tribune investigation.

Another graduate of the school, who found the course was not certified, Lillie Lee, 32, said she is now working as a punch press operator because no hospitals would accept her certificate.

A former director of Automation, Gerald Vargas, now directs the Chicago office of New York-based General Training Services, which sells two-week, $200 courses in operating a cash register at 6 W. Randolph St.

He told a reporter who inquired about the two-week course:

"We have all models of cash registers here for you to learn on so you will be prepared, no matter what you face. We have a free placement service. You know, a lot of stores are now offering 24-hour-a-day service. To stay open like that they need lots of cashiers and checkers. Stores like National and Jewel are doing that all the time."

Task Force checks with major supermarket chains in Chicago, including A&P, Jewel, and Dominick's, revealed that all have their own training programs.

Johnnie Mae Bell is one of several graduates listed by the school in records filed with the State as having been placed on a job, but she was not.

"They promise to find one a job, but they just out and out lied to me," she said.

Anthony Venzara, executive vice president of G. T. S. in Woodbury, N.Y., told The Tribune, "There is a need for people who can operate a cash register, and merely because an employer retrains the student who has taken our course is irrelevant."

Some resident schools have unique ways of making sure their graduates pass any required tests. Graduates of the Institute of Broadcast Arts, a Milwaukee-based school with offices at 75 E. Wacker Dr., take a written exam in order to get a Federal Communications Commission license to help get jobs as announcers or disk jockeys.

Graduates said students are provided with answers to memorize, some with a 50-word sentence; the first letter of each word, going down the line, will be the answer to multiple-choice questions on the exam.

Daniel Baran, assistant director of the school, said he did not know about a 50-word sentence, but admitted the students memorized sets of questions and answers.

"Schools all over the country memorize the answers to get the licenses," Baran said. "The people who give the tests know."

A spokesman for the FCC said the government is indeed aware of the procedure, and rearranges test answers often to beat it.

[From Chicago Tribune, June 9, 1975]

TRADE SCHOOL HOUSING LIKE ARMY—BUT WORSE

(By William Crawford)

"It was like a barracks, and the only thing that kept out the draft was a canvas. Some days it was cold, and they had this canvas hanging from the ceiling.

"The bathroom had no floor. The place was a mess. There was only one heater for the whole building—50 of us in there—and the wall didn't go up to the ceiling.

"Ten of us got lice and they refused us medical care."

An ex-GI telling about the rigors of Viet Nam?

No. Ex-GI John Carpentieri, Jr., 28, of Massapequa, N.Y., telling about the American School of Heavy Equipment, Inc., at Morristown, Ind.

At some vocational trade schools, learning takes a back set to simple survival—getting something to eat, finding a place to sleep, and fighting disease.

In a resident school, such as American, students take the course on location, using school equipment, and stay in quarters provided by the school if they live too far away to commute.

Carpentieri heard about American on TV, and decided he'd like to become a heavy construction equipment operator.

"They sent out a salesman, Ira Kane, and he showed me a bunch of phony stuff . . . pictures of machines that were bigger and newer than what they had, and he said there would only be two of us to a room and two of us in a machine."

The course cost $1,300 plus $600 for expenses.

Carpentieri said he "never should have done it."

"When I got there I was just sick. The school was utter chaos. There were eight machines and 34 students. And the machines were always breaking down so we had to wait around for them to be repaired. One machine didn't have brakes—it was lucky there was no accident. And that was discovered right after they showed us safety films," he said.

"They had inadequate food, and there was no drinking water except in the bathroom."

On April 10, Joseph Clark, head of the Indiana Private School Accrediting Commission, sent investigators to talk to Carpentieri and 13 other veterans who had complained about conditions at the school.

"They were stranded out there with no jobs, and no money," he said. "They had been promised jobs and were unable to get any, and they had no way to get home."

Clark also sent a team of fire and health inspectors who found 29 "major violations" of health and fire codes at the school. On April 15 he ordered it closed.

Just ten days before the veterans complained, The Tribune advised Clark of questionable sales tactics of the school's Chicago office.

Gerald Vargas, director of the Chicago office, told a reporter who asked about the course, "You'll be making between $8 and $12 an hour."

Vincent Gartlan, a salesman, said, "We place 90 per cent of our graduates," and shoved the reporter a contract marked "enrollment application" for a $1,190 course, which would include 60 home-study lessons followed by four weeks at Morristown, with the Veterans Administration paying all but $29 of the cost.

Clark said state records show American claims to place 60 per cent of its graduates. William Martin, president of the Operating Engineers Local 150, told the Tribune:

"I'll sum up one word what those schools are: fraud. We have found thru practical experience that they have not turned out one qualified man. They ought to be closed."

Anthony Venzara, executive vice president of General Training Service, Woodbury, N.Y., American's parent company, said he was "surprised" anyone had tried to sell a reporter the heavy equipment course, and added:

"We have not for some period done any soliciting of students for that course."

Clark said that after he ordered the school closed, Richard Carlton, president, arranged for students to be put up in a hotel, and for classroom instruction to be held in a local high school.

He said he permitted the school to resume operations May 8, but American has been banned from soliciting veterans, and a hearing will be scheduled to determine whether the school should be closed permanently.

Carpentieri, who said he is consulting an attorney in addition to pressing his complaint with the VA, will be invited to appear, according to Clark.

"They had old books, old equipment, old films . . . and they called it a school," Carpentieri told The Tribune. "It was just a ripoff. I felt like I got beat. I didn't get beat—the government got beat. There were 14 veterans there."

[From Chicago Tribune, June 10, 1975]

THIRTY DOLLARS DOWN BUYS PIE IN THE SKY, LESSONS IN FRUSTRATION

TASK FORCE REPORT

Thousands of students each year send their money away in hopes that the return mail will bring an education, leading to a better job. But what many of them get is something less. This, the third in a series, relates the frustration and abuses common in some quarters of the correspondence school industry uncovered in a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes William Crawford, William Gaines, and James A. Jackson.

Universal Training Service, a Miami-based correspondence school, is traveling the streets of Chicago in the head of 77-year-old Louis Carpenter, as he cruises around in a late-model Cadillac making house calls.

Universal, boasting 50,000 home-study students, advertises "Eight Exciting Careers" in the Yellow Pages, and operates openly in Illinois, though it is illegal.

The school, whose Orland Park phone number turns out to be an answering service, is unlicensed in Illinois but operates without apparent restriction, making job promises it cannot fulfill, preying on young people's dreams of a better tomorrow through education.

The grandfatherly Carpenter, with his promises of a glorious future—for $30 down and X easy lessons—was encountered repeatedly by Tribune Task Force reporters during a three-month investigation of the $3-billion-a-year correspondence and trade school industry.

One reporter met him when he called at her home to pitch her on a $995 course for an airlines ground hostess job, saying: "We train for 40 or 45 airlines in the country. They have no training program for themselves."

Another met him when he called at the reporter's apartment to tell him about Universal's heavy equipment school: "You can put $30 down today and that will help you to get signed up right now," he said. "There are 30,000 construction jobs opening in Illinois this spring."

And to another reporter, Carepnter pitched an insurance adjusters' course, which he hinted would earn its taker $50,000 a year. "We place 96 per cent of our graduates," he said.

A check with major airlines revealed that all have their own training programs, and

anyone hired from a correspondence school would have to take the airline program regardless.

Construction union officials said a heavy equipment operator cannot get a job with only correspondence school training. Operating Engineers' business manager Wilfred Dewalt of Local 649, Peoria, said:

"We have our own training program, and it's state approved—and free! We put in a nickel an hour for the training, and the course runs five years. These schools are ripoffs and don't do a thing but take a man's money and make him promises they can't keep."

Last year, before its license was dropped, Universal submitted a 1974 placement list of students to the state. Of 13 checked at random, only one said he obtained a job thru the school. Several others were not employed where the school said they were, and others said they attended the school five years ago.

The Minnesota Department of Education has refused to license Universal because of noncompliance with Minnesota laws. Universal is no longer licensed to operate in Illinois because of failure to place the required surety bonds for itself and any agents operating in the state.

Carpenter boasted to reporters that he had 65 salesmen working for him in this area. However, a check uncovered only one Universal salesman in addition to Carpenter.

Thomas Richardson, assistant to the director of postsecondary education in Illinois, said:

"As far as I am concerned, Universal is no longer licensed to do business in Illinois. If they are operating in the state, they are in direct violation of state law. No school can operate without that surety bond on the school and on its agents.

"Maybe you have some knowledge that they are in operation. But how would I know that? We have to assume in these cases that the schools are complying with state law."

Charles Craig, head of Universal operations in Miami, said, "I think that is outside the purview of the media to investigate the operations of private business like that. We have people that are always complainers. They complain about everything, and you can't please them."

Abuses in the correspondence and trade school industry were first brought to The Tribune's attention by Gov. Walker's consumer advocate's office, after it conducted a preliminary investigation. Universal was one of the extreme cases uncovered in the Task Force's subsequent investigation of 13 Chicago area schools.

But even with the most reliable schools, students are taking a risk in signing up for mail-order courses. Standard courses are sold to anyone who can come up with a down payment, regardless of educational background, talent, or ability to learn.

For example, of three students who took the identical mail-order auto mechanics course from Advance Schools, Inc. 1840 W. 79th St., one said the course was "just tremendous," another described it as "too simple," and a third said he could not understand it.

Charles Chase, assistant to the president of Advance, a school that filed for reorganization under the federal Bankruptcy Act in May, said:

"We get complaints. You have to get complaints. You have to get complaints from some people. We sell one course in each subject, and it has been carefully prepared and geared to help most people. But there are always some who will not be able to understand it, or who will know too much to get anything out of it."

Thomas Pekras, assistant director of postsecondary education in Illinois said there are 250 such privately owned schools based in the state—78 per cent of them in the Chicago area—and the department has only five people to monitor them.

"Quite frankly, in evaluating courses we many times know very little about the course itself," he said. "We've learned a lot as time goes by."

The utter frustration of trying to learn a career by mail was described by Lee Smith, 50, an unemployed construction foreman from Alderson, W. Va., who took Bell & Howell's $1,400 course on TV repairing:

"Volume two of the course arrived nine days ahead of volume one. For the next several months, the lessons continued to arrive out of sequence, and parts and equipment for one lesson often came with the test for another.

"When I signed up they told me there was a toll-free number in Chicago I could dial if I ever had any trouble. Sometimes I would call the school every 20 minutes, all day long, trying to get thru to them. The line was always busy."

After six months, Smith ran up the white flag, saying, "They had me so fouled up there was nothing I could do."

He demanded his money back, and after a flurry of letters to the Better Business Bureau and various consumer affairs organizations, the school agreed to settle with him for $400.

A recent study by the Veterans Administration determined that 69.8 per cent of all veterans who take radio and TV repair courses by mail do not complete them. The dropout rate runs as high as 93 percent for other courses.

A typical dropout is Dennis Loren, 25, of Amity Harbor, N.Y., a Viet Nam veteran who enrolled in Bell & Howell's TV repair course, but found himself not educationally equipped to handle it.

"By the fifth lesson it just became too advanced," he said. "It was all formulas. It was the math I couldn't understand. I was just happy to call it quits."

William Carson, executive vice president of Bell & Howell's home study division, said Smith studied three times faster than normal and that he took the course at a time when "there were a couple of problems," including mailing and other technical difficulties.

He said Loren did not complain about his difficulty with math until after the school sent him a bill.

Another drawback in taking home study courses is that the same course is mailed to every student who signs up for it, even tho the material may not apply to his part of the country.

Commercial Trade Institute, 1400 W. Greenleaf Av., a division of M-W Education Corp., a Montgomery Ward subsidiary, offers a 100-lesson course in building construction for $695. Patrick Maddalino, 24, of Miami, Fla., signed up for the course, with the VA picking up $625.50 of the cost.

"The salesman told me that, when I graduated, that was all I needed to start working and get a job as a contractor," he said. "He didn't tell me anything about testing and licensing by the county. In fact, Dade County (Fla.) doesn't even accept this as an accredited school.

"And the course was geared for the northern or central states, and nothing like we have in Florida. They tell you how to build a building with a certain kind of block we don't use here. That means the architecture is different, and the stress will be different."

Robert Nottenburg, C.T.I. education director, said, "We offer a nationwide program. This man in Miami believes the zoning information is old because the laws there have been changed, but what we teach is typical of most other areas."

C.T.I. also offers a $995 motorcycle repair course that its salesmen say will teach a student how to become a motorcycle repairman. Minnesota says the course doesn't fill the bill. Illinois can't seem to make up its mind.

The state of Minnesota refused to accept the course after three experts determined it was worthless. A Chicago official of the Illinois Department of Education told the Tribune:

"Actually, the engine the student got in the course should not have been approved, but next thing we knew, we got a letter from Springfield saying it had been approved."

The absolute futility of some home study courses often doesn't hit home until after the mailman comes and a student discovers he is paying good money for lessons he could get free elsewhere or for common-sense information he already knew.

For example, American Truck Driving Schools, 7750 S. Cicero Av., offers 60 home study lessons for $1,680 on how to become a truck driver, which students must complete before they can qualify for the $300 course in actual driving.

Six of the lessons, at $28 each, are mere reprints of a free publication of the United States Department of Transportation.

Another two lessons, also at $28 each, consist of a few sentences informing the student he should take the Department of Transportation's written test, which is required of all drivers.

And another lesson, five pages on "Importance of Driver Training to the Industry," lists only statements of praise for the school but costs $28 just the same.

H. Donald Overbey, director of the school, said:

"I think these lessons are well designed, and there is no way you are going to make me apologize for them. These home study tests are pretty effective. We found that people who finish home study do well in resident training. They have a good chance of finishing resident training if they get thru the home study part. In fact, 90 percent of those who finish home study get thru resident training."

Two of his students take a somewhat different view of the school.

Charles Vesely, 22, of Burbank, called the 60-lesson home study course "a joke." All Mickey Mouse.

"When we got to the actual driving course, I'll bet you I spent no more than 15 minutes a day behind the wheel of a truck. The rest of the time, I would sit and watch while others took their turns.

"I couldn't even come to class because there was nothing to do but stand around. The owners didn't care, because they were getting their money from the VA. They would even fudge my attendance records, just so they could get their hands on the VA money."

Richard Schulz, 32, of Hickory Hills, who took the $1,980 two courses, said:

"Before I signed up, I said to the salesman, 'How is it with jobs?' He said there were more jobs than students. I thought: 'Oh great! This will be tremendous.'

"I signed up, and they told me I would have a job for sure. I was so happy about it. I went home and told my family I would be driving a truck and making lots of money.

"All the while we were going to school the salesman would give us this big pep talk about how there were those jobs out there. Overbey would tell us there weren't enough students to fill all the jobs. In my opinion the school was a ripoff!

"The school couldn't place me. Finally I went out on my own. I hit every trucking company south of the Eisenhower. Each time they would look at me and laugh when I told them I had graduated from the school. They wanted men with at least two years' experience.

"Luckily I'm a veteran and didn't have to pay for the course out of my own pocket."

A former instructor for American, John Davis, who quit after one month, told The Tribune:

"I've worked all my life and just couldn't stand the thought of taking another man's money and giving him nothing but dreams. That's the only thing these schools do. They

hold out a slice of pie in the sky—and it just ain't there."

[From Chicago Tribune, June 10, 1975]

YOU, TOO, CAN BE AN "EDUCATOR"

(By James A. Jackson)

You can even take a correspondence school course in how to start your own correspondence school—or anything else you can think of.

William Goehring, head of Pioneer Schools, Covina, Cal., sells the mail-order course for $35. After you have taken it, he says, "People will look up to you as an educator, and as an asset to the surrounding community."

Altho California authorities have denied Goehring permission to sell his course, a Task Force reporter who sent him a $35 check got the seven-lesson package by return mail.

After reading the lessons, and learning how to make enrollments, place graduates, and get Veterans Administration approval on a shoestring investment, the reporter decided he was ready to become an asset to his community.

The most preposterous subject he could think of to teach thru home study lessons was skydiving. He disclosed his plan in a letter to Goehring.

Goehring wrote back enthusiastically, "I would welcome the opportunity of writing a course for you on the subject of 'Skydiving.' I believe . . . that seven lessons would suffice."

His writing fee would be $30 a lesson, and the reporter-turned-educator could sell the course for $395. Goehring even suggested offering such inducements as a parachute or a discount ticket to go up in a plane to promote the course.

The reporter then telephoned Goehring, disclosed his true identity, and said he didn't really want to start a school. Goehring was unabashed.

"Anyone can start a correspondence school with proper guidance," he said.

[From Chicago Tribune, June 11, 1975]

FAST TALKERS SELL DOTTED LINE AND LITTLE ELSE

TASK FORCE REPORT

Some salesmen boast they can sell anything. This article, the fourth in a series, describes finely honed sales pitches, used by some salesmen in the correspondence school industry, heard during a three-month investigation by the Tribune Task Force. Pamela Zekman directs the Task Force, which includes William Crawford, William Gaines, and James A. Jackson.

Arnold [Arne] Fabrikant has just tricked a Puerto Rican who has difficulty understanding English into signing a contract for a correspondence course in interior decorating.

Outside the victim's house Fabrikant turns and winks at his companion, a Tribune reporter posing as a sales trainee.

"Some are easier than others," he chuckles.

Fabrikant, 30, a salesman for La Salle Extension University for more than two years, is eager to move up the corporate ladder.

"See, I want to sign up a lot of students because promotion time is coming up and I want to look good on the books," he explains.

With unemployment across the nation at a 34-year-high, the $3-billion-a-year home study and trade school business is booming. And the salesman, with his finely honed pitch, is often the only personal contact the student ever has with the school.

Fabrikant has just worked his pitch on Juan Ortiz, 29, a $130-a-week factory worker who wanted to learn to "paint and panel walls." He had answered a La Salle magazine ad offering "free information."

"You know, interior decorators make lots and lots of money. They are very professional people," Fabrikant told him. "You will be respected and admired. You can get a good-paying job or open a business for yourself. You can get started in one of those big department stores, like Wieboldt's or Libby's. They need people who speak Spanish.

"We have to make sure you are qualified to take the course. La Salle doesn't just take anyone. Puerto Ricans think education is important. They take pride in their education, and that's good."

Fabrikant got Ortiz to sign a contract by filling it out as he talked, pointing to the dotted line and saying, "Now, you register here."

Tho the school requires a minimum $30 down payment, Ortiz's wife, Lena, who speaks no English, could find only a $10 bill. Fabrikant took the ten "to hold a place in the class for you" and paid the rest of the down payment from his own pocket.

Fabrikant, who speaks several languages and prides himself in his knowledge of ethnic traits, tells the reporter on leaving the Ortiz home:

"Did you see how I waved my hands around a lot? That's what they do. They talk with their arms. It makes them feel more comfortable."

Several days later the mailman arrives at 1719 W. Morse Ave., and Juan Ortiz finds himself surrounded by $600 worth of home-study lessons he did not know he had signed a contract for. He has now turned to the Legal Aid Society for help.

Reports of misleading sales tactics by some of the 250 privately owned correspondence and trade schools in Illinois were brought to The Tribune by Gov. Walker's Consumer Advocate Office after the state conducted a preliminary investigation.

During a three-month investigation of 13 Chicago-area schools, Task Force reporters posing as sales trainees and students found:

Salesmen making phony job placement claims. Edward F. Cihak of Bell & Howell home study schools said the school placed "100 per cent of graduating electronics students," while the school officially reported 8.4 per cent to state officials in Minnesota.

Operators claiming unlimited job opportunities. Gerald Vargas of American School of Heavy Equipment said Gov. Walker's construction program made chances of getting a job in the Chicago area "excellent." Actually the state legislature rejected the program, and the operating engineers union currently reports 2,100 members out of work.

Salesmen offering tuition discounts and cash kickbacks. Fabrikant knocks $10 off the tuition fee and offers a $10 bounty to any student who refers him to another who signs up. Bell & Howell fired one salesman who admitted offering a $20 discount to a reporter.

Salesmen operating out of storefronts or their automobiles, their income depending solely on commissions, often know nothing about the courses but a lot about selling. And their approaches are as varied as their claims.

La Salle, a subsidiary of MacMillan Publishing Co., leans heavily on the "qualifying interview," which Fabrikant described as aimed at "getting that great inner dream out in the open."

"The qualifying interview is a powerful tool in the hands of someone who knows how to make it work," Fabrikant said during a meeting of sales trainees. Salesmen are instructed not to deviate from the time-proven company interview that Fabrikant said is designed to get a commitment from the prospect.

"Psychologically you have him following your orders right thru the qualifying interview so by the time you get to signing the contract he can't go against you," said Fabrikant.

Salesman Gary Hoffman, 36, demonstrated the approach on a Greek immigrant who had written the school for information. A reporter posing as a sales trainee accompanied him.

The man, who owns his own refrigeration business, looked over the La Salle course, shook his head negatively, and muttered in broken English, "Basic. All too basic. I don't think I need."

Undaunted, Hoffman brought out the "qualifying questionnairs" and led the Greek—"You don't mind if I call you Steve?"—thru a list of questions such as:

"Why have you waited so long to decide to increase your education?" "Do you think you can make decisions quickly?" "Do you think you will be happy with your job in five years if you don't increase your earnings?"

In the end the Greek immigrant surrendered and Hoffman pocketed a $30 down-payment. Outside the home the salesman quipped:

"He didn't need that course. It's too simple for him. He won't learn anything. And he writes like a child. I had to help him fill out the application because he couldn't understand it. Did you see that?"

La Salle salesmen also urged prospective students to act fast before the price goes up. George Walters, who was selling courses without the required state permit, told a reporter posing as a prospect that the $675 hotel-motel management course would cost $1,000 or $1,200 in another month, and added:

"We'll finance you for 5.5 per cent, way below market, but if you wait, it'll double."

A La Salle attorney termed the practice "unauthorized and surely improper."

Salesmen for Commercial Trades Institute, a Montgomery Ward subsidiary—calling themselves "veterans' counselors"—use a number of gimmicks to encourage men with GI benefits to enroll in the school, where 72 per cent of the 60,000 home study students are veterans.

They distributed official looking red, white, and blue "Attention All Veterans" cards that can be sent to the school for information and wear "Help Out A Veteran" buttons on their lapels.

"Sometimes I go all the way thru a pitch and people think I'm from the VA," said James L. Lyons, state manager of C. T. I. "I never tell them that, but if that's what they want to think, I'm sure not about to tell them otherwise."

He embellishes on the role by informing prospective students about other benefits under the GI Bill, including death benefits and $125 for a cemetery plot.

A C. T. I. district manager, Angelo Lomonaco, trying to sell a home-study course to a reporter, told him:

"I always say, if you can use someone else's money and not your own, then use that other person's money. The VA is picking up 90 per cent of the cost. If you don't use your benefits . . . the government will spend it on another country."

C. T. I.'s Edward Kelly, executive vice president, said in an interview that posing as a VA representative was a "cardinal crime." He said the school did not provide the "Help Out A Veteran" buttons and said he found them as offensive as a "help the blind" badge on a person who can see.

Some schools rely on what the trade calls "hardware" to induce students to sign for courses. It may be an expensive set of tools one gets to keep [paid for by the government if you are a veteran], the motor one builds, or—in the case of Bell & Howell's home-study schools—a television set.

Salesman E. F. Cihak, in attempting to encourage a reporter to take Bell & Howell's television repair course, told him he would get to keep the 25-inch TV set as part of the deal, and explained:

"Now, the total program is $1,795—but the TV set alone is worth $735, and you get $500 worth of equipment. If you have VA benefits you might as well use them, right?"

Cihak, the same man who claimed Bell & Howell placed 100 percent of its electronics graduates, was fired by the school after The

Tribune brought his sales tactics to the attention of Bell & Howell officials.

Bell & Howell's own placement figures do not hold up either, the Task Force found.

Bell & Howell provided a list of former students of the home-study electronics school it said were situated in electronics-related jobs by the school's placement service.

Of 24 persons on the list located by The Tribune, 22 said they found work without assistance from the school and 7 said they are not even working in the electronics field.

One of them, David McDivitt, a veteran from Wakefield, Neb., is listed as having been placed in a "maintenance technician's" job by the school. Actually, he said, he is working as a janitor, sweeping egg shells in an egg-processing factory.

William Carson, executive vice president of the school, admitted that many of the names checked by The Tribune "perhaps should not have been included on the placement list." He blamed some of the errors on a shift of files from one office to another.

At Advance Schools, Inc., 1340 W. 79th St., which recently filed a bankruptcy petition, students were pitched to take advantage of two government financial programs, the GI Bill and Federal Insured Student Loan (FISL).

Joyce Skowronski, an Advance representative, told a reporter posing as a prospective student that he could bank his GI benefits and draw interest on them while paying for the course with federally guaranteed FISL funds, which would not have to be repaid until 33 months after he enrolled in the school.

An official of the Department of Health, Education and Welfare, which administers the FISL program and is investigating the Advance operation, termed the sales tactic a "sharp practice" that was never anticipated by Congress.

About 95 per cent of Advance's 70,000 students nationwide were using the FISL program when the school filed bankruptcy petitions in May. Charles Chase, assistant to the president of the school, denied that the school had abused the intentions of the FISL program but said the school had to constantly police "recruiting abuses."

The latest wrinkle in correspondence school sales pitches is offering students a rebate, such as those auto dealers devised to help combat the recession.

International Correspondence Schools of Scranton, Pa., in April came up with an "official cash discount certificate" worth $100. Daniel Kerne, an I.C.S. salesman trying to interest a Task Force reporter in an airline course, told him:

"The program costs $995, but because you are a veteran [the VA pays 90 per cent of the cost and the students pays 10 per cent], it will cost you nothing. You will get the $100 rebate, and you will be ahead a little bit."

Richard W. Baker, information service officer for the VA regional office in Philadelphia, advised by The Tribune of the new program, said the government is looking into it.

"If the school were to submit the full cost of the course before the discount, and the VA were to pay it, it would constitute fraud," he said.

Vincent Termini, an I.C.S. spokesman, said the VA had been informed of the rebate program, but not until long after it had begun.

Many salesmen never see the schools whose courses they peddle and either operate from storefront offices or from the cluster of motels around O'Hare International Airport.

A reporter enlisted as a salesman for I.C.S. took his training at the Flying Carpet motel on Mannheim Road. When calling on prospects, he was advised by James Barksdale, I.C.S. district manager:

"Act professional. Hand him your coat, never say please and thank you, or you are not living up to your image. Refuse refreshments. People are basically friendly, but if you lose your air of formality, you lose everything.

"And never say International Correspondence School," Barksdale continued. "Say I.C.S. school.

"Avoid the word 'correspondence.' It has a bad name."

[From Chicago Tribune, June 12, 1975]

REGULATION OF CAREER SCHOOLS USUALLY TOO LITTLE, TOO LATE

TASK FORCE REPORT

Each year, 3.3 million consumers gamble their money on promises of a better life thru education. Some win. Others lose at the hands of some unscrupulous operators in the correspondence and trade school industry. This, the last in a series, looks at the lack of adequate laws and regulation found in a three-month investigation by The Tribune Task Force. Pamela Zekman directs the Task Force staff of William Crawford, William Gaines, and James A. Jackson.

Ellen Trapp suddenly discovered she owed $244 to a home-study school, even tho she had never completed a lesson.

The 19-year-old aspiring airline hostess from Chicago signed up for an airline personnel training course with Associated Training School, and did not discover until after putting her name on the contract that all major airlines insist on training their own personnel.

Then she lost a race to cancel her contract within the five-day cooling-off period set by Illinois law and learned she owed the school a percentage of the $1,295 tuition.

"I sent a letter to the salesman at his Chicago office, but it was returned marked 'unclaimed,'" she said. "Then I read in the contract that the notice had to be sent to the home office in Miami. I tried to call Florida, but the office was closed for the day. They are in a later time zone."

By the time she finally reached the school's office, she had become the victim of a $244 delay. For Miss Trapp and the other 3.3 million consumers who enroll in correspondence and trade schools every year, there is little protection in instances such as this.

Regulation within the industry is a classic case of too many agencies doing too little. There are at least four federal and four state agencies with regulatory roles in protecting the half-million students enrolled in Illinois' 250 privately owned schools.

Reports of widespread abuses within the $3-billion-a-year industry were brought to The Tribune by Gov. Walker's Consumer Advocate's Office after the state conducted a preliminary investigation.

During a subsequent three-month investigation of 13 Chicago-area schools, Tribune Task Force reporters posing as sales trainees and students documented numerous irregularities. In the area of enforcement they found:

The State Office of Education spends only $205,000 a year from its $14 million operating budget for six employes to license, inspect, and handle complaints about any of the Illinois-based schools.

Dr. Michael J. Bakalis, who headed the state agency until this year, said "budgetary restrictions" prohibited adequate monitoring of the schools but admitted that "proprietary [for-profit] schools were far down the line in my interest."

Bakalis was interviewed soon after he left the post. He was replaced by Joseph Cronin, who had been in office only a few weeks at the time of the interview.

Rules and regulations governing operations of Illinois schools are not only inadequately enforced but also John D. Keller, who wrote them during the Bakalis administration, conceded the laws are probably unconstitutional and unenforceable anyway because of conflicts with statutes and vague language.

Recent attempts by the Federal Trade Commission to strengthen rules have cemented an alliance between the National Association of State and Private School Administrators (a group of government officials) and the industry it is supposed to regulate.

At the request of Bernard H. Ehrlich, attorney for the two largest trade organizations, N.A.S.P.S.A. has threatened to file suit against the FTC challenging its authority in regulating schools, if the agency continues to act independently of local officials, and not inform them about federal investigations.

The proposed FTC rules would add a 10-day cooling-off period after contract signing, during which time a student would have a chance to withdraw from the deal; better consumer protection from phony sales and placement claims; and a pro-rata system under which a student would be charged only for lessons actually taken.

"We see these new proposals as a real threat to states' authority," said Joseph A. Clark, president of N.A.S.P.S.A. "What is needed is a better working relationship between the states and the federal government."

Bakalis, who himself prefers less federal control, said:

"We don't want to emasculate a growing industry. Private and vocational schools are going to be a much more important option after high school. This section of the education scene is going to take on more importance. But I don't mean we want it to go wild."

Illinois law does not contain any of the proposed FTC provisions. And the Illinois Office of Education has only two men known as "generalists" to evaluate courses.

"Too often courses are approved in Springfield, and they should not have been," said Thomas Pekras, assistant director of post-secondary education.

Illinois Office of Education regulations provide that agents for schools must be licensed, and that no enrolments can be sold without a permit.

Since it takes up to three weeks to process such permits and obtain identification cards, however, some schools push salesmen onto the street, peddling education like aluminum siding without bothering to obtain the legal documents.

La Sale Extension University advertises regularly for new sales personnel. Three Tribune reporters who answered the ads were advanced to the front lines immediately, with neither permits nor background checks.

"Under no circumstances should a salesman be on the street selling courses without a permit," said Thomas Richardson, assistant to the director of post-secondary education. "Without that element of control, an individual could pretend to be a salesman from a given school, sign somebody up, and take the person's money and leave the state."

State regulations also prohibit certain sales tactics and make the schools responsible for what their salesmen say.

"But I don't think that is enforceable," said Keller.

He said there are conflicts between the regulations and statutes "that would be impossible to sort out in court."

Keller, who wrote the rules, now operates a paralegal trade school in partnership with Bakalis' brother, George.

Another regulation requires schools tc make sure a student is qualified or is capable of understanding a course. They may give qualifying aptitude tests, but the exams must be approved by the state.

The absurdity of this became apparent after a 3d grade pupil, the son of a reporter, took a 30-minute multiple choice test offered by a travel agency school, filling out the answers in 19 minutes. The school notified the reporter, who sent in the test in her name, that her answers showed she had the "required skills and knowledge of world geography to become a travel agent."

Schools are also required to submit information relating to their present instructors, courses, and placement. But overburdened state employes can do little but stuff the data in appropriate files and assume it is correct. Task Force checks determined that job placement statistics filed by many schools were false, misleading, or outdated.

One of the more creative abuses of Illinois regulations is a device many schools use to take advantage of state refund laws to get the maximum profit from students who do not finish courses.

State regulations require a student to pay a percentage of the tuition based on the actual number of lessons finished in a course, and pay the whole tuition if more than 50 per cent of a course is completed before dropping out.

Thru a device known in the trade as "front-end loading," courses are set up so a student takes more than 50 per cent of the lessons early in the learning program.

For example, Mark Hiller, 17, tried to cancel at La Salle after completing less than two years' worth of lessons in a four-year high school correspondence course. The school told him he had to pay for the entire course—62 lessons—because he had finished 51 of them, well over half.

He discovered the school crams 35 lessons into the first study year. One of the books in the first year is 179 pages long and contains 15 home-study lessons, for example, while a 321-page book for the next year contains only one.

Another La Salle student, Thomas Dever, 17, of Prospect Heights, signed up for a course described in a brochure as "32 lessons." After completing seven, he dropped out and asked for a refund.

But the school advised him, "While our complete course does include a total of 32 lessons, recent revisions have been made and this course now contains 17 lesson submissions."

Using arithmetic Dever still can't understand, the school told him he had completed half the course, and thus owed the school money.

"I never realized seven was half of 32, or even 17," he said.

La Salle officials refused to be interviewed about complaints from students. However the school commented in writing that students need more lessons in the early stages of a course to keep their attention.

Keller condemned front-end loading as "an abuse of the law."

One solution to the front-end loading abuse is a proposed FTC pro-rata regulation, under which a student would pay only for what he gets—paying the full tuition only if the course is completed.

Minnesota is one of the few states that has instituted a similar procedure, which requires full payment of tuition only after 75 per cent of a course is taken.

Minnesota, which actively polices correspondence schools doing business in that state, also requires that a school prove it can prepare people for employment before being approved.

Kenneth Hatampa, vocational administrator for Minnesota, said the state just budgeted his office $6,000 to have outside specialists evaluate courses in which special knowledge is needed.

Public hearings on the FTC's new proposals, including the national pro-rata law, will be held this fall.

Len Dunlop, president of Bell & Howell schools in Chicago, termed the proposed FTC regulations "a simplistic solution . . . like using an elephant gun to shoot a mouse.

"People think this industry is populated by avaricious, undereducated redneck ripoff artists who victimize defenseless, undereducated people. That just isn't true," he said.

"You may need more regulation. The industry isn't perfect. Or, perhaps you need better administration of the regulations that exist."

The Federal government until recently relied solely on the trade organizations themselves to accredit home study schools for participation in the department of Health, Education and Welfare's student loan program.

The trade organizations, however, inspect schools only once every five years, and accreditation requires that a school belong to the trade association and pay it a percentage of its annual sales.

As a result of growing concern over industry abuses, HEW has issued its own regulations. But Kenneth Kohl, commissioner for the Guaranteed Student Loan Program in Washington, said enforcement will be difficult.

"Congress never anticipated the ingenuity of a lot of the entrepreneurs in this industry," he said. "The student loan program gets a million loans out to students a year, and we can't allow less than scrupulous people in the program, or Congress will kick the whole thing out the door."

The Veterans' Administration also is tightening regulations, but officials here agree that, in the end, it is the buyer who must beware.

Jerome Laemet, assistant regional director for the FTC in Chicago, said:

"The victims of this are you and I—the taxpayers. Taxpayers are pouring millions of dollars into these schools."

[From the Chicago Tribune, June 12, 1975]

HE WROTE THE RULES—NOW HE'S SELLING

(By William Gaines and William Crawford)

"When you graduate from our program, you will know more about real estate than a lawyer coming out of law school," John D. Keller, owner of Chase Professional Center, told a Tribune Task Force reporter posing as a student.

"When you get all thru, you'll be able to take depositions for lawyers, close out real estate transactions . . ."

Keller, the operator and salesman, is the same man who designed rules and regulations to protect aspiring students from misrepresentation by school salesmen, when he was a $16,000-a-year assistant legal adviser to Michael Bakalis, then state superintendent of public instruction.

After resigning from Bakalis' staff, Keller went into the trade-school business with Bakalis' brother George, who also served as a $16,000-a-year legal adviser to Michael Bakalis.

"As I recall, 33 per cent of those who graduate from our program go on to law school and become lawyers," Keller told a reporter in the center, at 188 W. Randolph St. Actually:

The Illinois Real Estate Broker-Lawyer Accord states that no one, other than an attorney and the parties involved, is allowed to close a real estate transaction.

Legal assistants cannot take depositions to be used in court as sworn statements.

The "33 per cent" who went to law school consisted of two persons, members of the school's first graduating class of five.

Keller painted a picture of a long-established, well-equipped school, claiming it had 12 classrooms. It was later determined it had one. Keller said he could contract for more if needed.

He told The Tribune the idea of owning his own school came after he and George Bakalis left the state office, and added:

"I never thought I'd own a school in my life. It was a brand new field and an area where we thought we could make money."

Keller is also legal adviser to the National Association of State Administrators and Supervisors of Private Schools. In that position, he may be called upon to advise on a policy that could affect his own school or United Systems, a truck driving school he also represents.

A Chase faculty member, Leo Athas, also worked for the state Office of Education. He served as director of legal services under Michael Bakalis and held the same position under the present superintendent, Joseph Cronin, until he resigned May 31.

"If ever Chase were involved in a case I would have disqualified myself as a representative of the state," Athas told The Tribune.

After Michael Bakalis left office, he was asked about the partnership of his brother and the man who wrote the Illinois law in their own trade school.

"It's a dilemma," he said. "Should my brother's rights as a citizen be denied because his brother is in office? The school fulfilled all the requirements. Extra caution was given the processing of the application because of the knowledge that someone would think otherwise."

[From the Chicago Tribune, June 15, 1975]

UNITED STATES, STATE PUSH TRADE SCHOOL QUIZ

(By Pamela Zekman and William Crawford)

Five new State and federal investigations have been ordered into the correspondence and trade school business as a direct result of The Tribune's Task Force series detailing abuses in the $3-billion-a-year industry.

The latest probes, ordered Friday, bring to seven the number of investigations in the wake of the Tribune series. They are:

A Federal Trade Commission investigation of several of 13 schools listed in the Tribune articles last week, to determine whether they are using fraudulent and deceptive sales tactics and advertising.

A Veterans Administration probe to determine whether there is enough evidence of fraud to justify withdrawing GI benefits from the schools.

An Illinois Veterans Commission review of the approval of a number of the 250 Illinois-based schools, with the possibility that VA approval of several may be revoked.

A Department of Health, Education, and Welfare investigation into whether approval of several of the schools for the guaranteed student loan program should be continued.

An Illinois Office of Education investigation of the feasibility of filing civil or criminal charges against unlicensed or fraudulently operated schools.

The actions follow a proposal for major changes in the industry Thursday by Dr. Joseph M. Cronin, state superintendent of education, who said he would push for more stringent regulation of home-study schools within the state.

On Friday, Secretary of State Michael Howlett ordered an investigation into questionable sales tactics and operations of the American Truck Driving Schools, Ltd., 7750 S. Cicero Ave., where a Tribune reporter worked as a sales trainee.

Charles Cooke, special assistant to the secretary for student financial assistance of HEW, said in Washington that a number of the schools approved for the student loan program may have violated new regulations which the agency intends to "rigorously enforce."

"Some of the practices described in the series are of such great magnitude that they could result in approval being withdrawn," Cooke said. "We intend to develop our own evidence and will take appropriate action."

The new regulations require schools to disclose accurate placement and dropout information.

A major thrust of the FTC probe will be the training procedures for salesmen.

During the three-month investigation by The Tribune, reporters worked as sales trainees at La Salle Extension University, American Truck Driving Schools, and Associated Schools. At Associated a reporter was instructed to deceive young women into believing they were being judged on poise and beauty for training as airline personnel.

Tho not identifying particular schools,

Jerome Lamet, assistant regional director of the FTC, said:

"We are gearing into looking more closely now at how the schools supervise the salesmen. The articles really did show the commission that one of the major problems is the salesmen in the home, and that a much more extensive investigation of verbal representations must be made."

He said the FTC also intends to use new power under the Restitution Act, which gives the commission authority to seek tuition refunds for students who are victimized by unscrupulous operators.

Claude Gillam, the director of the Chicago regional office of the Veterans Administration, said his office is attempting to determine "whether there is sufficient evidence to support administrative action by the VA [the withdrawal of benefits]."

Gillam said if his office uncovers evidence of fraud, it will be turned over to the United States attorney's office and the Federal Bureau of Investigation.

He also said he plans to meet with Eugene Duff of the Illinois Veterans Commission to determine whether he needs a larger staff to supervise the operations of correspondence schools in the state.

Duff, who said he is asking to add four more people to his 11-man staff, said American Truck Driving Schools will be one of his initial targets. The school currently has 470 veterans enrolled in its home-study course, and 11 taking driver training.

"It's really a can of worms, tho, for a guy who wants to take a course. You pull the approval, and then what does he do about continuing his studies? We have to find him another school."

Thomas Richardson, assistant to the director of post secondary education in the Office of Education, asked anyone having complaints about correspondence or training schools to send complaints to his staff at the Illinois Office of Education, Room 607, at 188 W. Randolph St., Chicago.

NAVY SHIP CONSTRUCTION

Mr. MUSKIE. Mr. President, I recommend to the attenton of my colleagues two Navy shipbuilding issues presently in disagreement between the Senate and House conferees on H.R. 6674, the 1976 military procurement authorization bill. These issues pose an important test of the willingness of Congress and the executive branch to conform to the concepts of budgetary responsibility underlying the Budget and Impoundment Control Act of 1974. In both cases, the Senate has adopted a position which is consistent with the letter and spirit of the Budget Act, while the House position departs from the intent of that act in significant fashion. And on one of these issues, Mr. President, the executive branch is, it seems to me, guilty of encouraging a departure from sound budgetary practice.

As my colleagues are aware, the 1974 Budget Act is intended to bring more certainty into the budgetary process, increase the predictability of the costs of Federal programs, provide for more complete submission of budgetary information by the executive branch, and achieve greater congressional control over Federal expenditures. Among the declared purposes of the act, the first is the congressional determination "to insure effective congressional control over the budgetary process."

Among the abuses which the act seeks to control is the approval of new programs in the absence of the best available information on their lifetime costs. Too often, in the past, we have approved modest sounding but open-ended programs, only to discover through painful experience how far their true costs exceeded our expectations and distorted our priorities.

It is for this reason that the act requires 5-year budget projections, and requires that requests for the authorization of new programs be submitted to Congress a full 18 months before the beginning of the fiscal year in which they are proposed to take effect. Last-minute amendments to the budget are not ruled out, so that emergencies may be covered. But the act demands that most programs be requested far enough in advance to permit the fullest possible exposure and assessment by Congress of their costs.

Mr. President, the House of Representatives, in its version of the military procurement authorization bill, recommends two shipbuilding provisions which contravene these principles.

The first of these would authorize $60 million in procurement funds for long lead time nuclear propulsion components for a new nuclear-powered "strike cruiser." This would be an entirely new class of ship, of great expense. I am informed that the first ship of this class, if budgeted in the 1977 defense program, will cost $1.2 billion. I repeat, $1.2 billion. This ship was not included in the President's February budget submission either for 1976 or for 1977, the Department of Defense has offered no testimony to Congress that defines the ship, and the Senate did not consider the question either in the Armed Services Committee or on the floor of the Senate. Yet if authorized and appropriated, the $60 million item would to all practical purposes commit the Congress to approval next year of this $1.2 billion ship.

The nuclear-powered strike cruiser, Mr. President, raises fundamental questions about the future of the Navy, and about future Navy budgets and defense priorities, which ought not to be decided without careful examination. It was, therefore, with considerable regret that I learned that the executive branch, on June 24, submitted to Congress a budget amendment requesting authorization and appropriation in 1976 of the $60 million item for advance procurement related to the strike cruiser. This last-minute amendment, submitted less than a week before the beginning of the fiscal year and proposed for a bill that is already in conference, is totally inconsistent with the intent of the 1974 Budget Act, and displays a total disregard for sound budgetary practice.

In my view, the substantive objections to the amendment are at least as serious as the procedural ones. Not only does it commit the Congress by a kind of backdoor approach to the approval of an incompletely defined major new class of ships, but it also attempts to foreclose the answer to questions with very large consequences for the national defense and for defense budgets.

One immediate question concerns the mix of nuclear-powered and conventional escort ships that will carry the proposed new antiair warfare missile system known as Aegis. I am informed that an Aegis fleet large enough to offer protection to all 12 attack carriers will cost approximately $30 billion to build and operate for 30 years. This cost will be significantly affected by the propulsion system chosen for Aegis ships. Last year the Navy proposed to build eight nuclear-powered Aegis ships and 16 conventional ones. Now, according to the House Armed Services Committee report on the military procurement bill, the Navy would like to drop all the planned new conventional escorts and build 18 nuclear-powered ships armed with Aegis and designated as "strike cruisers."

The Department of Defense has established through various "life-cycle cost" studies that the nuclear-powered Aegis ship will cost 50 percent more to build and operate than the conventional version, while offering roughly comparable capability as an air defense escort. Thus, it would appear that the new Navy plan will provide less capability than the mix earlier proposed, at a higher cost. The Congress, however, has not been presented with the costs and capabilities of the various Aegis options.

It may be argued that the offensive capability planned for the strike cruiser—to include tactical cruise missiles and possibly one or two vertical takeoff and landing aircraft—justifies the additional cost. It is presently estimated that the first conventional Aegis ship would cost $800 million in 1977 budget dollars or about $400 million less than the strike cruiser.

However, the Congress has not been presented with an assessment of the requirement for this added offensive power, nor with an assessment of alternative ways of investing these funds to obtain the most effective increments of striking power. For example, it would be possible to buy both a conventional Aegis ship and another nuclear attack submarine of the SSN 688 class for less than the cost of the nuclear strike cruiser. Until the Congress has had an opportunity to make such comparisons, I believe it would be unwise to authorize the nuclear strike cruiser.

A broader question raised by the House action and the President's amended budget request concerns the application of title VIII of the 1975 military procurement authorization law—Public Law 93-365. This title requires that all new "major combatant vessels" for the Navy, including escorts designed to operate with carrier task groups, shall be nuclear powered unless the President decides that such construction is not in the national interest. The costs associated with an all-nuclear Navy are staggering. Considering the question of carrier escorts alone, I am informed that the Navy now has 84 ships which will require replacement over the next 30 years. It will cost 50 percent more, or well over $20 billion in additional costs, to build all these escorts as nuclear ships instead of all as conventional ships. If we retain the presently planned mix of nuclear and conventional escorts, the costs would be $19 billion less than an all-nuclear escort program.

A basic question which the Congress has not had an opportunity to consider is who will pay for the cost of these new Navy programs? I am reliably informed that the proposed all-nuclear Aegis fleet

is not included in the 5-year budget projections for defense submitted to Congress this year under the provisions of the 1974 Budget Act. If these costs are added to the defense budget, then other parts of the Federal budget must suffer. If the defense budget remains within the 5-year parameters established by the administration—and in my view, even these may be too high—then which service is going to give up something so that the Navy can have a fleet of strike cruisers?

Will the Army give up its new divisions? Will the Air Force give up the B-1? Or will the nuclear Navy advocates sacrifice the size and strength of the fleet, by canceling urgently required new construction programs such as the Patrol Frigate? It is plain to me that if the Navy hopes to maintain and increase its present number of escort ships the most feasible and cost effective route is to pursue the patrol frigate program and similar conventional ships, not to sacrifice such programs on the expensive and arbitrary altar of the nuclear propulsion provisions of title VIII.

I cannot stress too much the importance of this question of priorities. For example, had we been given the information regarding the strike cruiser and the Aegis program at the appropriate time, it is entirely possible that the Budget Committee would have recommended a different set of priorities to the Senate in the first concurrent resolution. For all these reasons, I urge the Senate conferees on the military procurement bill to hold firm to the Senate position, which excludes the $60 million requested for the nuclear strike cruiser, and I urge the Congress to give serious attention to the fundamental questions concerning the future of the Navy in preparation for next year's budget.

The second shipbuilding issue now in conference which concerns me as chairman of the Senate Budget Committee relates to the longstanding policy of full funding Navy ship construction programs. Full funding requires that the Congress be asked to authorize and appropriate the entire sum required to complete construction of a ship, including an allowance for anticipated inflation, before a contract can be let for that ship. The House version of the military procurement bill would abandon full funding and authorize a new policy of incremental funding. This approach would undermine both the predictability of shipbuilding program costs and congressional control of the budget. In effect, it would authorize the issuance of blank checks for Navy shipbuilding programs, which the Congress would be called upon to honor in the future.

I am informed that the Senate conferees on H.R. 6674 are adamantly opposed to the incremental funding approach proposed by the House. The Senate position on full funding of Navy ships is fully consistent with the Budget and Impoundment Control Act of 1974, and I commend the Senate conferees for their stand. I would like to add that the Bath Iron Works, one of the Nation's premier shipbuilding firms which, I am proud to say, is located in my State, completely endorses the concept of full funding. I commend the management of the Bath Iron Works for their forward-looking and responsible approach to the financial management of our Nation's shipbuilding program.

ECONOMIC IMPACT OF A 35-PERCENT—$4 PER BARREL—INCREASE IN OPEC PRICES

Mr. HUMPHREY. Mr. President, the administration and Congress are irresponsibly drifting toward economic disaster. In the next 3 months, if a spirit of compromise cannot be nurtured, we face complete abolition of price control on so-called "old" oil and an OPEC price increase of uncertain magnitude.

While there is some disagreement regarding the exact economic impact of these energy price hikes, there should not be disagreement that our recovery will be severely retarded. As noted in my statement carried in the RECORD on June 27, pages S11801–S11803, real economic growth will be curtailed, while both unemployment and inflation will remain above otherwise anticipated levels.

It is vital that the administration face in a responsible fashion the need to emphasize continued economic recovery over the next year, rather than the narrow goal of higher and higher energy prices to slash consumption.

Because the economic stakes are so great, the administration and Congress must act within the next 3 weeks to continue price controls on old oil and to consider appropriate steps to ameliorate the massive impact of the predicted OPEC price increase promised for October 1—an increase which could be as much as 35 percent.

Dr. Warren E. Farb, with the Congressional Research Service of the Library of Congress, has evaluated the economic impact of a 35-percent OPEC price hike—an evaluation I now share with my colleagues and hope is overly pessimistic.

He found that such an increase—which would be about $4 per barrel—would have a significant impact fairly quickly on prices, tapering off after 1976. For example, this price hike would raise the rate of increase in wholesale prices by almost 100 percent in early 1976, and would add at least 1 percent to the consumer price index through the second quarter of 1977.

The major longer run impact of such an OPEC price increase, however, is on real output and unemployment. By the first and second quarters of 1977, the rate of increase in real industrial output is cut in half by the OPEC action—and the growth in real GNP is cut by one-third. As a result, unemployment is projected to be almost 1 full percent higher than without the higher energy prices at least through the end of 1977—and that is 900,000 lost jobs.

The Joint Economic Committee will hold hearings on July 10 and July 14 to evaluate the economic impact of this and other possible OPEC price increases as well as the impact of old oil price decontrol. The committee will be particularly interested in steps Congress and the administration can take to ameliorate the impact of these higher energy prices.

To provide background information for that hearing, I ask unanimous consent to have printed in the RECORD Dr. Farb's evaluation with an abbreviated summary table.

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

ANALYSIS OF ECONOMIC IMPACT OF 35 PERCENT INCREASE IN OPEC PRICES

(By Walter E. Farb)

The most efficient way to determine the economic impact of a 35 percent increase in OPEC prices is to stimulate this change in an econometric model of the U.S. economy. While this does not lead to foolproof projections of the future level of the various economic variables it does yield reliable estimates. Moreover, the models are particularly useful in determining the direction and magnitude of change from a specific given action holding all other factors constant. Unfortunately, the models have performed least well over time in projecting the future path of inflation. Numerous changes have been made, however, so that hopefully their reliability today is better than over the past several years.

The CRS simulations of the U.S. economy reported below were performed using the Data Resources, Inc. (DRI) quarterly model of the U.S. In the attached tables the first line represents CRS's best estimate of the future path of the U.S. economy given constant OPEC prices. These results are based on the DRI control solution of May 27, 1975, which assumes a 15 percent OPEC price rise. The second line shows the most likely impact on the economy of a 35 percent increase in OPEC prices. The remaining two lines show the absolute and percentage differences between the two CRS simulations. It is important to note that while economic forces, such as a more rapid expansion of bank reserves or money supply, may affect the level of the reported variables the differences between these two simulations should remain constant. These results of course do not take into consideration the possibility of fiscal or monetary adjustments that may occur in response to a rise in the cost of oil that would not occur if these prices remained stable or increased more modestly.

Overall, the attached tables [1] show that the primary effect of the price rise would be to significantly slow the rate of recovery from the current recession and to slow the projected decline in the rate of inflation. In conjunction with these developments the unemployment rate and interest rates would also be higher as a result of the higher OPEC prices.

Assuming that the OPEC price increase is not imposed until October of 1975, the economic ramifications during 1975 would be minimal. The most notable early impact, however, would be in the inflation rate, particularly as measured by the wholesale price index (see attachment page 2). This increase would be directly related to the weight given the wholesale price of crude oil in the composite index. Net exports would also quickly reflect the oil price increase since like wholesale prices they are directly affected by the price being paid for crude oil, and because OPEC oil imports represent a substantial portion of all imports (see attachment page 1). Secondary effects of the price increase, by and large, would not become apparent until 1976.

Real GNP, measured in 1958 dollars, would increase at a rate about 1 percentage point

---

[1] Calendar year averages of these variables begin on attachment page 13.

lower in 1976 and nearly 2 percentage points lower in 1977 indicating that the OPEC price rise would have a substantial impact on the strength of the incipient economic recovery. This lower level of production would not be able to support as high a level of employment causing the unemployment rate to fall less rapidly than would otherwise be the case. According to the DRI model by the end of 1977 the OPEC price rise would result in a full percentage point being added to the unemployment rate. As a check on the DRI model, GAO was asked to simulate the OPEC price rise on the Wharton model which tends to project a less robust recovery from the current recession than DRI. While the general results of the Wharton model are similar in direction to those projected using the DRI model, because of the greater degree of pessimism incorporated in the Wharton control solution the price rise simulation results in an increase in unemployment of less than half of 1 percentage point. Both models, however, project unemployment rates in the 7.8 percent to 8.0 percent range for 1977 after the 35 percent rise in OPEC prices.

As would be expected from an increase in crude oil prices the impact on the wholesale price index (WPI) is much stronger than any of the alternative measures of inflation. After the initial shock to the economy which causes the WPI to increase at an average annual rate in excess of 10 percent in the first half of 1976 the inflation rate resumes its downward trend. As the price increase works its way through the economy over time the inflation rate after the OPEC price increase approaches the rate projected with stable prices. According to the DRI model the average annual rate of increase in the WPI would be 5 percentage points higher than with stable OPEC prices in the first quarter of 1976, but less than one percentage point higher by the end of 1977. The Wharton model which initially assumes a weaker economy, and therefore lower inflation rates, also projects an increase of about 5 percentage points due to the OPEC price rise in the first quarter of 1976 and an increase of less than one percentage point by the end of 1977, but from a significantly lower base than the DRI model.

For additional information the attached tables summarize the economy as a whole in some detail, including the areas discussed above. If you have any questions regarding the remaining variables, please let us know.

ECONOMIC IMPACT OF A 35 PERCENT INCREASE IN OPEC PRICES IN ANNUAL RATES FOR EACH QUARTER 1975:4 TO 1977:4

		1976				1977			
	1975:4	1	2	3	4	1	2	3	4
Real GNP:									
Baseline	7.3	7.5	7.5	6.7	7.5	6.4	5.2	4.6	3.1
OPEC	7.2	6.4	6.2	4.3	5.0	4.1	3.5	3.6	2.6
Difference (percent)	−1.6	−15.2	−18.1	−36.1	−33.6	−35.0	−33.3	−22.0	−13.5
Real industrial production:									
Baseline	10.4	11.5	11.5	9.8	12.1	9.1	6.7	5.1	3.4
OPEC	9.9	10.5	10.0	6.4	7.7	4.8	3.3	3.1	2.6
Difference (percent)	−5.0	−8.6	−13.1	−34.2	−36.4	−47.8	−51.1	−39.5	−25.3
Unemployment:									
Baseline	9.0	8.7	8.4	8.0	7.7	7.4	7.1	6.9	6.8
OPEC	9.0	8.7	8.5	8.3	8.1	8.0	7.9	7.9	7.8
Difference (percent)			+1.4	+3.1	+5.3	+8.3	+11.2	+13.5	+15.3
Wholesale price index:									
Baseline	4.2	5.1	6.6	5.7	5.8	6.3	5.9	5.6	4.9
OPEC	6.9	10.0	10.5	8.8	8.4	8.2	7.4	6.8	5.8
Difference (percent)	+6.3	+97.5	+58.2	+55.9	+44.2	+31.1	+26.1	+21.7	+18.7
Consumer Price Index:									
Baseline	5.7	5.3	5.5	5.2	5.2	5.2	5.4	5.3	5.4
OPEC	6.4	6.5	6.5	6.2	6.3	6.2	6.2	5.7	5.7
Difference (percent)	+11.6	+22.5	+18.4	+18.2	+20.2	+18.9	+13.9	+9.2	+6.2
Duplicit price deflator:									
Baseline	6.2	4.9	5.1	4.8	5.4	4.4	4.5	4.5	5.5
OPEC	6.8	6.1	5.7	5.6	6.4	5.6	5.5	5.3	6.1
Difference (percent)	+8.9	+25.5	+11.0	+16.8	+18.3	+27.1	+22.3	+16.8	+9.4

FOR A JOB WELL DONE

Mr. CULVER. Mr. President, some of the most faithful and inadequately recognized public servants in the United States are county and municipal officials. In county courthouses, in city and town halls of Iowa I have met a legion of wonderful people who make our democracy work, day in and day out, at the grass roots level. When one of these conscientious local government servants is singled out for the contribution that he or she has made, over the years, to the public weal, it is an occasion worth noting.

Earlier this year, a crowd of more than 200 persons gathered at Westmar College in Le Mars, Iowa, to pay tribute to an outstanding woman, Mrs. Marie Jahn, whose 38 year tenure as Plymouth County Recorder is the longest period of service by any popularly elected woman public official in Iowa history.

Among the hundreds of persons who came to honor Mrs. Jahn were former Georgia Governor Jimmy Carter and a host of northwest Iowa political leaders from both parties. Honorary chairperson was Helen Hansen who succeeded Mrs. Jahn as County Recorder in 1969.

Although I was unable to be present for the Le Mars dinner, it was my privilege to be with Mrs. Jahn more recently in Des Moines when she was recognized with a standing ovation by over 500 guests at the New Frontier dinner of the Iowa Democratic Party.

In addition to the recollection of 18 consecutive election victories, Mrs. Jahn has a host of delightful memories of Iowa politics and history. She was present at the county courthouse when, during the farm holiday movement of the 1930's, a group of irate farmers kidnapped a Le Mars judge from his courtroom and made noises about lynching him. She remembers that she told them: "You boys don't know what you're doing." They told her to get back into her office. She says: "I did—fast."

"Political campaigning has changed considerably through the years," noted Mrs. Jahn, recalling that office seekers used to be expected to attend chicken dinners at churches throughout the county. "We went to 27, one fall," she laughed. "Sometimes there would be two dinners in the same evening. At the first one we would go easy on the desert, and next we would go easy on the chicken."

Mrs. Jahn now has 10 grandchildren and 5 great-grandchildren and, needless to say, a multitude of friends. She also has those satisfying memories of many years of faithful public service in local government—the level closest to the ultimate decisionmakers, the people.

SPRUCE BUDWORM

Mr. MUSKIE. Mr. President, an article in today's Wall Street Journal points out dramatically that despite extensive spraying this spring, supported in part by a Federal appropriation, the spruce budworm infestation in Maine continues to be a serious problem which threatens the economic health of our most forested State. To bring this article to the attention of my colleagues, 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:

LOSING BATTLE—AS MAINE DEBATES HOW TO SAVE ITS TIMBER FROM BUDWORMS, PESTS KEEP THE UPPER HAND

(By Susan Margolies)

PRESQUE ISLE, MAINE.—It is 4:30 a.m. here, and scores of pilots climb into the cockpits of vintage World War II aircraft, preparing for yet another attack on the spruce budworm, an insect that threatens to denude Maine's nearly eight million acres of spruce and fir forests.

Trailing a spotter plane, the aircraft fly in staggered formation past potato fields, beaver dams and black-spruce bogs, finally releasing a fine white mist of insecticide over infested areas. In the planes' wake, millions of budworms spin down to the ground and die.

This scene was repeated day after day for several weeks this spring. Yet despite the considerable money and scientific know-how Maine has applied to the problem, the bugs still have the upper hand. Maine spent $7 million this year to do battle with the budworm, enough to wipe out the pests in only about a two-million-acre area. Thus, millions of the golden caterpillars were left free to

bore their way into the buds and needles of much of the 100 million acres of spruce-fir forests that extend from northern Canada to southern Maine. (Canada, too, is spraying, but in only a fraction of the afflicted area.) Next year, the insects will control an ever larger territory, because this year's survivors—now moths—are currently laying a new generation of eggs that will perpetuate the cycle.

Unless checked somehow, the budworm epidemic could have disastrous consequences for the pulp and paper industry and the people of Maine. Between 1972 and 1974, the budworm destroyed approximately 822,000 cords of wood, valued at about $102 million, in a three-million-acre area, according to the Maine Forest Products Council. For the paper industry, the current, much larger, epidemic raises the spector of a serious paper shortage. Since it takes 40 to 50 years for a forest to renew itself, "you would essentially have to put the pulp and paper mills in mothballs for that length of time," says Vaughan McCowan, a member of the U.S. Forest Service who is helping tackle the Maine budworm problem.

For Maine, where wood products represent 39% of all industry, such a prospect is unthinkable. The Maine Department of Conservation estimates that the epidemic could destroy enough wood by 1980 to have built 1.9 million dwellings or enough paper to have kept 123 million Americans in newspapers, tissues and wrappings for a year. And while paper prices haven't yet been affected, they almost certainly will rise if the epidemic continues out of control, experts say.

Lest these dire predictions become realities, Maine launched a full-scale spray program this spring. Banned from using DDT in 1967, the state has turned to short-lived biodegradeable pesticides that "don't have detrimental effects on wildlife," according to Walter R. Gooley Jr., information director for Maine's Department of Conservation. But because these pesticides are expensive and in short supply, the spraying was confined to only the most heavily infested areas. (Hardwoods—or some 10% of Maine's forests—aren't vulnerable to the budworm.)

The sprayers also must reckon with huge swarms of moths driven south into Maine by cold fronts emanating from Canada. Last year the U.S. Weather Service's radar operators tracked one cloud of insects measuring 64 miles long by 16 miles wide, Mr. Gooley says. Though the budworms manage to satisfy their voracious appetites while in the caterpillar state, they are also troublesome as moths. Attracted by car headlights to roads and bridges, the moths are killed by the thousands. Their crushed bodies leave a slick film on the asphalt that last year caused a number of automobile accidents.

Eradication of the pest might seem like a clear-cut issue around which everyone in the state would rally. Yet here, even budworms can create something of a political storm.

Maine residents, for one thing, are divided over who should pay for the spraying. Currently, the federal government pays half the cost, while the state and the paper industry each finance about 25%. Some critics would like to see the industry pick up a bigger portion of the tab. "When you look at the profits those paper companies are making, you know they can afford to contribute a whole lot more," complains Phyllis Austin, a reporter for the Maine Times, a newspaper with a strong environmental orientation. Morris Wing, International Paper's regional woodlands manager in Maine, disagrees. "The forest benefits everyone—not just the paper companies," he says. "It just doesn't make sense for us to assume the entire burden."

Maine forestry officials don't care where the money comes from—as long as they get it in time. "This year we went right down to the wire wondering whether or not we'd get the money," Mr. Gooley says. The Maine legislature finally passed emergency legislation allocating $3.5 million for this year's spraying, and federal officials came up with approximately $3 million more. But waiting for the eleventh-hour appropriation made it difficult to obtain planes and equipment, Mr. Gooley says. "Although no one wants to be responsible for Maine's losing half her forests we can't be certain from year to year that the money will actually be allocated," he adds.

Nor can the people of Maine agree upon the best way to lick the budworm problem. Some environmentalists worry that insecticides will have long-term harmful side effects, and a few charge that if state and industry officials had practiced proper timber management rather than relying solely on spraying, the budworm infestation wouldn't have reached epidemic proportions.

There isn't any controversy, however, about how much havoc the budworm can inflict. All agree it can be immense. Epidemics have been reported as far back as 1770. The most recent serious scourge, lasting from 1910 to 1919, destroyed over 27 million cords of spruce and fir equivalent to about 40 million cords by today's standards. (The idea of what is usable timber has changed; trees are cut today that would have been left standing a generation ago.)

Though Maine conservation officials killed an estimated 95% of the budworms in the areas sprayed, the insect remains untouched in vast areas of the state's forests. And time—and numbers—are on their side. Some 30,000 budworms can often be found on a single tree. Most trees can't withstand more than two years of defoliation before succumbing. Acres of dead trees are already evident. "When a spruce or fir dies, the needles turn red," Mr. Gooley says. "Last year it was just awful. In some places the forest looked like an endless red sea."

Maine forestry officials says the annual spraying will probably continue indefinitely until weather conditions change or the budworm runs out of food. Meanwhile, they say they will try other methods of control, including the gradual replacement of fir trees with the hardier spruce.

LIGHT RAIL TRANSIT

Mr. TAFT. Mr. President, I would like to call to the attention of my colleagues an article from the New York Times of Wednesday, July 9, entitled "Trolley Staging Comeback Over Nation."

What the Times says is true: America is getting back on its trolley. Interest in light rail transit is growing rapidly in all parts of the country. Increasing numbers of urban officials and planners are becoming aware of the great advantage of light rail: On the one hand, it is comparatively inexpensive to build and operate, and on the other hand it is highly attractive to potential riders. It also alleviates the noise and air pollution problems associated with the main existing mode for urban transit, the bus.

Dayton, Ohio, is the first city in the United States to apply for UMTA funding for a new Light Rail System. The lead Dayton has set will soon be followed by cities from many other States; and I am certain interest here in Congress in light rail will grow, as interest grows in the cities we represent.

Mr. President, I recently addressed the Light Rail Conference in Philadelphia. I ask unanimous consent that the remarks I made at that time be printed in the RECORD. I think their import—that the main obstacle facing light rail is institutional, not technical or economical—will be of interest to my colleagues.

I also ask unanimous consent that the Times article, "Trolley Staging Comeback Over Nation," be printed in the RECORD.

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

SPEECH BY SENATOR TAFT FOR LR CONFERENCE

Let me say to begin that I am certain most of you know as much or more than I do about the light rail project which interests me most: the DART project in Dayton, Ohio. DART is, of course, the first and to date, the only, application to the urban mass transit administration for funding of a light rail system. As I will note later, I have followed the gestation of DART with great interest, and I believe it will be of great benefit and utility not only to Dayton, but, as a demonstration of what light rail can do, to many other cities throughout the country, as well.

I am compelled, as a Senator representing more than half a dozen metropolitan areas and especially as a resident of Cincinnati, to begin this look at the most promising solution to our urban transportation problems of today with a brief glance back into the past. As many of you know, Cincinnati was a terminus of one of the most highly-developed light rail lines in the world—the Cincinnati and Lake Erie interurban. The famous "red devil" cars of the C & LE—the cars that raced airplanes, and won—would compare with what has been discussed in this conference, in terms of light rail vehicles. The Bullett cars here in Philadelphia were modeled on those C & LE cars. I am carrying coals to Newcastle saying this at this conference, but when I sit stuck in traffic on our interstates, and I think of the abandonment of the C & LE, I wonder how we could have been so shortsighted.

Light rail is certainly a promising answer to many of our urban transportation problems. To the layman, it looks very much like rapid transit; it uses electrically-powered cars running on regular steel rails, and it draws its power from overhead wires. And it offers what many people see as the advantages of rapid transit; the dependability of rail operation, and the quiet, fume-free ride of electric power. In fact, when we call it light rail, we refer mainly to the maximum carrying capacity in persons per hour—although we should stress that it is also light in the important areas of environmental impact and cost. Its real difference from rapid transit is that it does not require grade separation—just as its basic difference from the streetcar is that it does not run in mixed traffic, fighting with automobiles for the right of way.

This conference has thoroughly examined the technical aspects of light rail. Perhaps the most interesting technical aspect—to me anyway—is that it is a thoroughly proven technology. Light rail does not involve "Captain Zoom" technology, and that is an enormous plus. We need only look at debacles such as Maglev in Canada, PRT in Morgantown, or Skybus in Pittsburgh to see what a tremendous advantage proven technology gives.

The conference has also examined numerous aspects of light rail's greatest advantage: That is, that it resolves the dichotomy between the expense of rail and the undesirable service characteristics of busses. This dichotomy has been a serious problem in our urban transportation planning. It has appeared to force us to choose between enormous expense—the Washington Metro is a classic example of what rapid transit can cost—with official estimates now up to $4.5

billion from the original $3 billion—and poor service. Light rail now gives us the option of high-quality service—service of the type that can attract those who have a choice of modes—at a price low enough to make it an option even for low-density urban areas. As one who is involved daily with trying to hold down Federal expenditures, and at the same time provide the services the Nation needs, I cannot overemphasize the importance of light rail's capabilities in this regard.

It is, in fact, because the technology of light rail is well-proven, and because we know it may be what we need to resolve much of our urban transportation dilemma, that the remaining question is the most critical of all. That question is, can we get light rail adopted (or at least examined) as a policy by the determining institution, the Urban Mass Transit Administration?

There are, within UMTA, many persons who realize the potential importance of light rail transit. I was pleased to see the remarks of Mr. Kenneth Orski, the associate administrator of UMTA, in the May issue of Transit Journal, on this score. He noted, "while the technology of the LRT is quite conventional (an asset rather than a liability), the level of service is superior to anything obtainable from a streetcar or a bus . . . the LRT concept represents a promising alternative in these days of spiraling costs, energy shortages and growing environmental consciousness." However, the fact is that there is, to date, no UMTA policy on light rail.

I have arrived at this conclusion reluctantly. It is hard to believe that the agency responsible for urban mass transit would not have a policy on light rail. Unfortunately, the evidence clearly points to such a judgment—that there is no UMTA light rail policy!

I note that I have never ever received answers to my letters to the administrator regarding the DART light rail project. I wrote on January 13, requesting that the administrator personally see the DART presentation. I wrote again on March 6, noting that "the potential for light rail in other Ohio cities makes it imperative that the DART project begin as soon as possible", and renewing my request that the administrator see the DART briefing. I have had no response to either of those letters; nor, as far as I know, has the administrator seen the briefing. If UMTA had a policy on light rail, would it not be able to make the statements necessary to reply to my letters?

The most important piece of evidence, however, is DART. The simple fact is that if UMTA had a policy on light rail, it would be jumping for joy at a chance, with DART, to fund a model light rail demonstration project.

I know most of you are familiar with the details of Dayton's DART project. Let me just make two points about the project itself:

1. It is a technically sound project.

2. Dayton, Ohio, is a model site for testing light rail. You could not find a city more typical of the urban transit needs we hope to meet with light rail. Dayton is one out of 56 urbanized areas with a population between one-quarter million and one million. It is in the heartland of the population center of the country. It has the tenth largest 90-minute market in the U.S. Dayton has long been used as a test market by large numbers of manufacturers and for government programs as well, because it is so typical of so many of our urban areas.

As I said, if UMTA had a light rail policy, they would already have seen that the DART application constitutes a tremendous opportunity. They would have stated, publicly, that they are seeking the opportunity DART provides—to fund a light rail project in a typical American city. They would have made clear their enthusiasm over DART as a test.

But UMTA does not have a light rail policy. And what has been their reaction to DART? It is my impression that, to the degree there has been any reaction at all, it has been a model of the way institutions avoid responding to new ideas. It is my impression that, in the absence of a light rail policy, DART is in danger of being nibbled to death, nit-picked to death, by middle-echelon bureaucrats who justify their own existence by a "body count" of niggling objections to whatever is put before them.

With any project of any kind, regardless of the overall merit, there are always nits to pick. And any institution which wishes to avoid responding to a new idea—an idea that requires a policy decision—can always take the nit-picking route to delay, to obfuscate, to eventually kill with inertia that idea. That is what bureaucracy is too often all about—avoidance of decision, avoidance of responsibility, and ultimately, avoidance of the actions needed to solve the problems for which the bureaucracy was originally created. That is, in my view—and I come to that view reluctantly, and I hope for nothing more than the evidence I would need to revise it—what is now happening to DART in UMTA. What it shows is not any deficiency in DART, certainly not any deficiency serious enough to counterbalance the opportunity DART offers, but rather it shows, quite simply, that UMTA has no policy on light rail.

The fact is—as those in UMTA who fear to make a policy decision well know—that DART is *the* test case for all this conference has studied. It is the test case, the demonstration project, for new light rail systems in America. It is, the *first* application to UMTA for a light rail system. Its cost will not be high—$37 million in 1973 dollars, total.

I have followed the development of the DART project with great interest right from its beginning. I am familiar with the transportation problems it is designed to solve. I am confident that it will prove all that has been said here, at this conference, about the ability of light rail to meet many of the critical needs of our transportation systems.

Just as DART is the test case for light rail, so is it also the test case for UMTA. It will test whether UMTA, as an institution, can respond to new ideas. It will test whether UMTA will develop a policy on light rail, and regard DART as an opportunity, or whether it will prove institutionally incapable of developing a policy and strangle DART in red tape.

There is no further way that DART is going to be a test case—because I am prepared to *make* it a test case. That is in the willingness of congress to tolerate a lack of institutional response to new ideas on the part of government departments and agencies. If there is no forward motion on DART in FY 1976—motion that will show UMTA *has* adopted a policy on light rail—I am going to make DART the Billy Mitchell case of the urban mass transit administration. I believe my colleagues in congress are as tired as I am of bureaucratic delay and indecision. I know for a fact many of them represent cities interested in light rail. I think we could put together a coalition on this issue—on light rail, with DART as the symbol that it is—a coalition to make an example of what congress can do in bringing about institutional response to new ideas in transportation. I hope that this will not be necessary, that UMTA will adopt a policy favoring light rail, and that FY 76 will see the DART project moving ahead at full speed with full UMTA support. Either way, FY 76 will be an interesting year for light rail—just as either way, we *are* going to have DART in Dayton, Ohio.

TROLLEY STAGING COMEBACK OVER NATION

(By Ralph Blumenthal)

A desire named streetcars is growing—a desire for the return of one of America's oldest forms of urban public transportation.

Decades after the nation succumbed to the internal combustion engine in city after city the electric trolley is being called back to service in an advanced form as an answer to demands for cheap, pollution-free mass transit.

Seeking a bright, new image as "light rail transit," the mode combines elements of the trolley car of yore, including on-street boarding and surface passage under overhead power lines, with features of modern rapid rail transit, such as speedy, smooth travel on restricted rights of way that separate the vehicles from other traffic.

A new appreciation of light rail has been evident in the cities that have retained trolley service. Among them are Boston, San Francisco, Philadelphia, Pittsburgh, Shaker Heights, Ohio, Newark and New Orleans, home of the original (and now defunct) streetcar named Desire of the Tennessee Williams play.

In addition, Dayton, Ohio, has become the first city to develop a plan for a comprehensive new light rail system, and Rochester and among other municipalities, are considering installation of such a system.

Heralding the phenomenon, the Boeing-Vertol Company has begun turning out, for Boston and San Francisco, 275 of the first trolley vehicles to be produced in this country since 1952. Other smaller cities across the nation are planning on upgrading older street-car service or building new systems.

The trend was strikingly evident last month in Philadelphia, where 600 transit planners and officials from around the country, Canada and Europe—twice the number expected—converged for a national conference on light rail transit.

"This has to be the largest gathering of trolley-jollies since World War II," Frank C. Herringer, just-departed urban mass transportation administrator, told the participants, drawing a roar of delight. "It's really amazing."

"It might be we are witnessing what someone called the second coming of the trolley," said William J. Ronan, chairman of the Port Authority of New York and New Jersey, in another keynote address.

The conference—sponsored jointly by the United States Urban Mass Transportation Administration, the Transportation Research Board of the federally aided National Research Council, the American Public Transit Administration and the University of Pennsylvania—was not an exercise in nostalgia for the trolley car or faddism, officials took pains to explain. Rather, they said, the meeting represented recognition of the vital role light rail transit could play in cities today.

"This is a technology that currently demonstrates its effectiveness as part of the total urban transport system in more than 300 cities worldwide," said Lee H. Rogers of the Institute of Public Administration, a transit expert identified at the conference as "the James Bond of the light rail vehicle."

Basically, the difference between the streetcar that was driven into extinction by the auto and bus in most American cities more than a quarter century ago and today's evolved, upgraded version is not so much in the car itself but rather in the manner of its use.

The old streetcar wound through the heart of downtown, mostly down the very center of the street. With the growing number of motorists and bus drivers feeling they owned the streets, a confrontation of interests developed in the nineteen-twenties and thirties that ended with the streetcar's demise at the

hands of the more powerful auto and bus forces.

ELEVEN BILLION RIDERS IN 1917

In 1917, near the peak of trolley travel in the United States, 80,000 electric streetcars were plying 45,000 miles of track, carrying 11 billion passengers a year. At that time one could travel from eastern Wisconsin to central New York—more than 1,000 miles—on inter-urban street cars—provided he had enough nickels.

Yet by 1939, there remained only 2,700 miles of inter-urban line in the country, according to a paper presented at the conference June 23–26 by James R. Mills, president pro tem of the California State Senate.

And today, transit experts said, there remains less than 500 miles of operational track.

Under the new concept, the light rail vehicle runs on its own right of way, generally separated from other traffic. It is thus able to maintain a higher and steadier speed than its predecessors and to keep out of the way of other traffic.

However, the system was still flexible enough to allow divergence of the rail vehicles into mixed traffic if desired. Moreover, the vehicles can load both on the street and in stations like conventional rapid transit systems.

But because a light rail system does not involve tunneling, it is far cheaper to build than a subway system.

According to figures presented at the Philadelphia conference, the construction cost of a double-track light rail route might range from $4-million to $8-million a mile, not including land acquisition. The rail cars cost about $500,000 each. Subway construction, on the other hand, might now run a $50-million a mile and in some congested urban areas, may soon approach double that.

"Conventional rail has just priced itself out of the market," said C. Kenneth Orski, associate administrator of the mass transportation agency. "People are beginning to ask themselves: 'Can any city afford that kind of cost?' There will be very few starts of conventional rapid transit systems of the kind Washington and Atlanta are building."

UPWARD AND UPWARD

Atlanta's rapid transit system, projected to cost $1.3-billion in 1971, is now priced at $2.1-billion with further upward adjustments likely. Washington's Metro project is now projected at more than $4-billion. New York recently indefinitely put off a planned new Second Avenue subway line because of spiraling costs.

Yet the light rail systems, like the old streetcars, remain dependent on the blighting web of overhead wires carrying the 600 to 750 volts of DC current that powers the vehicle through the overhead pantograph. The old hookup called "trolley" gave the vehicles their name. While the overhead hookup may have been esthetically unacceptable several years ago, the energy crisis has tempered esthetic concerns with economic and other needs.

"It's important to keep the environment in perspective," said Mr. Herringer, who left as mass transit administrator June 30 to take over operation of the mechanically ailing Bay Area Rapid Transit system in San Francisco.

"Sure, it's intrusive," he said referring to the wires, "but compared to what? What's more intrusive than a highway? Compared to that, a few overhead wires is not much to put up with."

As now conceived by transit planners, the new light rail systems would be most applicable to cities of under a million population with requirements of moving from 5,000 to 20,000 passengers per track per hour. Demands of from 20,000 to 40,000 passengers an hour are considered more appropriate to conventional rapid transit systems running on higher speed exclusive rights-of-way, often underground.

Thus, light rail transit would have little appeal to New York City, for example, where the subways carry 3.7-million people daily. Light rail might, however, prove feasible in carrying riders from the suburbs or other boroughs to certain points in Manhattan, although surface lines criss-crossing mid-town would undoubtedly be too disruptive of other street traffic under current patterns and would repeat the jams and controversy of a half century ago.

NEW ORDERS FOR CARS

Among other leading cities, however, Boston is upgrading its existing light rail lines and has on order from Boeing Vertol for 175 of the first new cars to be produced in America since the St. Louis Car Company manufactured the last new trolley cars in 1952. San Francisco has ordered 100 more of the cars.

The new cars, under construction at the Boeing Vertol converted helicopter plant outside Philadelphia, are 71 feet long with three doors and with a center-articulated joint to facilitate sharp turns. The car which is air-conditioned, can hold 219 passengers with seats for 52 or 68 passengers, depending on the city's needs.

The vehicle bodies are imported from the Tokyo Car Company of Japan, the brakes are Italian and other systems are manufactured by other domestic and foreign manufacturers.

The first new Boeing Vertol vehicle, destined for San Francisco, is now being tested on the Boston system. The other vehicles are scheduled for delivery later this year.

Other cities that have maintained or recently upgraded trolley vehicle service include Newark; Shaker Heights, Ohio; New Orleans; Pittsburgh and Philadelphia.

Plans for new light rail service are under way in Rochester and Dayton, Ohio, among other communities. Dayton applied in January for a $48-million capital grant from the mass transportation administration to begin building a 12.2-mile model light rail system and has been waiting with increasing impatience for a reply. Mr. Herringer said it was still under consideration and had not reached his desk.

In addition, the mass transportation agency has asked Buffalo to study the feasibility of building a light rail system instead of a far more expensive subway to connect the downtown area with the new campus of the state university about 11 miles away in suburban Amherst.

At the same time, Mr. Herringer said, the urban mass transportation agency can have no bias toward or against any particular type of transport, whether light rail, buses or rapid transit.

Light rail, he said, "is not U.M.T.A.'s latest fad. It's merely something to consider. We can't say it often enough. We don't favor any mode."

Nevertheless, he said, he was "impressed" with the new light rail car. "In the long run though," he said, "it will need exclusive rights of way. This will demand great political courage. The future of light rail," he concluded, "is brighter than it's been in years."

DEATH OF FRANK J. McMAHON

Mr. WILLIAMS. Mr. President, it was with deep regret that I learned of the passing on July 1 of Frank J. McMahon. As chief investigator for the Humane Society of the United States, Mr. McMahon was one of the Nation's foremost authorities on animal welfare. His investigative efforts were instrumental in the passage of the Animal Welfare Act and, more recently, in calling public attention to the widespread practice of dog fighting. His testimony was invaluable to me in formulating legislation to bring an end to this cruel "sport."

Mr. McMahon will be sorely missed by all those who care about animal welfare. His devotion to humane causes will serve as a lasting reminder of man's responsibility for his fellow creatures.

Mr. President, I ask unanimous consent that the Washington Post article on the occasion of Mr. McMahon's death be printed in the RECORD.

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

FIELD INVESTIGATOR FOR HUMANE SOCIETY

Frank J. McMahon, 48, chief of field investigators for The Humane Society of the United States, died Tuesday at the Veterans Administration Hospital in Martinsburg, W. Va.

Mr. McMahon, who lived in Georgetown, had suffered a serious of strokes over the past six months.

With the Humane Society since 1961, he was best known for his investigations of dog dealers, laboratories and the transportation of animals.

Born in Peabody, Mass., Mr. McMahon began working with local humane groups investigating cruel conditions at local riding stables while he was in his teens.

He served in the U.S. Navy from 1945 to 1949 and then came to Washington, where he was associated with the real estate business before joining the Humane Society.

Many of Mr. McMahon's field investigations, raids and testimony before state, local and federal government organizations helped to make the fledging society known.

In February, 1966, accompanied by writers and photographers of Life magazine, Mr. McMahon conducted a raid on a Maryland animal dealer.

An article "Concentration Camps for Dogs," brought more than 80,000 letters to members of Congress. Hearings were held in both the Senate and House in which Mr. McMahon played a leading role.

As a result, a federal law was passed that regulates the transportation of dogs, cats and certain other animals to be used for purposes of research.

The late President Lyndon B. Johnson presented Mr. McMahon with a pen he used to sign the law.

Mr. McMahon's investigations took him to rodeo arenas, slaughter houses, stockyards, cockfights, dog fights and animal auctions. He was shot at and physically threatened and he was tough.

"Actually, I spend my life trying to get rid of the image of the little old lady in tennis shoes. I'm really trying to teach kindness," he said of his career spent fighting for the protection of animals.

Once, when the Agriculture Department wouldn't allow a load of African animals destined for American zoos to dock in the U.S., Mr. McMahon rented a small boat and met the freighter outside the 3-mile limit.

He threatened to humanely destroy the animals at sea, but they eventually were permitted to land.

Mr. McMahon helped many humane societies and animal welfare groups to get started throughout the country.

He is survived by his mother, Victoria Middleton, of Lynn, Mass., and a sister, Mary Ann Rudzinsky, of Winthrop, Mass.

The family suggests that expressions of sympathy may be in the form of contributions to the Frank J. McMahon Memorial Fund of The Humane Society of the United States.

JUDGE WALSH OF MARYLAND

Mr. MATHIAS. Mr. President, one of Maryland's most distinguished citizens, William C. Walsh, of Cumberland, died June 17 at the age of 85. Judge Walsh, a native of Cumberland, was a jurist, attorney general of Maryland, a leader of the State bar, and a major political figure. His contributions of service to his community and the State were substantial and significant. He will be sorely missed. Accounts of Judge Walsh's outstanding career were published in all the daily newspapers of the State.

The widespread recognition of Judge Walsh's contributions in many fields is a measure of Maryland's loss of his personal, moral, and professional leadership.

I ask unanimous consent that the articles that appeared June 18 in the Cumberland News and June 20 in the Baltimore Sun be printed in the RECORD.

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

WILLIAM C. WALSH DIES IN CUMBERLAND

CUMBERLAND.—A mass of Christian burial for William C. Walsh, former judge, attorney general and a major Democratic party figure in Maryland for a number of years, will be offered at 10 A.M. today at St. Patrick's Catholic Church here.

Mr. Walsh, who was 85 and lived at 824 Windsor road, died Tuesday night at Sacred Heart Hospital after a long illness.

Born and raised in Cumberland, the eldest son of William E. Walsh and the former Mary Concannon, he became the first man from Allegany county to be elected state attorney general in 1938. He held the post until 1945 when he resigned to return to private law practice.

He received a bachelor of arts degree in 1910 from Mount St. Mary's College in Emmittsburg, where he was later awarded an honorary doctor of laws degree in 1930, and a law degree from Catholic University Law School in 1913.

Mr. Walsh served in G Company of the Maryland National Guard in General Pershing's 1916 campaign against Pancho Villa in Mexico. He also was a first lieutenant in a machine gun company in the 113th Infantry Regiment, of the 29th Division, in France during World War I.

A lifelong Democrat, he began his political career in 1920 when he was appointed city attorney of Cumberland, a position he held until he was appointed associate judge of the Fourth Judicial Circuit of Maryland the following year.

Mr. Walsh served as chief judge of the court, which encompasses Western Maryland, from 1924 to 1926. He was also a member of the Maryland Court of Appeals at the same time.

From 1931 to 1935, he was state insurance commissioner. He was also associated in the 1930's with the prestigious Baltimore law firm, Tydings, Walsh, Levy and Archer, along with the late former Senator Millard E. Tydings.

After leaving the attorney general post, Mr. Walsh was a member of another Baltimore law firm, Miles, Walsh, O'Brien and Morris. In later years, he worked with his son, William, in a family law firm, Walsh & Walsh, in Cumberland.

Throughout his lifetime, he was active in Democratic politics from the precinct to national levels. He served as a Maryland delegate to the Democratic National Convention in 1924, 1928, 1932, 1940, 1944 and 1964.

In 1960, Mr. Walsh was one of the few Americans granted entry into the People's Republic of China, where he visited his brother, Bishop James E. Walsh, a Maryknoll missionary who was finally released in 1970 after being held captive by the Communists for 12 years.

The former judge was instrumental in arranging for his brother's release.

While president of the Maryland Bar Association from 1948 to 1949, Mr. Walsh was a member of the House of Delegates of the American Bar Association. In addition, he held the post again from 1952 to 1955.

He was a member of the board of regents of the University of Maryland in the late 1950's and the early 1960's. In 1960, he became president of the Liberty Trust Company of Maryland and later, chairman of the board.

Mr. Walsh was a member of the Maryland Historical Society, the Maryland Club, the St. Thomas More Society of Maryland, the Knights of St. Gregory in addition to numerous organizations in the state.

He is survived by a son, William Walsh, of Cumberland; a daughter, Mother Elizabeth, R.S.C.J., of New Orleans; a brother, Bishop Walsh, of Ossing, N.Y.; four sisters, Mary Walsh and Mrs. Julia Werner, of Cumberland, Sister Mary Joseph, S.S.N.D., of Baltimore, and Sister Rosalia, M.H.S.H., of Towson, and five grandchildren.

[From the Cumberland News, June 18, 1975]

JUDGE WALSH EXPIRES IN HOSPITAL

William Concannon Walsh, 85, one of Cumberland's leading citizens, died last night at Sacred Heart Hospital, where he had been a patient for several weeks.

Born here April 2, 1890, he was a son of the late William Edward and Mary (Concannon) Walsh.

Through a long life he filled many positions of importance, serving as attorney general of Maryland from 1938 until 1945, when he resigned. In 1921 he was appointed an associate judge of the Fourth Judicial Circuit of Maryland. From 1924 until 1926 he was chief judge of the Fourth Judicial Circuit and in that capacity also was a judge of the Maryland Court of Appeals.

Judge Walsh has served as president of both the Allegany County and State Bar associations. In politics he served many positions in the Democratic party and was a delegate from Maryland to six Democratic conventions—in 1924, 1928, 1932, 1940, 1944 and 1964.

He became president of the Liberty Trust Company in 1960 and the following year became chairman of the board. He also formerly served as a member of the Board of Regents of the University of Maryland.

He was married in 1929 to the former Miss Sara Elizabeth Nee and she died two years ago. They had two children, William Walsh, a local attorney, and Elizabeth, who is a member of the Religious of the Sacred Heart and is now located in New Orleans; and five grandchildren.

Among other survivors is a brother, Bishop James Edward Walsh, who was released in 1970 after having been a prisoner in Red China. Also surviving are four sisters including Miss Mary Walsh, Mrs. Julia Werner, both of Cumberland and Sisters Mary Joseph, SSND, and Sister Rosalia, Mission Helpers of the Sacred Heart.

Judge Walsh obtained an A.B. degree from Mt. St. Mary's College in Emmitsburg in 1910, and in 1913 received his bachelor of law degree from Catholic University Law School in Washington.

FALLACIES OF DÉTENTE

Mr. HARRY F. BYRD, JR. Mr. President, the exiled Soviet author, Alexandr Solzhenitsyn, who is visiting the United States, recently spoke to an American audience about the fallacies of détente.

I found Mr. Solzhenitsyn's remarks most thoughtful, and I believe it could serve us all well to consider the speech carefully, and heed Mr. Solzhenitsyn's warnings.

I agree with Mr. Solzhenitsyn that we cannot allow wishful thinking about the prospects of détente to cloud the Nation's judgment about the goals of the Soviet leadership.

While we should always stand ready to negotiate and seek peaceful solutions to the problems of the world, I believe we should never lose sight of the fact that Russia has not changed her goals.

If we forget this central fact, we imperil ourselves. Soviet theorists constantly reiterate that no matter what course may be dictated by the opportunities of the moment—and Moscow has changed course often—the ultimate goal remains the same.

Chairman Brezhnev made this clear in June 1972, when he said:

> Détente in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems.

The United States cannot afford to accept a détente which leaves open the way for global domination by the Soviet Union.

We must, therefore, recognize as Mr. Solzhenitsyn argues, that détente without democratization—in effect a détente by Russia's rule of the game—such a détente will not solve the problems of peace now facing the world.

The United States must, therefore, be prudent in its dealings with Russia, and we must make clear that we have certain principles and interests that we will not allow to be compromised.

At this point, Mr. President, I request unanimous consent to have printed in the RECORD a United Press International article from the Virginian-Pilot which highlights Mr. Solzhenitsyn's speech, and an article from the Washington Post which presents more extensive excerpts from that address.

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

AUTHOR CALLS ON UNITED STATES TO RESIST COMMUNISM

WASHINGTON.—Exiled Soviet author Alexandr Solzhenitsyn Monday denounced Soviet communism as a system of genocide and oppression and declared that the West has been duped about the prospects of detente.

In a fiery speech, the Soviet dissident called on the United States to stand firm against Soviet repression at home and interference abroad and stop what he called "this senseless process of endless concessions to aggressors."

"I tell you interfere more and more, interfere as much as you can," he told an overflow audience of 2,500 at the Washington Hilton Hotel.

Secretary of Defense James R. Schlesinger, Labor Secretary John Dunlop, and former Secretary of State William P. Rogers were among the many notables who attended Solzhenitsyn's first major address since being expelled from Russia in early 1974.

Solzhenitsyn declared: "The situation in the world is not just dangerous or threatening, it is catastrophic."

In the course of his hour and a half ad-

dress, Solzhenitsyn detailed a wide variety of Soviet repressive actions that he said amounted to genocide in liquidating millions of citizens and subjecting others to serfdom.

He cast scorn on Western leaders who believe in a policy of detente with the current Soviet leaders.

Real detente, he said, should consist of three elements:

Disarmament that would include an end to violence aimed at destroying "fellow countrymen."

A relaxation of tensions between the Soviet Union and Western countries based on a solid foundation and guaranteed by the emergence of democracy in Russia.

An end to ideological war and "inhumane propaganda."

Solzhenitsyn called for the United States to show firmness until these conditions are met and resist the temptation to make concessions to the Russians.

He said that in Moscow there was a "concentration of evil" that was flowing throughout the world, and he urged the United States "not to give into it, not to give it everything it asks for."

Solzhenitsyn did have some kind words for the United States, saying America had been "least guilty" of all Western countries in bowing before Soviet pressures.

It was Solzhenitsyn's first major public address since he arrived in the United States to tour old Russian settlements in Alaska, research archive materials for his next book, and collect a series of honorary academic degrees.

The bearded Nobel Prize-winning author arrived in Washington Friday as the guest of AFL-CIO President George Meany, but he is reportedly exhausted from his travels and has largely remained in seclusion.

He canceled scheduled weekend appearances at the University of North Carolina and at Wake Forest University because he said he felt "bewildered and tired."

The AFL-CIO sponsored Solzhenitsyn's appearance at the downtown Washington Hilton Hotel.

The Soviets forcibly deported Solzhenitsyn early in 1974 after he authorized publication in the West of his documentary work on the Soviet prison camp system, "The Gulag Archipelago." The book won critical acclaim and became a best seller.

Before his exile, Solzhenitsyn had long complained of harassment by Soviet secret police.

Only one of his major novels, "One Day in the Life of Ivan Denisovich", was ever published in his homeland.

WE BEG YOU TO INTERFERE

The words of Alexander Solzhenitsyn, no doubt, lose something in translation from Russian, but perhaps they lose more without the presence of the man himself.

When he spoke last week before a huge banquet hall of American labor leaders and Washington dignitaries, assembled by the AFL-CIO, Solzhenitsyn talked ad-lib from notes, his voice audible in Russian but overtracked in volume by the interpreter delivering a simultaneous version in English.

Despite these handicaps of communication, the Russian novelist conveyed, by his voice and body, the presence of a giant, a poet with a sense of life so strong and uncompromised that normal mortals blush for him or draw back. His message was political, of course, but the experience of seeing him belonged to literature.

Solzenitsyn is a shocking figure, standing on an American podium, speaking to an audience which, though friendly, is conditioned by the cool style of modern political speeches. Solzhenitsyn insisted upon his right to deliver an oration in the classical meaning of that form, though it is now nearly dead in this country.

A portable microphone was draped around his neck, so that he could roam freely on the platform, away from the rostum. He spoke, not in orderly cadence, but in bursts of language, waving his arms in heroic gestures to mark an exclamation point, to plead for a sympathetic reaction.

The content of Solzenitsyn's address was, if anything, more disconcerting than his delivery. Like an old Chatauqua lecturer, he endeavored to enlighten his audience, to teach some history. But his perspective is so unlike ours. His outrage focused on events so distant in the past, crucial decisions which Americans have long forgotten, if they ever knew about them. Is it possible for a man to be still so angry today over what happened in 1937 or 1914? For Solzhenitsyn, it is.

Like a stormy character in a great Russian novel, his passion sweeps aside all the doubt and ambiguity in modern life. The moral choices, he insists, are simple and clear, requiring only great courage. Like a 19th Century evangelist, he summoned his audience to a great awakening and, like those earlier gatherings in revival tents, they went away fatigued and puzzled by his powerful presence.

The following is excerpted from that address.

There is a Russian proverb: "The yes-man is your enemy, but your friend will argue with you." It is precisely because I am the friend of the United States that I have come to tell you: My friends, I'm not going to tell you sweet words. The situation in the world is not just dangerous, it isn't just threatening, it is catastrophic.

Something that is incomprehensible to the ordinary human mind has taken place. We over there, the powerless, average Soviet people, couldn't understand, year after year and decade after decade, what was happening. How were we to explain this? England, France, the United States, were victorious in the Second World War. Victorious states always dictate peace, they receive firm conditions, they create the sort of situation which accords with their philosophy, their concept of liberty, their concept of national interest.

Instead of this, beginning in Yalta, your statesmen of the West, for some inexplicable reason, have signed one capitulation after another. Never has the West or your President Roosevelt imposed any conditions on the Soviet Union for obtaining aid. He gave unlimited aid, and then unlimited concessions. Already in Yalta, the occupation of Mongolia, Moldavia, Estonia, Latvia, Lithuania was silently recognized. Immediately after that, almost nothing was done to protect Eastern Europe, and seven or eight more countries were surrendered.

And after that, for another 30 years, the constant retreat, the surrender of one country after another, to such a point that there are Soviet satellites even in Africa, and almost all of Asia is taken over by them, Portugal is rolling down the precipice.

During those 30 years, more was surrendered to totalitarianism than any defeated country has ever surrendered after any war in history. There was no war, but there might as well have been.

For a long time we in the East couldn't understand this. We couldn't understand the flabbiness of the truce concluded in Vietnam. Any average Soviet citizen understood that this was a sly device which made it possible for North Vietnam to take over South Vietnam when it so chose. And suddenly, this was rewarded by the Nobel Prize for Peace—a tragic and ironic prize.

This is very dangerous for one's view of the world when this feeling comes on: "Go ahead, give it up." We already hear voices in your country and in the West—"Give up Korea and we will live quietly. Give up Portugal, of course; give up Japan; give up Israel, give up Taiwan, the Philippines, Malaysia, Thailand; give up ten more African countries. Just let us live in peace and quiet. Just let us drive our big cars on our splendid highways; just let us play tennis and golf in peace and quiet; just let us mix our cocktails in peace and quiet as we are accustomed to doing; just let us see the beautiful toothy smile with a glass in hand on every advertisement page of our magazines."

But look how things have turned out: Now in the West this has all turned into an accusation against the United States. Now in the West, we hear very many voices saying, "It's your fault, America." And, here, I must decisively defend the United States against these accusations.

I have to say that the United States, of all the countries of the West, is the least guilty in all this and has done the most in order to prevent it. The United States has helped Europe to win the First and the Second World Wars. It raised Europe from post-war destruction twice. For 10, 20 30 years it has stood as a shield protecting Europe while European countries were counting their nickels, to avoid paying for their standing armies.

The United States has long shown itself to be the most magnanimous, the most generous country in the world. Wherever there is a flood, an earthquake, a fire, a natural disaster, disease, who is the first to help? The United States. Who helps the most and unselfishly? The United States.

And what do we hear in reply? Reproaches, curses, "Yankee Go Home." American cultural centers are burned, and the representatives of the Third World jump on tables to vote against the United States.

But this does not take the load off America's shoulders. The course of history—whether you like it or not—has made you the leaders of the world. Your country can no longer think provincially. Your political leaders can no longer think only of their own states, only of their parties, of petty arrangements which may or may not lead to promotion. You must think about the whole world, and when the new political crisis in the world will arise (I think we have just come to the end of a very acute crisis and the next one will come any moment), the main decisions will fall anyway on the shoulders of the United States.

Here I have heard some explanations of the situation. Let me quote some of them: "It is impossible to protect those who do not have the will to defend themselves." I agree with that but this was said about South Vietnam. In one-half of today's Europe and in three-quarters of today's world the will to defend oneself is even less than it was in South Vietnam.

We are told: "We cannot defend those who are unable to defend themselves with their own human resources." But against the overwhelming powers of totalitarianism, when all of this power is thrown against a country, no country can defend itself with its own resources. For instance, Japan doesn't have a standing army.

We are told, "We should not protect those who do not have full democracy." This is the most remarkable argument of the lot. This is the *leitmotif* I hear in your newspapers and in the speeches of some of your political leaders. Who in the world, ever, on the front line of defense against totalitarianism has been able to sustain full democracy? You, the united democracies of the world, were not able to sustain it! America, England, France, Canada, Australia, together did not sustain it. At the first threat of Hitlerism you stretched out your hands to Stalin. You call that sustaining democracy? No!

And there is more of the same: "If the Soviet Union is going to use détente for its own ends, then we . . ." But what will hap-

pen then? The Soviet Union has used détente in its own interests, is using it now and will continue to use it in its own interests. For example, China and the Soviet Union, both actively participating in détente, have grabbed three countries of Indochina. True, perhaps as a consolation, China will send you a ping-pong team.

To understand properly what détente has meant all these 40 years—friendships, stabilization of the situation, trade, etc.—I would have to tell you something of how it looked from the other side. Let me tell you how it looked. Mere acquaintance with an American—and God forbid that you should sit with him in a cafe or restaurant—meant a ten-year term for suspicion of espionage.

During Nixon's last visit to Moscow your American correspondents were reporting in the Western way from the streets of Moscow. "I am going down a Russian street with a microphone and asking the ordinary Soviet citizen: 'Tell me please, what do you think about the meeting between Nixon and Brezhnev?" And, amazingly, every last person answered: "Wonderful. I'm delighted. I'm absolutely overjoyed." What does this mean? If I'm going down a street in Moscow and some American comes up to me with a microphone and asks me something, then I know that on the other side of him is a member of the state security, also with a microphone, who is recording everything I say. You think that I'm going to say something that is going to put me in prison immediately? Of course I say: "It's wonderful, I'm delighted, I'm overjoyed."

The Soviet system is so closed that it is almost impossible for you to understand from here. Your theoreticians and scholars write works trying to explain how things occur there. Here are some naive explanations which are simply funny to Soviet citizens. Some say that the Soviet leaders have now given up their inhumane ideology. Not at all. They haven't given it up one bit.

Some say that in the Kremlin there are some on the left, some on the right. And they are fighting with each other, and we've got to behave in such a way as not to interfere with those on the left side. This is all fantasy: Left . . . Right. There is some sort of a struggle for power, but they all agree on the essentials. There also exists the following theory—that now there is a technocracy in the Soviet Union, a growing number of engineers and the engineers are now running the economy and will soon determine the fate of the country, rather than the party. I will tell you, though, that the engineers determine the fate of the economy just as much as our generals determine the fate of the Army. That means zero. Everything is done the way the party demands. That's our system. Judge it for yourself.

It's a system where for 40 years there haven't been genuine elections but simply a comedy, a farce. Thus, a system which has no legislative organs. It's a system without an independent press; a system without an independent judiciary; where the people have no influence either on external or internal policy; where any thought which is different from what the state thinks is crushed.

And let me tell you that electronic bugging in our country is such a simple thing that it's a matter of everyday life. You had an instance in the United States where a bugging caused an uproar which lasted for a year and a half. For us it's an everyday matter. Almost every apartment, every institution has its bug and it doesn't surprise us in the least—we are used to it.

It's a system where unmasked butchers of millions like Molotov and others smaller than him have never been tried in the courts but retire on tremendous pensions in the greatest comfort. It's a system where the very constitution has never been carried out for one single day. Where all the decisions mature in secrecy, high up in a small, irresponsible group, and then are released on us and on you like a bolt of lightning.

So what are we to conclude from that? Is detente needed or not? Not only is it needed, it's as necessary as air. It's the only way of saving the earth—instead of a world war to have detente, but a true detente, and if it has already been ruined by the bad word which we use for it—"Detente"—we should find another word for it.

I would say that there are very few, only three, main characteristics of such a true detente:

In the first place, there would be disarmament—not only disarmament from the use of war but also from the use of violence. We must stop using not only the sort of arms which are used to destroy one's neighbors but the sort of arms which are used to oppress one's fellow countrymen. It is not detente if we here with you today can spend our time agreeably while over there people are groaning and dying and in psychiatric hospitals. Doctors are making their evening rounds for the third time injecting people with drugs which destroy their brain cells.

The second sign of detente, I would say, is the following: That it be not one based on smiles, not on verbal concessions, but it has to be based on a firm foundation. You know the words from the Bible: "Build not on sand, but on rock." There has to be a guarantee that this will not be broken overnight, and for this the other side—the other party to the agreement—must have its acts subject to public opinion, to the press, and to a freely-elected parliament. And until such control exists there is absolutely no guarantee.

The third simple condition—what sort of detente is it when they employ the sort of inhumane propaganda which is proudly called in the Soviet Union "ideological warfare?" Let us not have that. If we're going to be friends let's be friends, if we're going to have detente then let's have detente, and an end to ideological warfare.

The Soviet Union and the Communist countries can conduct negotiations. They know how to do this. For a long time they don't make any concessions and then they give in a little bit. Then everyone says triumphantly, "Look, they've made a concession; it's time to sign." The 35 countries (at the European Security Conference) for two years now have painfully, painfully been negotiating and their nerves were stretched to the breaking point and they finally gave in. A few women from the Communist countries can now marry foreigners. And a few newspapermen are now going to be permitted to travel a little more than before. They give 1/1000th of what natural law should provide. Matters which people should be able to do even before such negotiations are undertaken. And already there is joy, and here in the West we hear many voices, saying: "Look, they're making concessions; it's time to sign."

During these two years of negotiations, in all the countries of Eastern Europe the pressure has increased, the oppression intensified. And it is precisely now that the Austrian Chancellor says, "We've got to sign this agreement as rapidly as possible."

What sort of an agreement would this be? The proposed agreement is the funeral of Eastern Europe. It means that Western Europe would finally, once and for all, sign away Eastern Europe, stating that it is perfectly willing to see Eastern Europe be crushed and overwhelmed once and for all, but please don't bother us. And the Austrian Chancellor thinks that if all these countries are pushed into a mass grave, Austria at the edge of this grave will survive and not fall into it.

And, we, from our lives there, have concluded that violence can only be withstood by firmness.

You have to understand the nature of Communism. The very ideology of Communism, all of Lenin's teachings, are that anyone is considered to be a fool who doesn't take what's lying in front of him. If you can take it, take it. If you can attack, attack. But if there's a wall, then go back. And the Communist leaders respect only firmness and laugh at persons who continually give in to them. Your people are now saying, "Power, without any attempt at conciliation, will lead to a world conflict." But I would say that power with continual subservience is no power at all.

From our experience I can tell you that only firmness will make it possible to withstand the assaults of Communist totalitarianism. We see many historic examples. Look at little Finland in 1939 which by its own forces withstood the attack. You, in 1948, defended Berlin only by your firmness of spirit, and there was no world conflict. In Korea in 1950 you stood up against the Communists, only by your firmness, and there was no world conflict. In 1962 you compelled the rockets to be removed from Cuba, and there was no world conflict. We, the dissidents of the U.S.S.R., don't have any tanks, we don't have any weapons, we have no organization. We don't have anything. Our hands are empty. We have only a heart and what we have lived through in the half century of this system. And when we have found the firmness within ourselves to stand up for our rights, we have done so. It's only by firmness of spirit that we have withstood.

I don't want to mention a lot of names because however many I might mention there are more still. And when we resolve the question with two or three names, it is as if we forget and betray the others. We should rather remember figures. There are tens of thousands of political prisoners in our country and—by the calculation of English specialists—7,000 persons are now under compulsory psychiatric treatment.

Let's take Vladimir Bukovsky as an example. It was proposed to him, "All right, we'll free you. Go to the West and shut up." And this young man, a youth today on the verge of death, said: "No, I won't go this way. I have written about the persons whom you have put in insane asylums. You release them and then I'll go West." This is what I mean by that firmness of spirit to stand up against granite and tanks!

We need not have had our conversation on the level of business calculations. Why did such and such a country act in such and such a way? What were they counting on? We should rather rise above this to the moral level and say: "In 1933 and in 1941 your leaders and the whole Western World, in an unprincipled way, made a deal with totalitarianism." We will have to pay for this, some day this deal will come back to haunt us. For 30 years we have been paying for it and we're still paying for it. And we're going to pay for it in a worse way. One cannot think only in the low level of political calculations. It's necessary to think also of what is noble, and what is honorable—not only what is profitable.

Resourceful Western legal scholars have now introduced the term "legal realism." By this legal realism, they want to push aside any moral evaluation of affairs. They say, "Recognize realities; if such and such laws have been established in such and such countries of violence, then these laws must also be recognized and respected."

It is widely accepted among lawyers that law is higher than morality—law is something which is worked out and developed, whereas morality is something inchoate and amorphous. That isn't the case. The opposite is rather true. Morality is higher than law, while law is our human attempt somehow to embody in rules a part of that moral sphere which is above us. We try to understand this morality, bring it down to earth and present it in a form of laws. Sometimes

we are more successful, sometimes less. Sometimes you actually have a caricature of morality, but morality is always higher than law. And this view must never be abandoned. We must accept it with heart and soul.

It is almost a joke now in the Western world, in the 20th Century, to use words like "good" and "evil." They have become almost old-fashioned concepts, but they are very real and genuine concepts. These are concepts from a sphere which is higher than us—good and evil. And instead of getting involved in base, petty, short-sighted political calculations and games, we have to recognize that the concentration of world evil and the tremendous force of hatred is *there* and it's flowing from *there* throughout the world. And we have to stand up *against* it and not hasten to give to it, give to it, give to it, everything that it wants to swallow.

Today there are two major processes occurring in the world. One has been in progress of short-sighted concession, a process of giving up, and giving up and giving up and hoping that perhaps at some point the wolf will have eaten enough. The second process is one which I consider the key to everything and which, I will say now, will bring to all of us our future: Under the cast-iron shell of Communism—for 20 years in the Soviet Union and a shorter time in other Communist countries—there is occurring a liberation of the human spirit. New generations are growing up which are steadfast in their struggle with evil; which are not willing to accept unprincipled compromises which prefer to lose everything—salary, conditions of existence and life itself—but are not willing to sacrifice conscience, not willing to make deals with evil.

But this whole process of our liberation, which obviously will entail social transformations, is slower than the process of concessions. Over there, when we see these concessions, we are frightened. Why so quickly? Why so precipitously? Why yield several countries a year?

I started by saying that you are the allies of our liberation movement in the Communist countries. And I call upon you: Let us think together and try to see how we can adjust the relationship between these two processes. Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future.

So let us try to see how far we can go to stop this senseless and immoral process of endless concessions to the aggressor—these clever legal arguments for why we should give up one country after another. Why must we hand over to Communist totalitarianism more and more technology—complex, delicate, developed technology which it needs for armaments and for crushing its own citizens. If we can at least slow down that process of concessions, if not stop it altogether—and make it possible for the process of liberation to continue in the Communist countries—ultimately these two processes will yield us our future.

On our crowded planet there are no longer any internal affairs. The Communist leaders say, "Don't interfere in our internal affairs. Let us strangle our citizens in peace and quiet." But I tell you: Interfere more and more. Interfere as much as you can. We beg you to come and interfere.

WOMEN'S VIEW OF HEW SEX DISCRIMINATION REGULATIONS

Mr. HELMS. Mr. President, I have a copy of a statement by Miss Martha Rountree, chairman of Leadership Action, Inc., an umbrella group affiliated with women's organizations representing 30 million women across America. Miss Rountree has expressed her great concern regarding the HEW regulations purporting to implement title IX of the Education Amendments of 1972 relative to nondiscrimination on the basis of sex in education.

Like an increasing number of Americans, she feels that the Department of HEW has exceeded the intention of Congress, and that the regulations are inconsistent with the Congressional Act. Miss Rountree points out that the regulations go far beyond the proper goal of insuring educational opportunity, and as such they constitute another example of arrogant bureaucrats usurping the proper functions of the elected representatives in the Senate and House of Representatives. She notes that women do not want their daily lives to be further frustrated by additional regulations from Washington.

Leadership Action, Inc., of which she is chairman, is a nonprofit, bipartisan, national organization established for the purpose of involving citizens in active government participation, and to effect legislative action that bears on the quality of life in the United States. In this connection, Miss Rountree has urged that Congress act swiftly to adopt Senate Concurrent Resolution 46, disapproving the HEW sex discrimination regulations.

In order that I may share Miss Rountree's comments with my colleagues, I ask unanimous consent that a statement dated July 9, 1975, entitled "Women's View of HEW Title IX Regulations," by Miss Martha Rountree, chairman, Leadership Action, Inc., be printed in the RECORD.

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

WOMEN'S VIEW OF HEW TITLE IX REGULATIONS

(A statement by Miss Martha Rountree, chairman, Leadership Action, Inc.)

In 1972, Congress passed an Education Amendments Act. Title IX of that Act prohibits discrimination on the basis of sex in *education* programs and activities *receiving Federal financial assistance*. The obvious intention and purpose of this legislation was to ensure that women are afforded an equal educational opportunity. Of course, we heartily approve of that.

On June 4, 1975, however, the Department of Health, Education and Welfare published its final regulations implementing Title IX. These HEW regulations go far beyond the proper goal of ensuring educational opportunity, and they go far beyond the authority granted to HEW by Congress. As such, they constitute another example of arrogant bureaucrats usurping the proper functions of our elected representatives in the Senate and House of Representatives.

For example, by its clear language, the Act applies only to education programs and activities; but HEW has extended the regulations to apply to extracurricular programs and activities such as athletics and to services such as the infirmary and health insurance. Additionally, while the Act is limited to only those programs and activities which receive Federal financial assistance, HEW has drafted its regulations so as to cover programs and activities which receive "or benefit from" Federal financial assistance. Obviously, the Department has no license to attempt, in this way, to regulate activities not receiving Federal funds.

Examples of the harmful effect of this HEW action upon education for both women and men come immediately to mind. The regulations require that all classes, except sex education and body contact sports in physical education programs, be taught in mixed groups of both sexes. In our view, the decision of whether a particular class should be offered on coeducational basis should properly be left to local school officials. These professional educators who know the students are in the best position to understand their real needs, as well as their wishes. The local teachers, who are in the classroom on a daily basis, know best whether a particular physical education program, not involving a contact sport, serves the students' needs better when offered on a coeducational basis. The same is true of home economics, shop, or a multitude of other areas of academic endeavor.

HEW requires that pregnancy and abortion be treated just as any other temporary disability. Schools cannot take into consideration whether their students or teachers, married or unmarried, are pregnant, having abortions, and the like. Additionally, they mention with approval, the offering of family planning services by a school to its students and prohibit "discrimination" in this regard between married and unmarried students.

Further, HEW's regulations prohibit colleges and universities from establishing different dormitory rules and services for women and men students. If a college does not provide security guards for the men's dormitories at night, they may not provide them for the women's dormitories. Women students may not be required to return to the dormitory by a stated hour at night, even if their parents decline to give them permission for self-regulation of hours, if the same rule is not applicable to men. Living conditions in dorms must be comparable for both sexes and must evidence similar bathroom facilities, closet space, etc

The regulations even go so far as to prohibit a school from inquiring as to whether a woman student is "Miss" or "Mrs.". By this regulation, HEW is effectively requiring schools to adopt the term "Ms." Thus, HEW seeks to regulate every aspect of the educational experience of women, right down to the way their mail is addressed.

We do not want the lives of women in education to be further menaced by additional regulations from Washington. These edicts from HEW will affect schools that primarily have existed for the benefit of women. By requiring equal services and opportunities in such schools for men, they will contribute to a decline in the availability of academic forums for women, and thereby to a denial of an opportunity for women to realize their full potential. We fear that this unwise action by HEW will signal the demise of institutions that for many of us have given direction and meaning to our lives.

However, there is one ray of hope in this abuse of Federal power. A recent law now provides that such regulations relative to education can be disapproved by a concurrent resolution passed by Congress. Such a resolution would not change the law. It would not alter the Act of Congress ensuring equal educational opportunity for women. It would simply say to HEW that it has gone beyond the intent of our elected representatives and that HEW must rewrite the regulations in a manner consistent with the Act.

Senator Jesse Helms of North Carolina has introduced such a resolution (Senate Concurrent Resolution 46). It has been introduced in the House of Representatives as House Concurrent Resolution 310. In our view, Congress should act swiftly to adopt this resolution as a much needed step to ensure that the integrity of our democratic, representative process is maintained and not

subjected to unelected bureaucrats who obviously seek to extend more Federal controls over the daily lives of our young women and men.

HEALTH CARE AND INCOME SECURITY: BASIC NEEDS OF THE ELDERLY

Mr. BENTSEN. Mr. President, at no time in our history have America's elderly citizens been so well organized, so articulate, and so persuasive as they are today. That is in large part the work of the National Council of Senior Citizens, which does an excellent job of representing interests of the elderly in Washington and throughout the country.

But it is more than that. Individual older Americans throughout this Nation have begun to stand up and be counted. They have said to us in Washington: "We will not tolerate being given the leftovers in this society; we have devoted our time, our energy and our knowledge to building this country. And you shall not cast us out now with inadequate retirement security, substandard institutions, and a lack of dignity in our final years."

The voice of the elderly is being heard in Washington. It was heard in the establishment of a Federal Administration of Aging to oversee programs related to the elderly; it was heard in the 68 percent rise in social security benefits in the last 3 years; it was heard in Federal statutes which outlaw age discrimination practices in private and now in public employment.

But, we cannot afford to rest on what we have done.

One of our most fundamental problems is the question of health security.

Four and one-half years ago, in January of 1971, former President Nixon told the Nation that we were in the midst of a health crisis in this country and said that he would present a program "to insure that no American family will be prevented from obtaining basic medical care by inability to pay."

Those were strong words and eloquent words. Unfortunately, they were only words. After 3 years of proposals, the administration fell silent on national health insurance. There have been no new proposals, and the President this year has indicated he would veto any major health insurance program as being "inflationary."

I do not know who is advising the President on this matter, but I think it is important that we keep in mind that the Nation's health bill is over $100 billion; that is up from $53 billion in 1970.

It accounts for 7.8 percent of our gross national product.

It represents roughly 1 month's wages for every man, woman, and child in this country.

And it is growing far more rapidly than increases in the cost of living.

When we speak of inflation, we cannot just look at one side of the picture. The hard fact is that we are already experiencing rampaging inflation in the health field.

So, you see, I cannot accept the President's decision to delay action on health insurance. A crisis does not disappear when you ignore it. It just continues to build, and that is what we are seeing in health care today.

I want to see a health care program that attacks the problems of health care delivery as well as health care costs.

I want to see one that insures accessibility to health coverage to the millions of Americans who do not now have it.

I want to see catastrophic coverage for all of those below a certain income level; I want to encourage efficiency in hospital accounting procedures. And I do not want to see the insecurity that millions of elderly Americans confront today as they contemplate illness after the age of 60 or 65.

In all of our discussions about health policy, I believe we have to keep in mind one overriding point—and that is, how do we cut down on the distorted incentives for people to be placed in nursing homes or hospitals rather than being treated in their own homes or in outpatient facilities.

Must all older Americans be cared for by institutions? I do not think so. Many patients in hospitals or nursing homes could just as easily be cared for in their own homes or those of their children. In addition, there are many others who require institutional treatment during the day but who can return to their homes at night.

There is something wrong with a health care system that spends hundreds of millions of dollars keeping people in institutions when many of them could just as easily be at home.

We should start promoting home health care.

We can cut out some of the unreasonable restrictions in the medicare laws that restrict coverage of home health care.

We can look into day care programs for the elderly, which have professional aides visit them in their homes for a few hours a day to see that their needs are taken care of.

We can encourage minor surgery in facilities that do not require expensive hospitalization.

I am presently developing a comprehensive home and family services health act, which will, for the first time, offer a national strategy to encourage home health services. That legislation should be ready for introduction in a matter of weeks.

Health care is a basic need that must be addressed. But there is another issue even more basic—income security.

We hear a lot these days about the social security system and its flaws, and how it has to be overhauled. Perhaps that is inevitable given the size of the system and the number of people enrolled in it. But in my view, we don't hear enough about the other side of the question.

Social security is today responsible for keeping some 12 million Americans out of poverty; more than 100 million people will contribute and receive credits under its provisions this year. This is a benefit to society that cannot be dismissed.

No doubt there are problems with the system, and we should not turn our backs on them.

I sit on the Social Security Subcommittee, and I will participate in a review of any changes in the system.

But I will reject efforts to turn social security into a political football. I will not let that happen to the elderly of this Nation.

Of course, all of the questions of income security depend, to a large extent, on the Nation's economy. And this recession has been particularly cruel to the elderly.

In fact, the recession has created a new generation of elderly poor. As businesses cut their payrolls, more older workers are laid off and begin standing in unemployment lines. In the last 6 months of 1974, the unemployment among workers over 40 increased by an alarming 75 percent.

Since I came to Washington, I have been concerned about employment opportunities for older workers. Many middle-aged workers do not want to retire, they want to work. They want to remain productive.

They must have that right and that opportunity.

Even though my age discrimination legislation is now the law of the land, all of you know that job bias against older workers persists. Senior citizens are the victims of a phenomenon called ageism, the belief that once a man or woman passes a certain age, they are no longer suitable for hiring.

I would like to see a special mid-career development program established in the Department of Labor to provide special help to the unemployed worker over the age of 40, and I have introduced legislation to do just that.

In this age of early retirement, there are still those who would choose to work, and they are a national resource we cannot afford to waste.

Franklin Roosevelt once said:

> The test of our progress is not whether we add more to the abundance who have much: it is whether we provide enough for those who have too little.

For too long, the older generation in America has enjoyed too little of the fruits of this Nation's abundance.

We owe it to them as their earned right—and we owe it to ourselves as a civilized people—to guarantee them something better, so that those older years can be more attractive, more fulfilling and stimulating, and rewarding—a fitting climax to a busy life in a decent, civilized society.

SOVIET SECRECY IN GRAIN PURCHASES

Mr. DOMENICI. Mr. President, in the summer of 1973, the Governments of the U.S.S.R. and the United States concluded an Agreement for Cooperation in the Field of Agriculture. An important part of this agreement is the provision contained in article II which provides for the exchange of agricultural information including the exchange of data on production, consumption, and international trade in agricultural products. The agreement provides not only for the

exchange of historical data but also for the exchange of forward estimates on agricultural production, consumption, and trade.

Despite the Soviet agreement to work with the United States toward developing a supply-and-demand data system for grains, the USDA has continued to experience difficulty and frustration in getting the Soviet Union to provide adequate information on forward estimates and to inform us in advance on intended purchases of U.S. grain. There can be no doubt that this lack of cooperation is continuing, as we have reports in the press today that the Soviet Union is possibly moving into our grain markets again without prior notification. In fact, one article quotes Richard Bell, a Deputy Assistant Secretary of Agriculture, as saying that U.S. officials were aware of the reports, but had not been able to confirm them.

Once again, the Russians are trying to keep their purchasing efforts secret. We must remember the administrative structure responsible for purchasing grain imports in the Soviet Union meets the economist's definition of a monopsony buyer. A monopsony buyer has the power to influence the price that it pays for a product. When we have a situation where monopsony power is buttressed by secrecy, the potential price influence is enhanced. What has happened in our markets since these reports became public? September-delivery wheat rose the 20-cent-a-bushel limit; September-delivery corn rose the 10-cent-a-bushel limit; and September-delivery soybeans rose the 20-cent-a-bushel limit.

Mr. President, if it is the policy of the United States to promote expanded trade in agricultural products with the Soviet Union, and if this policy is to continue, we must demand a more predictable and orderly access to U.S. markets by the Soviets. The Soviets should not be allowed to enjoy the benefits and advantages of dealing with our free and open capitalist system to the detriment of those who maintain its freedom and openness—the people and merchants of the United States.

Mr. President, I ask unanimous consent that articles on the subject be printed in the RECORD.

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

[From the Wall Street Journal, July 9, 1975]

REPORTS OF WHEAT BUYING BY RUSSIA GAIN CREDENCE; GRAIN FUTURES RISE

The possibility that Russia had already bought or was buying large amounts of grain in Canada and the U.S. gained greater credence yesterday, although confirmation still was lacking.

Grain industry sources, market analysts and traders put together related information, such as reports of Russia chartering vessels and of buying attributed to exporters in wheat futures markets, as a basis for believing there was substance to the reports of Russian grain purchases.

Wheat, corn, soybean and soybean oil futures prices rose their respective daily limits in active trading. The gains in the grain and soybean markets sparked sympathetic buying of contracts in some other U.S. commodity futures, brokers said.

According to one report, Soviet negotiators are exploring the possibility of purchasing 30 million tons of American wheat over the next three years.

A source close to the negotiations said the Soviet Union is in the second year of a three-year contract with Canada that calls for an estimated two million tons in annual purchases, part in wheat and part in flour.

Commodity indexes

	Close	*Net Chg.*	*Yr. Ago*
Dow Jones Futures	259.66	+7.72	314.78
Dow Jones Spot	282.80	+9.07	354.81
Reuter United Kingdom	1083.5	+6.3	1231.3

However, because of projected shortages in the Russian wheat crop, indications are the Soviets are trying to buy an additional 10 million tons a year from the U.S. over the next three years, while attempting to renegotiate Canadian contracts to obtain larger quantities, the source said.

An Agriculture Department source said the Russian request wouldn't be extravagant and that, based on anticipated U.S. crop production this year, the U.S. easily could handle such a transaction.

Richard Bell, Deputy Assistant Secretary of Agriculture, said he didn't know about any such pact with Russia nor that Soviet negotiators were in this country seeking to make such purchases. He did say, however, that he was aware the Soviet Union was chartering vessels to ship grain from North America to the Baltic and Black seas.

While London shipping sources said the Russians were thought to have chartered as many as 19 bulk carriers to transport up to four million tons of Canadian and U.S. grain, one New York export source said he knew that Russia chartered 14 vessels and possibly more, mostly for eight to 18 months use. "This will appear in the Baltic Register in London tomorrow," he said.

He said each ship can carry 25,000 to 30,000 tons and can make at least 10 trips during the charter time, so conceivably they can transport up to five million tons during the period.

The Canadian Wheat Board refused to confirm or deny reports of wheat sales to Russia. "I am not at liberty to say anything one way or another about the reports," a board spokesman said.

In Winnipeg, Leo Fink, manager of the commodity department of James Richardson & Sons, grain merchants, said, "It would appear that a deal between Canada and Russia has definitely been done, but it's impossible to put a finger on the actual size of the grain purchases."

He added that rumors of Russians booking cargo space for seven million tons of U.S. wheat and three million tons of Canadian wheat "might be a little high," although "not impossible," as the 10-million-ton figure "might include flour or other grains."

Mr. Fink said the main reason for the current secrecy by the Russians and U.S. and Canadian grain officials "could be that the Russians want to firm up all necessary cargo space" before announcing the purchases. He added that "maybe ocean freight rates would jump if it was known" how much shipping tonnage the Russians needed. Lining up cargo space before announcing a major commodity purchase is "quite often done in the export business," he said. "The Russians are simply using the capitalist marketing system to the full extent."

Russia was thought to be buying wheat in the world market because of insufficient rains for its spring crop, which accounts for the major portion of total Russian output.

One of three U.S. Agriculture Department economists who returned Monday night from a three-week trip to the Soviet Union to assess grain crops said that he visited five agriculture districts and that winter crop yields were down from last year. "In the spring wheat areas of the lower Volga, the climatic conditions are worsening. The weather is very hot and dry. It doesn't look good for the Russian spring grain crop." He said grain procurement wasn't discussed in talks with Russian Agriculture Ministry officials.

Wheat that is needed over the next three years will be bought in the world market, mainly from the U.S., Canada and possibly Australia, according to one source. However, he said that the U.S. has the price edge and will get most of the business. The Russians want good grades of wheat and will use their own grain for livestock feeding, he said.

London gold dealers said rumors recently circulated that the Soviet Union was selling gold to finance grain imports. One knowledgeable London dealer said there's a "strong possibility" that the gold sale rumors are true.

The reports of Russian purchases were making U.S. wheat farmers reluctant to sell new crops because of expectations that exporter buying would boost market prices, brokers said. This was thought to have contributed to firmness in futures prices.

Precious metals: Futures prices for silver, gold, platinum and silver coins were higher. Market sources said that speculative buying developed on the rise in London gold prices. There were also rumors that the Soviet Union had withdrawn from selling gold in European markets after recent sales to finance grain purchases, brokers said.

Cocoa: Futures prices rose as much as the daily limit of two cents a pound for a cumulative gain of almost four cents since Monday. Demand for contracts continued because shipping delays and reluctant selling policies by producers are keeping cocoa bean supplies from reaching consuming countries, brokers said.

Sugar: Higher prices paid in the world marekt for refined Indian sugar created buying of world futures, with prices rising the daily limit of one cent a pound, brokers said.

Meat and livestock products: The current July frozen pork belly futures rose more than 1¼ cents a pound at one point to a high of 84 cents—the highest price paid for a pork belly contract since trading started in 1962. Deferred pork belly contracts ended lower. Shortages of cash supplies available for delivery and a stronger cash quotation spurred buying of the contract, brokers said. Cattle and hog futures were mixed.

[From the New York Times, July 9, 1975]

SOVIET SAID TO SEEK U.S. GRAIN SUPPLY: REPORTS IN LONDON ARE FOR EXPORT OF 7 MILLION TONS

WASHINGTON, July 18.—The Soviet Union, suffering from drought, is preparing to purchase large quantities of grain from the United States and Canada, according to reports in two London newspapers today.

Neither Government officials here nor spokesmen for major American grain companies could confirm that any such sales were in the offing, but one Department of Agriculture official said that the Russians "are chartering vessels for shipment of grain from North America to the Baltic Sea and Black Sea."

The reports come just three years after huge Soviet grain purchases, negotiated in secret, that led to shortages and high prices in the United States, as well as severe domestic transportation tie-ups.

Prices for wheat, corn and soybeans in American commodity market jumped in reaction to the Soviet rumors by their daily permissible limits.

According to the reports, in the Times of London and The Financial Times, the Rus-

sians are trying to keep current purchase efforts secret, negotiating through third parties for ships to carry grain to Soviet ports.

The Times of London said the Russians were trying to get up to 3 million metric tons (of about 2,200 pounds each) from Canada and up to 7 million metric tons from the United States. The paper identified one of the third-party shippers as Glenas, a Panamanian-registered concern equipped with Swiss bank guarantees working through Paris brokers.

Richard E. Bell, a Deputy Assistant Secretary of Agriculture, said United States officials, aware of the Soviet reports, were still trying to confirm them.

Noting the chartering for North American-Soviet port runs, he said American exporters are required to report sales of 100,000 tons or more within 24 hours of concluding the deal, but also that the Russians are known to charter ships before making grain purchases final.

Spokesmen for two of the largest American grain dealers, Cargill and Cook Industries, said they knew of no major Soviet export transactions.

Mr. Bell said that lack of rainfall is known to have affected spring wheat production in parts of the Soviet Union, while a bumper crop is expected for the United States.

As is traditional, neither Soviet officials nor the press has made mention of harvest shortfalls, but the nation is known to have had one of its driest, warmest winters on record this year and little rain has fallen since then.

After a disappointing harvest in 1972, the Soviet Union went all-out to increase grain output and in 1973 produced a record 225.5 million metric tons, up from 168 million the year before. The goal for this year was 215 million tons, but American officials have estimated that output would actually total 200 million and could be cut further if drought conditions were not relieved.

It was on July 8, 1972, that then-President Richard M. Nixon announced a $750-million credit arrangement to enable the Soviets to buy United States wheat and feed grains. Although the loan, financed through the Agriculture Department, was thought then to have met the Soviet Union's needs, it turned out to be only the tip of an export iceberg.

Within a month, it was disclosed that the Russians had secretly negotiated large cash purchases of United States grain, mainly wheat, amounting to more than $1 billion. The sales, of 19 million metric tons, took about one-fourth of the 1972 United States wheat crop.

SOME CREDIT UNUSED

Those transactions, carried out in secret with a number of private grain companies, led to soaring United States grain prices and triggered an unprecedented export surge, contributing to rising grain and meat prices for American consumers in the last two years.

According to Department of Agriculture officials, the Russians did not use all the $750 million line of credit, and terms of the agreement, the $200-million that remains must be drawn down by July 31.

Kennard O. Stephens, director of the Agriculture Department's export credit program said the Soviet Union had used about $550 million of the initial credit, and, as of June 27, had repaid $383 million plus about $53 million in interest.

SOVIET DOLLAR INTEREST CITED

LONDON, July 8.—Signs of growing Soviet activity in Western currency, Eurodollar and gold markets provide evidence that the nation may be seeking substantial dollar balances for North American grain purchases, London bankers report.

Soviet sales of gold, which have been detected in Zurich for several weeks, have at times appeared to approach the amount of gold deliveries from current South African production, according to Swiss banks. Bankers here calculate that sales on this scale could create a dollar income of up to $100 million weekly.

CORN, SOYBEAN AND WHEAT PRICES IN CHICAGO CLIMB

(By Elizabeth M. Fowler)

Amid reports that the Soviet Union is about to buy grains in the United States, prices for wheat, corns and soybeans jumped by their daily permissible limits yesterday on the Chicago Board of Trade.

As one analyst put it, the factor to watch now until the Soviet harvest is completed in late August is temperatures over the Soviet growing areas. At latest report the temperatures ranged from 90 to 110 degrees and the analyst said that "would be much too high for South Dakota wheat."

To traders, key indications of heavy foreign buying included reports, recently confirmed, that the Soviet Union had chartered at least a dozen ships for carrying grains from Great Lakes ports and the fact that wheat prices at New Orleans, one of the major Gulf of Mexico export centers now run more than 40 cents a bushel above the current quotes for July wheat at Kansas City.

"Traditionally the premium at this time of year is about 18 to 22 cents," an analyst explained.

With all the talk about Soviet grain buying, there is little doubt grain farmers will hold supplies away from the market, hoping for higher prices, which in itself tends to push prices ahead.

September delivery wheat closed at $3.28¼, up the 20-cent-a-bushel limit; September corn ended at $2.66¼, up the 10-cent-a-bushel limit, and September soybeans finished at $5.26½, up the 20-cent-a-bushel limit.

In New York there was a rumor that the Soviet Union might also be buying sugar. This combined with the current high-demand season for ice cream and sugar-filled soft drinks, helped lift sugar prices for September delivery to 15.23 cents a pound, up from 14.20 cents, on the New York Coffee and Sugar Exchange.

Silver prices, a laggard recently, showed a sizable gain on the Commodity Exchange, apparently inspired by the general strength in commodity prices, which can spell inflationary pressures. Traders like silver as an inflation hedge. August delivery silver closed at $4.64 4/10 an ounce, up from $4.51 6/10.

BURDENSOME BLACK POWDER REGULATIONS WITHDRAWN BY TREASURY

Mr. BAYH. Mr. President, in March 1973, I introduced S. 1083, a bill known as the "black powder bill." It was designed to eliminate serious hardships for many thousands of Americans who use commercially produced black powder for recreational, cultural, and sporting purposes. After chairing full Judiciary hearings on behalf of Chairman EASTLAND, the committee unanimously reported my bill to the Senate. I was pleased on July 13, 1973, when the Senate, by a vote of 78 to 8, passed the measure.

Under then applicable Federal law, the purchase, possession, storage, and transportation of commercially produced black powder in amounts larger than 5 pounds as well as certain igniters were subject to extensive regulations. My bill exempted these items from Federal regulations for recreational, cultural, and sporting purposes. In removing these burdens, however, the bill did not alter in any way the strict criminal penalties for the misuse of explosives, including black powder and igniters. These penalties adopted by the Congress in 1970, are designed to prevent unlawful damage of property, intimidation, personal injury, and loss of life through the use of explosives. I believe that these terrible crimes must be punished swiftly and severely, as provided by present law.

In my testimony before the House Judiciary Subcommittee on Crime on November 26, 1974, I explained the purpose of S. 1083 in part as follows:

The use of antique firearms and replicas of antique rifles and cannons is an integral part of the sporting, cultural, and recreational life of this country. Muzzle-loading rifles are used at meets throughout the nation by organizations such as the National Muzzle Loading Rifle Association and the North-South Skirmish Association. These include both team and individual competitions using various types of Civil War weapons and other antique firearms. Antique or replica muzzle-loading cannons are also used nationwide by various civic, Boy Scouts, and veterans groups in a variety of ceremonies, including flag-raising, centennial, sesquicentennial, and Fourth of July celebrations. Some 500,000 people are involved with the increasingly popular sport of muzzle-loading, collecting and shooting antique and replica firearms. Moreover, they are used by symphony orchestras in the performance of classical music, such as Tchaikovsky's *1812 Overture*. In addition, replicas are manufactured for historical groups and associations for use on historical restorative projects throughout the country. Thousands gather at numerous competitive target shooting events all over the country. In my own State of Indiana, organized competitions using antique muzzle-loading weapons are an important part of our recreational and sporting tradition. In fact, Friendship, Indiana attracts over 15,000 participants and spectators each year at muzzle-loading events.

I have never shot an antique cannon in my life, but I am not about to say that there is not a place for antique cannons, particularly as we approach our 200th birthday. If someone is firing antique cannons, are we going to say he is not performing a useful, recreational or cultural purpose? I am not about to say that.

Mr. Chairman, the purpose of S. 1083 is relatively simple. First, it is designed to remove the rather significant burden which has been imposed on those sportsmen, on those symphony directors, on those community directors who are today utilizing black powder for wholesome recreational and cultural purposes. The second point I want to emphasize is that this bill is in no way designed to jeopardize law enforcement efforts to prevent illegal activity using any kind of explosive, and it is not designed to prevent punishing those terrible deeds which bring destruction, pain, suffering, and loss of life.

I respectfully urge the members of the House Judiciary Committee to expeditiously approve S. 1083 in order to allow the House of Representatives to consider this important measure in the 93d Congress.

Eventually, the House of Representatives passed a version that was identical in purpose, but with somewhat altered provisions. My bill would have removed all burdens for those engaging in the use of these materials for recreational, cultural and sporting purposes. S. 1083, as amended by the House, however, limited access for such purposes to 50 pounds.

I was informed that nearly all who desire to use these materials for recreational, cultural, and sporting purposes would be greatly assisted by the passage of this version. In view of the rather considerable length of time that elapsed before the House of Representatives took this measure under consideration and since we were in the final hours of the 93d Congress, there was little doubt that this bill was the most that could be achieved during this Congress.

The bill was sent to the White House on December 18, 1974, amid rumors that the President might subject it to a veto. I was never persuaded of the merits of the administration arguments against my bill, but I knew that its representatives were lobbying hard and strong against its passage. Fortunately President Ford reconsidered and expressed his support for our approach when he signed the measure—Public Law 93-634—on January 4, 1975.

Then for more than 4 months Treasury Department officials worked on regulations ostensibly to carry out the will of Congress as expressed in S. 1083. Namely, that purchasers of black powder be alleviated of the burden of redtape and regulations regarding purchase of 50 pounds or less. Finally, the proposed regulations were published on May 20, 1975 (40 FR pages 21961-65).

The regulations concerned me for several reasons. First, those interested in commenting were permitted only a minimal period to submit their views and suggestions. What had taken Treasury "experts" 4 months to develop could not be fairly responded to by otherwise full-time employed, interested citizens within the 2 weeks allotted. Thus, on May 30, 1975, I wrote Director Rex Davis, Bureau of Alcohol, Tobacco, and Firearms, Department of Treasury, requesting an extension of at least 30 days for comments on the black powder regulations. I was pleased that the Director agreed to my request and agreed to permit comments for an additional 30 days for a total of 6 weeks.

At least equally bothersome was the breadth and impact of the regulations. Rather than ease the burden of legitimate black powder enthusiasts the proposed regulations in many respects subjected them to more redtape and regulation than had been the case prior to passage of S. 1083. For example, even percussion caps were included under the regulations and thus subject to more restrictive control than those for modern reloading components. Rather than providing an extended exemption for purchases of black powder and a clarification of the exempt status of ignition components as intended by the law, it appears that Treasury desired to achieve an opposite result.

Whatever the explanation for the aberrent direction these proposed regulations took, I am pleased to announce that Director Davis has informed me that ATF has withdrawn the maldrafted regulations. He will carefully reassess what the Bureau intended to accomplish—consistent with the intent of S. 1083 of course—and republish the proposal later this year.

I will review the new regulations with a fine tooth comb and undertake every effort necessary to assure that the intent of this law is fully and fairly implemented.

Mr. President, I am indebted to a number of individuals who worked very hard to obtain passage of the black powder bill and who are still in their "spare time" endeavoring to see to it that the intent of Congress is not emasculated in the regulatory process.

The Indiana Sportsmen's Council has been especially helpful in this regard and I ask unanimous consent that correspondence from their vice president, north, Mr. J. P. Barnett, appear in the RECORD at this point.

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

INDIANA SPORTSMEN'S COUNCIL,
Bloomington, Ind., May 30, 1975.

Hon. BIRCH BAYH,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR BAYH: The Indiana Sportsmen's Council welcomes the opportunity to comment on the newly-proposed ATF regulations governing transactions and transportation of commercially manufactured black powder as delineated in the Federal Register, Volume 40, No. 98, of Tuesday, May 20, 1975, pages 21961 to 21965.

While recognizing the very good intentions of the Bureau of Alcohol, Tobacco, and Firearms in their formulation of the proposed regulations, we do initially find it necessary to point out that despite statements by many ATF officials in 1970 and shortly after about ATF recognition of and sympathy with the plight of antique firearm sportsmen, the ATF spent substantial amounts of time afterward attempting to demonstrate that no difficulties related to the five pound exemption for black powder, then in force, existed.

The specifics of related arguments, pro and con, are well recorded in testimony by the Indiana Sportsmen's Council and other organizations, before Congress and elsewhere. We hope, in light of the foregoing, that the feeling of need for caution prior to any concurrence with presently proposed ATF regulation of antique ammunition components will be understood.

We must also point out that with regard to the presently proposed regulations, the ATF Bureau has spent some four salaried months formulating them, to our knowledge without consulting established representatives of persons most affected by them, yet now allows us two unsalaried weeks to study the proposed regulations, confer, and prepare a response, without benefit of answers to questions, examination of forms in reference, or allowances for customary time of mail delivery.

Our present examination of the overall regulations proposed, we confess to having somewhat the feeling of the fabled farm lad who with some difficulty extracted a promise from a leprechaun not to disturb a marker tied to a tree indicating presence of discovered gold, only to find, on his return to the woods with digging tools, that the leprechaun had kept his promise—but at the same time had tied identical markers to all the other trees in the woods, keeping the gold no less concealed.

The overwhelming weight of legislative history with regard to PL 93-639 is that Congress, in rare unanimous action, intended to raise the old five pound exemption for "black powder" to fifty pounds of "commercially manufactured black powder," and to clarify existing legislative, regulatory, and de facto exemptions for antique ignition implements.

Now we find that the ATF Bureau proposes to allow powder *poundage* per purchase to be increased, but with decreased *exemption;* and at the same time, to now *regulate* antique ignition implements whose mention in S. 1083 was for the very purpose of clarifying *previous* exemptions, and was not at all for the purpose of subjecting those items to regulation.

In greater detail, we very respectfully point out the following areas of concern with regard to the proposed regulations:

1. We feel that the terms "limitation" and "exemption," however marginally overlapping, need separation and clarification.

Under the old law and regulations, it was many times pointed out by ATF officials that the five-pound *exemption* was not a five-pound *limitation:* i.e., that the exemption could be successively invoked in purchasing five pound quantities, with possession of greater quantities unquestioned, provided that violations of storage and transportation requirements were not made, and so on.

Yet in the presently proposed regulations, the term "exemption" seems diminished in value, with weight of emphasis shifting toward "limitation," as in the line "The user is limited to purchases of . . . fifty pounds."

While we presently see no great and immediate cause for alarm in that seeming shift of emphasis, we do wish to point out that the purpose of your bill was to raise a five pound exemption to a fifty pound exemption; not to create a fifty pound ceiling on the purchase of black powder which might later come to be administratively regarded as a fifty pound possession limit, which in a minor but significant number of situations, as in isolated rural areas, would cause new problems while alleviating old ones.

We should like to see some verification that a person who meets established storage criteria for over fifty pounds, may possess quantities consistent with his safe storage facilities.

2. We readily concur with the new non-exempt status of homemade black powder, and welcome ATF concurrence with our long-standing observation that the old law and regulations invited the exempt use of it in terrorist bombs, under wording whose approach paralleled prohibiting good whiskey while exempting moonshine.

3. While purchaser-identification on government forms is mentioned in a House Judiciary Committee report pertaining to PL 93-639, we note that no such recommendation appears in related Senate reports on your bill. We also note that the context of the Committee statement seems to convey an impression that records of non-exempt quantities were not previously required, when in fact they were.

We also note in the statement an indication that the ATF "could" require affidavits—not "shall"—which we feel is less a mandate than the proposed Form 5400.3 requirement seems to assume. And of course the Committee statement in reference speaks solely of powder: not powder and ignition implements.

With respect to powder, we hardly envision a necessity for a known antique sportsman purchasing an exempt quantity of powder to ritually identify himself and provide and affidavit regarding his intentions. We feel that Form 5400.3 is not mandated, and is excessively valued in the proposed regulations, in that respect.

But in its proposed application to ignition implements, we feel that Form 5400.3 falls simply beyond reason. Aside from that application surely not having been intended by Congress, we ask that the following matters be considered as matters of fairness and practicability:

a. The secondary point of S. 1083 was to clarify the exempt status of antique ignition implements, not to regulate them.

b. Percussion caps were, and we believe still are, exempt from regulation. If they were given to regulation, then a strong case

could be made for requiring grocers and so on who sell toy paper caps, which are a real and functional type of percussion cap usable, for instance, in the Maynard tape system of ignition, to obtain federal licenses.

c. Regulations pertaining to the old law wisely exempted 3/32" diameter safety fuse, whose ready availability contribute to safety in proof testing various antique and new muzzleloaders, and which is commonly used for ignition in some types, especially during familiarization, and which is also frequently used for ignition among model rocketeers. Safety fuse is no more explosive than a safety match, and federal regulation of it would create far more harm than it might ever correct.

d. There are no dealers in quills, match-cords, and friction primers. Since their attainment of antiquity, those items have always been made by users themselves. Quills are commonly made of soda straws filled with black powder; match-cords are string or cotton rope, variously treated to control speed of combustion; and friction primers are usually assembled from a short piece of small tubing, a small priming charge, a rough piece of wire, and a friction-sensitive activator: commonly the head of a kitchen match.

We do not see what productive application of Form 5400.3 could be made to those items, or in a world full of rope, soda straws, and kitchen matches, what the point would be.

The point of specifically exempting those items was to ensure, under the old wording of "all fuses but electrical circuit breakers," that a person innocently possessing those bona fide antique ignition implements would not be inadvertantly jeopardizing himself under the law.

Lastly in regard to Form 5400.3, we should like to see a clarification to the effect that a person who on occasion picks up a couple of cases of powder for the purpose of supplying himself and sporting associates, is not in danger of finding himself suddenly defined as a "dealer," and therefore subject to a battery of federal regulations and/for criminal prosecution. The primary purpose of S. 1083, we will all recall, was to ease the distribution of black powder among participants in the antique shooting sports, who are not really a criminal bunch.

We feel that the broadly-proposed use of Form 5400.3 should be narrowed to any genuinely productive application that might exist. But considering the many state and local laws applying to black powder purchases in areas where regulation is needed, we question the need for Form 5400.3 at all. There are limits to what regulation can be expected to accomplish, and reference in the proposed regulations is made to economy of expenditure, and impeding meaningful enforcement.

4. The term "small" is inserted, in the proposed regulations, in at least two places before the term "muzzleloading cannons." In the legislative history of PL93-639, "small" was once casually dropped into the record, apparently in oversight, much like the ATF Bureau's own misidentification of black powder as a detonating, rather than deflagrating, substance. Elsewhere, in context and content, ample reference to *other* than "small" antique and antique/replica ordnance, exist throughout the law's developmental history.

As a practical matter, original muzzleloading guns may weigh anywhere from a few pounds up to 50,000 pounds or more. The Senate record contains specific reference to one weighing about 9,000 pounds. Historical replicas in weights up to several thousand pounds are now commonly being produced for public and private restorations and living history programs, and many various sizes, original and replica, are legitimately possessed by individual students of the field. The historical research, dissemination of knowledge, and in one particular case, direct contribution to present Merchant Marine safety that have all attended that part of the field are well known.

Least somebody later, unaware of the legislative history of S. 1083, might attempt to attach some specific definition to "small," or somehow equate it with the troublesome term "miniature," we believe that references to the casually-injected term "small" should be removed from the final draft of the regulations.

We thank you for your invitation to respond to the proposed regulations, and hope the foregoing comments are of use in your own study of them.

Very sincerely,

J. P. BARNETT,
Vice-president (North) Indiana Sportsmen's Council.

P.S.—Further objections to the proposed regulations, pointed out by muzzleloading sportsmen after the attached (May 30) letter was drafted, are as follows:

1. The basic problem that inspired S. 1083 was that "courtesy" dealers who maintain small stocks of powder for friends and/or a few customers, or obtain it on special request, had largely disappeared in the face of ATF requirements and red tape, and the fear of prosecution for inadvertent error and so forth.

The proposed regulations would worsen, rather than lessen, that problem.

2. Hoarding amounts of powder beyond one's near-future needs was a shortage-related temptation stemming directly from supply disruptions caused by the law in its pre-amended form.

The proposed regulations would revive, rather than alleviate, that concern. Persons needing only small quantities would be purchasing larger quantities simply to avoid repetition of purchase procedures.

3. Most of the people affected by the proposed regulations are extremely busy earning livelihoods, and simply do not have time to make detailed analytical responses as described by Mr. McConnell in the attached article. Nor do they have time or money to go on trips to Washington to testify about their valid objections. Nor is there time, save in one small weekly publication, to even notify the misleading fraternity at large that the proposed regulations exist.

Our resources for response are simply not comparable to those used by the ATF during formulation of the proposed regulations.

Mr. BAYH. Mr. President, I am hopeful that we will soon reach our objective in this area. The more realistic limit on black powder purchases will allow sportsmen and other users, such as those who will be reenacting historical events for the Nation's Bicentennial, to enjoy their hobby and celebrate our 200th birthday without posing any added danger to the public safety.

THE AMERICAN LEGION ESSAY CONTEST

Mr. MATHIAS. Mr. President, among the numerous reports of our Nation's disaffected youth there sometimes appears an item to indicate that the Nation's ideals can still find continued support among the young. The essay contests sponsored by the American Legion have been one evidence that the young can still examine, and approve, these ideals. The St. Mary's Enterprise in its July 3 issue reprinted two prize-winning essays, by Becky Griffin of Hollywood, Md., and Montgomery Wood of Mechanicsville. I ask unanimous consent that the essays and the accompanying article be printed in the RECORD.

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

TWO COUNTIANS TOP WINNERS IN AMERICANISM ESSAY CONTEST

Two St. Mary's County youths recently were cited as top winners in the American Legion Auxiliary's Americanism essay contest, "I'm Proud to Be An American."

Becky Griffin, daughter of Mr. and Mrs. David Griffin of Hollywood, won first place in the State of Maryland in the contest category for 6th to 8th graders. Her speech has been forwarded from the State to the national contest level.

She is a 7th grade student at Leonardtown Middle School and is active in school activities and an active member of the Tudor Hall 4-H Club and the Hollywood Methodist Church Choir.

Becky was sponsored in the contest by the American Legion Auxiliary Southern Maryland Unit 221 of Avenue. She won the County contest sponsored by Unit 221 in March and received a Bicentennial pin and certificate.

She then advanced to the Southern Maryland District of the American Legion which included six counties and took top honors there. She was presented a $50 savings bond by her principal, Francis Bodine.

Then June 25, she won first place in the American Legion Department of Maryland contest in Cheverly and received a $100 savings bond and an Americanism medal.

Montgomery F. Wood, son of Mr. and Mrs. Sidney Wood of Mechanicsville, also took top honors in the County and district contests in the category for 4th and 5th graders. He then advanced to the State level and won the second place prize there.

Montgomery is 11 years old and is a 5th grader at Banneker Elementary School.

Linda Cross and Ann Kesting were cochairpersons for the Americanism program and contest for Unit 221.

Following are Becky's and Montgomery's winning essays:

I AM PROUD TO BE AN AMERICAN

(By Becky Griffin)

I am proud to be an American when I remember the generations of Americans who lived before me and overcame many problems to establish a strong nation.

The first settlers who came to America faced a long voyage in a small boat over the unknown sea. When they arrived they had to make a life for themselves in a new place. They had to build homes, clear fields and plant their crops. They had to protect themselves and provide for their own needs. By hard work they were successful.

Later it became necessary to unite the colonies and fight for their freedom. They were small and weak and did not have trained soldiers. They fought hard and won.

Less than 100 years after our country began it was divided. A civil war broke out. Many people were killed and many people lost all their money and possessions. But the country survived and remained united. The people worked to rebuild.

A great depression once again tested the people's ability to overcome great problems. Two world wars caused lost lives and required all the people to give up their personal desires and work together to win. They did.

More recently our government has been upset by having one President killed and another President resign. Each time the change to a new President was made without any great problems.

I am proud of the way our country and people have overcome these difficulties. It

makes me believe that we will overcome the many problems which we face now.

I am proud to be an American.

I'M PROUD TO BE AN AMERICAN

(By Montgomery Wood)

I'm proud to be an American because of our American heritage. America is the richest country in the world. We have an abundance of natural resources such as fertile soil, navigable waterways, adequate rainfall and water supply, forests, petroleum, natural gas, iron and coal.

Many hard fought freedoms that I love were won in our War of Independence and saved in other conflicts. The freedom which I love most is the freedom to speak out my thoughts and ideas as long as I don't lie about someone. I can also worship in any church as I please. When I get older I will be able, as a registered voter, to vote for whomever I want to regardless of the party.

I like the idea that we can own property and live where we want to and move when we want. We are given equal education and have fine public schools and colleges. Our fire and police departments give us protection if and when we need it.

We are lucky to have privileges such as a trial if we are accused of a crime and have legal counsel of our choice. We do not have to testify against ourselves. We can bear arms according to state and local laws and petition our government if we don't like something. No one can search our homes or property without a search warrant. Our Constitution helps to protect us as citizens of the United States.

When I look up at our American flag and place my hand over my heart and say the Pledge of Allegiance my heart swells for I'm proud to be an American, for men left their homes and marched in the cold and suffered on the battlefields to help to maintain our freedom. I think it's wonderful that Americans are willing to fight. Our Army, Navy and Air Force are always ready in a moment's notice to maintain the security of the country.

Our government helps to protect the rights of its people and help them to enjoy liberty and freedom. They also help people to secure wholesome food, healthful living conditions, improved conditions of work, for recreation, and opportunities to enjoy peace of mind and personal security. The government has a program to help people who are not physically able to work, or mentally ill.

I appreciate our democracy and will continue in the coming years to do all I can for my country and pray that I might make my country just a little better as my forefathers before me have done.

I wish I could share some of the things I have with boys and girls in other countries who are homeless and hungry and cold for this is the land of the free and the home of the brave.

THE TRADE POLICY STAFF COMMITTEE HOLDS PUBLIC HEARINGS ON TRADE NEGOTIATIONS AT PHOENIX, ARIZ.

Mr. GOLDWATER. Mr. President, on July 1, the Trade Policy Staff Committee of the Presidential Office of the Special Representative for Trade Negotiations held a full day of public hearings in Phoenix, Ariz., in accordance with the public information and consultation provisions of the Trade Act of 1974. In attendance on the panel were representatives of at least eight different offices and departments of the Federal Government.

As described by the Senate Finance Committee in its report on the Trade Act, "this interagency committee—is—made up of representatives from the departments who will be actively engaged in the negotiations in order that the views of interested groups would be heard by those who have negotiating responsibility."

In other words, the public hearings conducted by the interdepartmental committee is a means for providing direct access to high-level officials in the local community or region where U.S. producers and consumers are located who are in the best position to assess the effects of trade proposals on their particular products and interests.

In the words of Mr. Allen Garland, chairman of the committee, at the Pheonix sessions, the hearings are not adversary proceedings. They are to obtain information for our trade negotiators in the easiest possible way for the local citizen.

In this spirit, Mr. President, I was happy to present a statement, by counsel, to the trade committee covering all the major aspects of the State of Arizona's connection with and interests in international trade.

The primary points discussed in my brief included the following:

First. U.S. negotiators must seek to maintain a high level of U.S. agricultural exports in order to help offset the trade deficit resulting from oil imports.

Second. The United States has a special interest in safeguarding the agricultural exports of Arizona and the other Western States because of the large Federal investment in agricultural irrigation projects in these States of over $3.87 billion.

Third. Arizona exports to foreign countries exceeded half-a-billion dollars in 1974, with $300 million of farm exports and $240 million of manufactured exports.

Fourth. A thriving export market could help to restore some of the lost jobs in Arizona's electronics industry.

Fifth. The U.S. duty on imported copper should be maintained at its present level for times when copper is in excess supply in the world markets, and tariff preferences should not be given by the United States to developing countries who are already major producers of copper.

Sixth. Cotton accounted for one-third of Arizona's crop cash receipts and 60 percent of Arizona's farm exports in 1974. Continued access to overseas markets is vital to Arizona cotton farmers.

Seventh. The survival of Arizona's citrus industry depends upon keeping and increasing exports, which require the dismantling of illegal trade barriers erected by the European Economic Community and Japan.

Eighth. The Meat Import Act of 1964 should not be negotiated away at a time when the American cattle industry is in serious jeopardy.

Ninth. U.S. negotiators should not propose international commodity agreements with fixed prices and quotas which will put our producers at an unnecessary disadvantage and replace the competitive market wtih arbitrary rules.

Mr. President, in order that the information contained in the brief, as extended during oral testimony, may be available to the Senate, I ask unanimous consent that the full text of the paper be printed in the RECORD.

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

HEARINGS RELATING TO INTERNATIONAL TRADE NEGOTIATIONS AND THE GENERALIZED SYSTEM OF PREFERENCES

I. INTRODUCTION

This brief is filed for Senator Barry Goldwater by counsel in response to the published announcements of May 1 and 30, regarding public hearings by the Trade Policy Staff Committee as to U.S. participation in international trade negotiations being held at Geneva, Switzerland, under authority of the Trade Act of 1974.[1] In order to supplement the Committee's information about U.S. articles generally which are being considered for inclusion in multilateral talks, this brief includes specific information with respect to barriers maintained against U.S. exports of agricultural and industrial items produced in Arizona and to the authority of the President to grant generalized tariff preferences to imports from developing countries.

II. IMPORTANCE OF INTERNATIONAL TRADE

America is a trading nation. In calendar year 1974, total United States exports and imports exceeded 200 billion dollars on a c.i.f. import value basis.[2] United States exports amounted to 98 billion dollars and the c.i.f. import value, swollen with over 27 billion dollars of foreign fuel,[3] was 108 billion dollars.

Putting fuel imports aside, imports generally can contribute to a healthy competition, and lower costs, in the importing country. Also, many American firms have much to gain from an open access to materials needed as components of their own production.

Of course, to the extent that imports are a consequence of unfair competition, such as foreign governmental subsidies or dumping, unnatural distortion of U.S. sales and employment occurs which is unacceptable and must be corrected.

Looking at the other side of the trade coin, American exports not only account for sales valued at 98 billion dollars, but also provide jobs for almost 4 million American workers. According to the U.S. Bureau of Labor Statistics, export markets created 3,600,000 jobs at home in 1972 and about 3,775,000 jobs in 1973.[4]

III AGRICULTURE

Agriculture holds a special position in the United States trade picture. The U.S. exported $22.2 billion of agricultural products in 1974 and imported only 11.2 billion dollars (c.i.f. value) of agricultural commodities.[5] In Arizona alone, farm exports represent 46% of the value of total crop production.[6] These exports contributed to the plus side of the U.S. trade ledger by 11 billion dollars in 1974 which helped offset 41% of U.S. fuel imports.

In addition, agricultural exports provide approximately 1 million jobs involving the production and export of farm commodities. According to latest unpublished data of the U.S. Bureau of Labor Statistics, about 556,000 agricultural workers were employed in export-related production in 1973. To this employment can be added approximately 450,000 non-farm jobs which were directly or indirectly related to the assembling, processing and distribution of agricultural commodities for export.

Moreover, it is important to note that agricultural exports have almost eliminated

Footnotes at end of article.

government farm payments. The period of large agricultural exports has been followed by a sharp decline in U.S. farm program costs. In the 1974 fiscal year alone, direct payments to farmers declined by over $2 billion, down to $500 million from $2.6 billion in 1973 This factor is a saving to all consumers, as taxpayers.

Finally, there is a particular reason why the United States should strive to maintain the agricultural exports of the 17 Western States, including Arizona, at a high level. This is because of the total Federal investment in irrigation projects which exceeds $3.87 billion.[7] In Arizona alone there are at least 15 water-user organizations that receive Federal funding or benefits, the Salt River Project and the Central Arizona Project being among the best known.

Through fiscal year 1974, the Federal Government has allocated $866,388,136 for reclamation projects in Arizona, and the total estimated Federal obligations for construction totals $2.1 billion in Arizona.

Arizona crop agriculture is almost entirely irrigated, but for a small acreage where dry farming is practiced in northern Arizona. With controlled moisture through irrigation, the Arizona desert land becomes the most productive area of the world because of land rich in native fertility and a reliable climate with an abundance of sun energy.

Thus, the United States has virtually a vested interest in preserving the huge capital investment it has made in nurturing this desert agriculture by seeking to obtain fair and equivalent access for its production in the markets of the world.

In summary, the importance of agriculture should not be overlooked or pushed into the background as it was in the Kennedy Round. This time the United States should adopt a negotiation strategy for the multilateral trade talks that seeks to obtain the maximum possible gains for agriculture as well as for industry. Such a bargaining process would be consistent with the overall negotiating objective set forth in section 103 of the Trade Act of 1974, which specifies that agricultural and other industrial matters must be considered "in conjunction." [8]

IV. BACKGROUND ON ARIZONA TRADE

A. Overview

Arizona has 34 manufacturing establishments in nine industry groups which reported export shipments in 1972. The value of these manufactured exports was 240 million dollars, with principal export shipments being of machinery, electrical equipment and supplies, and processed food.[9]

The estimated value of Arizona argicultural exports for the 1974 crop year is 297.8 million dollars.[10]

The chart below shows principal data about major Arizona industries having a direct interest in multilateral trade negotiations:

ARIZONA.—GENERAL STATISTICS BY MAJOR INDUSTRY GROUP

Industry	1974 value of shipments (millions)	1974 employment	1974 exports (millions)
Manufacturing	$2,270.0	111,500	$240.0
Mineral production	1,520.0	27,100	
Copper	(1,300.5)	(25,000)	
Agriculture (cash receipts)	1,232.3	23,200	297.8
Crops	(603.5)		
Livestock and products	(628.8)		

Source: Valley National Bank, Economic Research Department; Arizona Crop and Livestock Reporting Service; Arizona Department of Economic Security.

Footnotes at end of article.

B. Electronics industry

The United States electronics industry is marked by leadership in the development of high technology around the world. Among leading elements of this industry are semiconductors and computers. We started ahead and we stayed ahead in these fields.

In view of the demand for state-of-the-art products, the American electronics industry has been able to achieve a positive export balance in the area of these high technology products. In semiconductors alone, of which there is a major industry in Arizona, the United States enjoyed a trade surplus of over $258 million in 1974.[11] Arizona alone has over $90 million of semiconductor export sales.

The electronics industry is one of the largest civilian employers in Arizona, and still employs over 34,000 workers, but recessionary pressures have caused the layoff of over 8,000 employees in this part of our State's economy.[12] A growing export market could help to restore some of these lost jobs.

In this connection, it must be noted that the American industry is encountering stiffer trade barriers abroad, both in the form of tariff and non-tariff barriers.

The electronics industries of other developed nations have relatively free access to our market. For example, $4.7 billion of electronic products were imported into the United States in 1974.[12a] At the same time, foreign nations are sealing off their home grounds to some United States sales.

As to semi-conductor products, the United States maintains a specific duty rate of 6%, but numerous foreign countries keep a duty far above our own. These duties should be reduced to at least the level of equivalent duties in the United States.

The chart below identifies many of the high duty restrictions on semiconductor items which should be included in the negotiating concessions sought by the United States in the multi-lateral talks.

FOREIGN TARIFFS—SEMICONDUCTORS

Classification TSUS 68760: Product description	Importing country	Percent rate[1]
Transistors and microcircuits	EEC	17
Piece parts and unfinished		9
Microcircuits	United Kingdom.	18.2
Do	Denmark	8
Do	Spain	26
Transistors and microcircuits	Argentina	90
Unfinished		15
Transistors and microcircuits	Brazil	55
Unfinished		15
Transistors and microcircuits	Mexico	25
Unfinished		15
Mounted transistors, microcircuits	Israel	25
Microcircuits	Australia	35
Do	Canada	17.5
Do	Japan	15

[1] U.S. rate on all TSUS 68760 articles, 6 percent.

But tariff concessions alone will not assure fair market access of U.S. electronics products in the developed countries, and our negotiators should strive to eliminate nontariff barriers which damage the market accessibility of American products.

A principal U.S. goal with respect to the electronics industry should be the correction of "Country of Origin Rules" in the European Community. These rules are tied to agreements which reduce the internal duties on trade between the European Community and one of its preferential trade partners or among European Free Trade Association countries. More specifically, the "Rules of Origin" defined the contents-criteria products must meet in order to qualify for reduced preferential rates between the EC and its preferential partners (including the seven EFTA countries) and to trade between the EFTA countries themselves.

These rules may mean that as duties are reduced to zero within the EC/EFTA trade blocs, users will want to obtain their components from local sources, instead of using components produced by U.S. companies, in order to receive preferential duty treatment for their products. The 3% transistor Rule of Origin will have an especially severe impact on U.S. electronic firms.

This rule is so unfair that a German radio, for example, which contains nearly 97% local source parts, must sell in an EFTA country, such as Sweden, at the full external duty rate, rather than at a zero or other preferential rate, if the small remaining portion of the value consists of U.S. transistors.

By 1977, when duties will go to zero between the EC and EFTA nations, the differential caused by the 3% rule will be greater than the value of the transistors used in some of the products concerned. For example, a $200 communications receiver with only $7 of transistors in it will be taxed $17 to $20, or more, if those transistors are American made.

Unless this rule is eliminated or substantially modified, European subsidiaries of U.S. companies will be forced to take advantage of this obstacle to trade themselves, which can affect their ability to be substantial purchasers of U.S. parent company products Or U.S. firms may decide to pull out of one of the largest market blocs in the outside world and thereby cut the related flow of earnings to America from abroad.

C. Copper mining

The health of the copper producing industry is of vital concern to the State of Arizona and to the nation. In 1974 Arizona copper mine production of over 852,000 tons constituted more than half of domestic mine production. Arizona production alone accounted for over 12% of free world mine production.[13] The copper industry in Arizona provides direct employment to over 25,000 persons and indirect employment to many more.[14] The industry makes large expenditures in Arizona for equipment, fuel and supplies and is a major source of revenue to the state and its political subdivisions.

Several non-manufactured copper items in the tariff schedules are included in the President's list of articles published on January 14, 1975, on which he will consider granting tariff concessions in international trade negotiations. These items are also included in the list published on March 24, 1975, which will be considered by the President for designation as eligible articles for purposes of the Generalized System of Preferences.

The copper duty was initially levied in 1932 at a rate of 4c per pound when copper was selling at 9–12c a pound. By executive action taken under the Reciprocal Trade Act and the Trade Expansion Act these duties have, over the years, been substantially reduced to the present rate of .8c per pound. When copper has been in short supply, as it was in 1974, the duty has been suspended by Congress.

In late 1974 and continuing into 1975, world demand for copper dropped dramatically as Europe, Japan and the United States experienced economic recessions. As demand for copper slackened, there was an accompanying drop in copper prices. On the London Metal Exchange the price declined from a record high of $1.52 per pound on April 1, 1974, to approximately 53c per pound currently. In the United States, the price charged by New York metal merchants fell from a high of $1.44 in May, 1974 to a low of 52.8c per pound in January, 1975 and is presently close to 53c per pound.[15] In June, 1974 the U.S. producer price was 85c per pound. A year later, in mid-June, 1975, it was 63c per pound. On June 17 one of the major companies announced a price cut to 60c and on June 18 another major producer announced a similar reduction in price.

Although the duty has been suspended

when copper was in short supply, the continuance of this duty is needed when copper is in excess supply in world markets, as it is today. In 1974 free world production of refined copper outside the United States exceeded consumption by some 616,000 tons.

The United States imported approximately $200 million of copper from Chile last year and approximately $160 million from Peru, at a time when the duty was suspended and during a recession, which is a clear indication of the potential of these countries to exceed the $25 million export ceiling put on articles entering from beneficiary developing countries.

At least eleven foreign copper producing nations have been designated beneficiary developing countries and five more are being considered for such designation. The $25 million import ceiling would thereby permit a total of $400 million of imports from these countries combined, which represents about 15% of total U.S. consumption, and if multiplied to take account of each of the 7 non-manufactured copper items now on the preference list, would allow possible imports of over $2.8 billion.

In this connection, it should be noted that four countries eligible for tariff preferences, Chile, Peru, Zambia and Zaire, produced 2.5 million tons of copper in 1974, or 49% of the total non-U.S. free world production.[16] If a country is already an efficient producer, as these statistics indicate, negotiations of MFN concessions in Geneva would be more appropriate than providing them with tariff preferences for purposes of copper imports to the United States.

Major exports of excess foreign copper production to the United States during the next few years could seriously damage the domestic copper industry at a time when this nation's economy and its national security require that a healthy domestic copper industry be maintained. The ability to impose the present duty when the economic situation demands will, to some extent, offset the cost advantages that foreign producers have, without impeding any copper imports that may be needed.

D. Agricultural production

1. General

Cash receipts from sales of Arizona's farm and livestock products grossed $1.23 billion in 1974. This is 12% more than in 1973. Crop receipts were up 42%, but livestock receipts fell 6%. Most of the increase in crop cash receipts was a result of higher production, not higher prices.

The total value of agricultural exports in the 1974 crop year was $297.8 million.

The following table contains the significant statistics:

ARIZONA AGRICULTURAL MARKETING AND EXPORTS 1974 CROP YEAR

	Value of farm production [1]	Farm exports [2]
(1) Crops (total cash receipts) [3]	603.5	
Cotton lint	251.0	175.0
Cottonseed	65.8	7.0
Wheat	48.9	42.0
Feed grains (sorghum, barley, corn)	62.8	13.0
All hay, including alfalfa	86.1	
Protein meal		.1
Safflower	5.5	
Sugar beets	5.0	
Vegetables and melons		9.2
Cantaloupes	13.4	
Lettuce, other	24.9	
Lettuce, yuma	27.6	
Potatoes	11.7	
Other	13.3	
Fruit:		
Grapes	9.0	
Lemons	18.1	11.1
Oranges	10.0	6.7
Grapefruit	4.2	3.3
Other		12.0
(2) Livestock and products (total cash receipts) [3]	628.8	
Meats and products		4.0
Hides and skins		6.4
Lard and Tallow		8.0
Total cash receipts [3]	1,232.4	297.8

[1] Source: Arizona crop and livestock reporting service.
[2] Source: Economic Research Service, USDA; College of Agriculture, U. of A.; Arizona Cotton Growers Association.
[3] The total cash receipts figure is different than the total of farm production figures because not all production is sold in the calendar year in which it is produced.

2. Cotton

As shown on the table above, cotton is Arizona's principal crop, providing over one-third of all Arizona crop cash receipts in 1974, or $251 million.

Sixty percent of Arizona's total farm exports was accounted for by cotton and cottonseed oil. This statistic is based upon surveys made by Arizona growers which show that over 70 percent of their production is exported. The exports are made from California and show up in government figures for that State, but the cotton is actually grown in Arizona.

Currently, producers are facing inceasing costs of production and declining demand, both domestically and abroad. While domestic consumption of raw cotton has declined since the mid 1960's, from about 9.5 million bales to 6.0 bales annually, world-wide consumption of cotton had increased, until this year, in the Pacific, Africa, and the Communist countries.[17]

Exports of U.S. cotton had gone up with this rise in world consumption. In fact, the United States achieved a trade surplus of $1.3 billion in raw cotton during 1974. But this year exports are declining, from 6.1 million bales in 1973–74 to an estimated 3.9 million bales in 1974–75.[18]

From this, it is clear that exports have been and remain vital to the success of the cotton industry. Thus, a high priority goal of the United States at multilateral talks should be protection of our continued access to foreign markets.

On a related matter, congratulations are due to the joint U.S. State-Agriculture Departments negotiating team which apparently has been successful in solving about 90% of the cotton contract default problem which arose in four Asian nations. Our government's strong action in support of the fundamental principle of honoring forward contracts entered into by textile mills in these four countries may save the United States farmer up to $200 million in income.

It is also recommended that the rate of duty on extra-long staple cotton not be further reduced. About half of domestic extra-long staple cotton is grown in Arizona and the Arizona Cotton Growers Association believes the small wall provided by the remaining duty of 1¾¢ per pound is needed to prevent our becoming dependent on foreign producers for this commodity.

A matter which is becoming of growing concern to the domestic cotton industry is the dramatic rise of imports of palm oil.

The current projection is that palm oil imports will reach 700 million pounds in the crop year ending September 30—this is double the imports of last year and an increase of seven times the imports over 1970. Current imports of palm oil will be equal to 60% of U.S. cottonseed oil production. To make this worse, while imports have gone up, domestic consumption of food oils has gone down—with total U.S. consumption of fats and oils off 700 million pounds in the eight months since October of 1974.

Extensive oil palm plantings are now underway in Malaysia and other equatorial belt producing nations. Unless our government makes an investigation of this matter and comes up with some solution, sales of U.S. cottonseed—and soybean—oil may be seriously displaced in the U.S. market. In addition, U.S. exports of cottonseed oil will likely be injured. Arizona exported about $7 million of this article in 1974.

This situation may offer a good and proper test of the President's basic authority to increase duties pursuant to section 101 of the Trade Act because at present there is no column 1 or column 2 duty at all on U.S. imports of palm oil.

3. Citrus

i. Arizona production

Arizona is the second largest fresh citrus exporter in the United States. In all, Arizona growers received $32.3 million for marketings of citrus during the 1973–1974 season.[19] Arizona packing houses shipped over $45.4 million of fruit to juice and by-products.[20] About one-half of the lemons produced in the United States are grown in Arizona.

In 1974, Arizona exported 2.5 million cartons of oranges, 1.8 million cartons of lemons, and 1.2 million cartons of grapefruit.[21] The combined dollar value of these exports was $21 million,[22] which represents about half the value of all shipments from Arizona citrus packing houses. In addition, about $2.5 million of processed Arizona citrus was exported.

Total citrus-related employment in Arizona exceeds 7,000, including about 1,000 growers, 1,420 employees of sixteen packing houses, 3,450 citrus pickers, and 1,275 full-time farm workers. In addition, there are two processing plants in Arizona which employ 110 workers. The combined 1974–1975 payrolls of Arizona growers, packing houses and processing plants, is over $20 million.[23]

As competition on the world market for fresh citrus is intense, any change in access given by any consuming country will have a significant effect on the flow of trade in citrus. For this reason, it would be harmful to the United States' interest if our duties on citrus items were to be cut unilaterally without first reaching world-wide agreements on tariff schedules and other aspects of the citrus trade.

ii. European Community

Certainly, it should be a precondition to the granting of any U.S. concessions on citrus that existing barriers to our exports which are illegal should first be removed. One of these practices is the preference system operated by the European Community.

Since August of 1969, Tunisia and Morocco have enjoyed an 80% reduction, or preference in the rate of duty of fresh oranges and lemons. Spain and Israel have received a 40% preference in some months of each year beginning with September of 1969, and in December of 1972, the EEC signed a 40% preferential agreement with Lebanon, Cyprus and the United Arab Republic. Most agreements include a 40% reduction on grapefruit as well.

On the basis of information received by this office during two investigations in Europe, it is believed the European Community has renegotiated these earlier agreements with a view to 1) increasing the preferences of all countries now having less than an 80% preference and 2) extending the preferences to citrus fruit juices and canned citrus fruit, as well as to fresh fruit. F.A.S. data shows that the value of U.S. exports to the E.C. of orange juice alone totaled $14.3 in fiscal year 1974.

United States officials have repeatedly protested these preferences:

(a) In their statements before the Senate Subcommittee on Agricultural Exports in March of 1971, spokesmen for the Department of Agriculture, Department of State,

Footnotes at end of article.

and Office of the Special Representative for Trade Negotiations, each testified to the effect that the preferences "discriminated against U.S. citrus in violation of the most-favored nation provision of the GATT." [24]

(b) The inter-agency Trade Information Committee, after public hearings, determined that the citrus preferences fall within the conditions enumerated in section 252 of the Trade Expansion Act as an unjustifiable import restriction.[25]

(c) The United States Senate has gone on record as to the illegality of the citrus preferences, by agreeing without objection to Senate Resolution 89, on April 1, 1971.[26]

(d) The report of July, 1971, by the Presidential Commission on International Trade and Investment Policy, contains at least 15 different criticisms of the EC preferential trade arrangements.[27] Typical of that Commission's statements is its conclusion that "the spread of such regional preference schemes endangers the multilateral fabric of the entire trading system." [28]

An additional factor contributing to the illegality of the preferences, which was noted by the "Williams" Commission, is that these arrangements "usually contain reverse preferences by the developing countries in favor of the Community." [29] According to this practice, the LDC's receive special preferences from the Community only if they, in turn, grant reciprocal preferences to EC products.

Another destructive trade practice used by the European Community in connection with its preference system is the "reference price." By this practice, the Community requires that prices for fresh citrus be kept at or above a certain reference level. If a nation's fruit falls below the reference level, that producer is penalized by losing the preference. The Community plans to extend this practice to citrus juices.

The practice causes unnatural diversions of exports by preference-receiving nations to other markets which they would not penetrate, except for the desire to maintain the reference price. In this regard, it should be noted that the Mediterranean producers are fully as capable of marketing across the Atlantic as we are. Thus, the extention of the EEC–type preferential system will promote encroachment by foreign producers on a large scale in our home market.

The adverse effect of this overall system upon U.S. trade was immediate and sharp. For example, U.S. exports of fresh oranges to the Community in 1972 were down by 51% from the last pre-preference season of 1969.[30] The injury was especially severe during the early shipping season when Arizona fruit is at the peak of its quality. From March through May of 1972, all U.S. fresh orange shipments to the Community were *two-thirds* less then in the same months of 1969.[31]

A U.S. trade team was able to get a substantial reduction in the tariff rates on fresh oranges and grapefruit entering the EC, effective last Summer, and citrus farmers and workers are grateful for this success. But the complete effects of the illegal preference system have not been removed and its impending extension will continue to injure the United States by further encouraging the development of competing commercial citrus industries, by placing U.S. exports at an unfair price disadvantage, and by causing an irregular diversion of exports to the United States by Mediterranean producers and by foreign producers who will attempt to make up lost sales in the Community, with sales to the United States.

iii. Japan

Japan, also, maintains an illegal practice restricting imports of fresh oranges and orange and grapefruit juices. The problem is with quantitative import restrictions inconsistent with Japan's GATT obligations.

The United States has shipped over 4 million dollars worth of fresh oranges to Japan despite the quota, but if there were no restrictions, our market potential could exceed $50 million.[32]

As an interim step during the multilateral talks, Japan could be asked to remove its import quota restrictions from April through September, which would allow it to protect 88% of its domestic production from any additional competition.

iv. Generalized system of preferences

In accordance with section 502(c)(4) of the Trade Act of 1974, the President should not designate fresh or processed citrus products as eligible articles from any citrus producing country which maintains significant tariff on nontariff barriers restricting imports of United States fresh or processed citrus and thereby fails to "provide equitable and reasonable access to the markets . . . of such country." In the words of the Senate Committee on Finance relative to section 502(c)(4): "The Committee feels strongly that beneficiary developing countries should reduce and eliminate their own barriers to U.S. commerce before they should be granted preferential treatment in the U.S. market." [33]

Accordingly, citrus-producing countries which effectively exclude, or impose excessively high duties on, United States citrus should not be given preferential tariff treatment for purposes of their own citrus products. Since the developing countries which so discriminate against citrus exports of the United States constitute almost all the major foreign citrus producers of the world, the simplest way of meeting the requirements of the Trade Act of 1974 would be to remove citrus entirely from the list of articles which may be eligible for duty-free preferential treatment.

Congress accepted this part of the President's Trade Bill only after writing safeguards to prevent U.S. producers from suffering serious injury. One of the expectations of Congress, which is spelled out in section 502(c)(4), is that the U.S. would receive equitable and reasonable access to the markets and resources of a beneficiary country before it should be granted preferential treatment in the U.S. The President's authority to withdraw or limit the preference with respect to any individual article is provided in section 504(a), and logically, if the President can withdraw or limit the preference as to any particular item, he can remove that article from the list of articles being considered for designation as eligible articles at any time prior to the issuance by the President of a valid Executive order under section 503(a).

4. Livestock Production

Meats and products, primarily beef, accounted for more than half of Arizona's billion dollar agricultural industry in 1974.

But the Arizona and American beef industry today is in a condition approaching chaos. This spring, for example, it was costing cattle producers in Yavapai County over 40c per pound to produce their product—calves—and they were being forced to sell calves for 28 to 32c per pound.[34] There has been a recent boost in livestock prices, but this change is the result of fewer grain-fed cattle and does not involve the grass-fed cattle that is in surplus. Also, a big question mark in this illustration is whether or not the rancher has grass available to carry both the yearlings and his basic cow herd.

As of January 1, 1975, the value of cattle on farms, ranches, and feedlots had declined by fifty percent in the United States over the one year span since January 1 of 1974, from $41 billion to $21 billion.[35] Although cattle *numbers* declined in Arizona in 1974, by 16%, the total *value* of cattle fell 57%.[36] Thus, the value decrease primarily reflects a sharp drop in cattle prices and a sharp increase in industry losses.

The financial condition of the livestock industry today makes the Meat Import Act of 1964 even more important to cattlemen now than when it was enacted. This law, allowing restrictions on imports, is needed as a reasonable defensive measure to protect United States sales from the effects of subsidized foreign production and of foreign non-tariff barriers, such as what amounts to an embargo on beef imports in the European Community and Japan. If it were not for the protection offered by the Meat Import Act, the United States could now be flooded with foreign beef diverted to America from the EC and Japan.

In other words, there is absolutely no justification at this time for going above the present trigger level in the Meat Import Act.

Also, Arizona cattle growers ask for a study of transportation subsidies on exported grain that are available to foreign buyers. These subsidies apparently enable foreign purchasers to outbid United States' buyers and artificially increase domestic prices of feed grains.[37]

Arizona cattlemen understand the importance of agricultural exports, but insist that all buyers play by the same rules—which means they should not have to compete with foreign buyers subsidized by their governments.

Your efforts to eliminate present trade barriers for U.S. beef would not only assist an industry which itself consists of 1.9 million full and part-time operators engaged in cattle production and feeding, but 2 million other Americans who have jobs involved in supplying these producers and feeders. It should be noted that the U.S. beef cattle industry purchased more than a quarter of all feed grains used domestically last year and that farmers and ranchers involved in cattle production and feeding also purchase a quarter of the nation's truck output. Each dollar of the industry's $22 billion of annual sales directly generates an additional five to six dollars of business in the supply and processing industries.[38]

E. International commodity agreements

In closing, this brief will raise a subject which should be an official subject of these hearings. This is the matter of Government policy positions in the GATT negotiations which are reported to be already decided upon, but which could have a direct bearing on many of the issues raised at these hearings.

Specifically, reference is made to the announcements in Kansas City and Paris 1) that the United States "will propose that the Multilateral Trade Negotiations now underway in Geneva develop new rules and procedures on [the] promotion of mining and processing industries" and 2) that "we are prepared to discuss new arrangements in individual commodities on a case-by-case basis as circumstances warrant." [39]

If these proposals represent firm negotiating policies, they should be defined and explained to the American public, particularly to the U.S. producers who will be affected. There must be a full opportunity for private comment on the proposals or these hearings will be incomplete to that extent. The private sector advisory committees for industry, labor, and agriculture will be bypassed and the entire system of Congressional procedures that has been created with respect to obtaining public advice and information will be evaded.

For example, public statements imply that United States aid will help foreign nations produce certain minerals and commodities. What minerals and commodities? Will these arrangements include articles for which U.S. producers are finding a declining demand?

Will the agreements only extend to the promotion of commodities in an amount sufficient to serve the needs of home consumption in the beneficiary country? Or will the

Footnotes at end of article.

agreements cover the development of foreign industries to the point where they are able to compete with U.S. products in third country markets?

Will the agreements be coupled with tariff preferences and other concessions in the United States, such as an exemption from countervailing duties, so that a foreign producer, whose industry has been brought to a commercial level by American aid, can then compete with American products in our own domestic market?

Will commodity agreements include fixed prices and quotas which will put U.S. producers at an unnecessary disadvantage and will replace the competitive market system with arbitrary rules and an increased bureaucracy?

These proposals should be fully explained in advance so that there may be adequate input from U.S. producers who are in the best position to assess the effects of such agreements.

FOOTNOTES

[1] Public Law 93-618 (Jan. 3, 1975).

[2] *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census, at 9 (Dec. 1974).

[3] *Id.*, at 106.

[4] Unpublished data, Division of Economic Growth, Bureau of Labor Statistics.

[5] *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census, at 30, 77 (Dec. 1974).

[6] See chart on page 12.

[7] U.S. Bureau of Reclamation, U.S. Soil Conservation Service, Agricultural Stabilization and Conservation Service.

[8] During consideration of the Trade Act of 1974 in Congress, the Senate added a new section 103, which mandates that: "To the maximum extent feasible, the harmonization, reduction, or elimination of agricultural trade barriers and distortions shall be undertaken in conjunction with harmonization, reduction, or elimination of industrial trade barriers and distortions." No such section was contained in the House-passed version of the bill.

[9] *Survey of the Origin of Exports of Manufacturing Establishments in 1972*, U.S. Bureau of the Census (Nov. 1974).

[10] See chart on page 12.

[11] *1975 Electronic Market Data Book*, Electronic Industries, Assoc., Table 91, at 101.

[12] Arizona Department of Economic Security.

[12A] *1975 Electronic Market Data Book, supra*, note 11.

[13] *Mineral Industry Survey*, Copper, U.S. Bureau of Mines (Dec., 1974).

[14] Arizona Department of Economic Security.

[15] Bureau of Domestic Commerce, USDC.

[16] *World Metal Statistics*, World Bureau of Metal Statistics (May, 1975).

[17] Trade estimates, Cotton Council International, and see *Report to the President on Investigation No. 22-37*, U.S. Tariff Commission (March, 1974), at A-92.

[18] *Id.*, at A-88; *Highlights of U.S. Export and Import Trade*, U.S. Bureau of the Census (Dec. 1974), at 40, 106; and based upon unpublished estimates of the Department of Agriculture.

[19] Arizona Crop and Livestock Reporting Service.

[20] *Agricultural Prices*, Statistical Reporting Service, USDA.

[21] *Citrus Fruits*, Statistical Reporting Service, USDA.

[22] *Agricultural Prices, supra*, note 20.

[23] Agricultural Labor Producers Committee; 1969 Census of Agriculture, Arizona, vol. 1, at 23, 277; *Farm Labor Report LA 1* (Jan. 1975) USDA.

[24] *Hearing on Problems Incurred in Exporting Fresh Citrus Fruits to European Economic Community Countries*, Senate Subcommittee on Agricultural Exports (March 18, 1971), at 109-111; 114-115; 125.

[25] *Id.*, at 127.

[26] See 117 Cong. Rec. 9358-9360.

[27] *United States International Economic Policy in an Interdependent World*, Commission on International Trade and Investment Policy, at 11, 13, 110, 157, 165, 201, 206, 209, 213, 241, 290, 291, 292, 302, 303.

[28] *Id.*, at 157.

[29] *Id.*, at 241.

[30] Foreign Agricultural Service, USDA.

[31] Unpublished letter from the Honorable Carroll G. Brunthaver, Assistant Secretary, USDA, to Senator Barry Goldwater, Aug. 14, 1972.

[32] Foreign Agricultural Service, USDA.

[33] Report of the Senate Committee on Finance on Trade Reform Act of 1974, at 222.

[34] Unpublished letter from E. Wade Allgood, President, Yavapai Cattle Growers to Senator Barry Goldwater, June 25, 1975.

[35] Cattle Inventory Analysis, American National Cattlemen's Association.

[36] *1974 Arizona Agricultural Statistics*, Arizona Crop and Livestock Reporting Service, at 45, 46.

[37] Unpublished letter from Bill Davis, Executive Vice President, Arizona Cattle Growers Association, to Senator Barry Goldwater, Feb. 26, 1975.

[38] Testimony of Gordon Van Vleck, ANCA, before Senate Committee on Agriculture and Forestry, Feb. 19, 1975.

[39] Speeches of Secretary of State Kissinger before the Kansas City International Relations Council on May 13, 1975, and before the Organization for Economic Cooperation and Development on May 28, 1975.

CONCLUSION OF MORNING BUSINESS

Mr. HOLLINGS. Mr. President, is there further morning business?

The PRESIDING OFFICER (Mr. MORGAN). The time for morning business has expired.

LEGISLATIVE APPROPRIATIONS, 1976

The PRESIDING OFFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 6950, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. HOLLINGS. Mr. President, pending the arrival of my distinguished colleague from Pennsylvania, the ranking member on the Legislative Appropriations Subcommittee, I intend to put in a call for a quorum. But at this time I make the usual unanimous-consent request that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, beginning with line 1, insert the following:

TITLE I

SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND LEADERS OF THE SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For compensation and mileage of the Vice President and Senators of the United States, $4,809,240.

For "Compensation and Mileage of the Vice President and Senators of the United States" for the period July 1, 1976, through September 30, 1976, $1,205,000.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND MAJORITY AND MINORITY LEADERS

For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $3,000; and Minority Leader of the Senate, $3,000; in all, $16,000.

For "Expense allowance of the Vice President, $2,500; Majority Leader of the Senate, $750; and Minority Leader of the Senate, $750"; in all, for the period July 1, 1976, through September 30, 1976, $4,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $584,065.

For "Office of the Vice President" for the period July 1, 1976, through September 30, 1976, $146,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For offices of the Majority and Minority Leaders, $239,000: *Provided*, That, effective July 1, 1975, the Majority and Minority Leaders may each appoint and fix the compensation of an executive secretary at not to exceed $24,160 per annum in lieu of $20,838 per annum and a clerical assistant at not to exceed $20,838 per annum in lieu of $17,818 per annum.

For "Offices of the Majority and Minority Leaders" for the period July 1, 1976, through September 30, 1976, $60,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For offices of the Majority and Minority Whips, $185,440: *Provided*, That, effective July 1, 1975, the Majority and Minority Whips may each appoint and fix the compensation of a legislative assistant at not to exceed $34,881 per annum.

For "Offices of the Majority and Minority Whips" for the period July 1, 1976, through September 30, 1976, $46,360.

OFFICE OF THE CHAPLAIN

For office of the Chaplain, $30,200.

For "Office of the Chaplain" for the period July 1, 1976, through September 30, 1976, $7,600.

OFFICE OF THE SECRETARY

For office of the Secretary, $3,064,575, including $216,530 required for the purpose specified and authorized by section 74b of title 2, United States Code: Provided, That, effective July 1, 1975, the Secretary may appoint and fix the compensation of a clerk, legislative information, at not to exceed $18,120 per annum and five clerks, stationery room, at not to exceed $12,382 per annum each in lieu of four clerks, stationery room,

at not to exceed $12,382 per annum each; and the Secretary may fix the per annum compensation of the editor, digest, at not to exceed $33,522 per annum in lieu of $28,992 per annum; a clerk, digest, at not to exceed $14,194 per annum in lieu of $11,778 per annum; a bill clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; an assistant bill clerk at not to exceed $12,080 per annum in lieu of $10,872 per annum; an assistant journal clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; a special assistant at not to exceed $15,402 per annum in lieu of $14,194 per annum; a deputy special assistant at not to exceed $14,194 per annum in lieu of $12,080 per annum; seven clerks at not to exceed $11,778 per annum each in lieu of $10,268 per annum each; a delivery clerk (office of the printing clerk) at not to exceed $10,872 per annum in lieu of $10,268 per annum; an assistant messenger at not to exceed $10,268 per annum in lieu of $9,966 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $8,758 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $7,852 per annum; and a chief reporter of debates at not to exceed $36,089 per annum in lieu of $36,000 per annum: Provided further, That the position of chief elections investigators at not to exceed $28,690 per annum is hereby abolished.

For "Office of the Secretary" for the period July 1, 1976, through September 30, 1976, $775,000, including $55,000 required for the purpose specified and authorized by section 74b of title 2, United States Code.

COMMITTEE EMPLOYEES

For professional and clerical assistance to standby committees and the Select Committee on Small Business, $8,934,592.

For "Committee Employees" for the period Judy 1, 1976, through September 30, 1976, $2,235,000.

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $185,425 for each such committee; in all, $370,850.

For "Clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee", $46,250 for each such committee; in all, for the period July 1, 1976, through September 30, 1976, $92,500.

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants to Senators, $45,642,178.

For "Administrative and Clerical Assistants to Senators" for the period July 1, 1976, through September 30, 1976, $11,450,000.

LEGISLATIVE ASSISTANCE TO SENATORS

For legislative assistance to Senators, $3,500,000.

For "Legislative Assistance to Senators" for the period July 1, 1976, through September 30, 1976, $900,000.

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of the Sergeant at Arms and Doorkeeper, $13,095,160: *Provided*, That effective July 1, 1975, the Sergeant at Arms may appoint and fix the compensation of the following positions (a) in the computer center: a director, computer center, at not to exceed $32,616 per annum and three computer specialists at not to exceed $19,328 per annum each in lieu of four computer specialists at not to exceed $19,328 per annum each; (b) in the Senate post office: sixty-seven mail carrier at not to exceed $10,570 per annum each in lieu of sixty-three mail carriers at not to exceed $10,570 per annum each; (c) in the service department: twelve messengers at not to exceed $8,758 per annum each in lieu of ten messengers at not to exceed $8,758 per annum each; (d) seven detectives, police force, at not to exceed $13,288 per annum each in lieu of four detectives, police force, at not to exceed $13,288 per annum each; sixteen technicians, police force, at not to exceed $12,382 per annum each in lieu of twelve technicians, police force, at not to exceed $12,382 per annum each; and 409 privates, police force, at not to exceed $11,476 per annum each in lieu of 389 privates, police force, at not to exceed $11,476 per annum each; (e) a clerk at not to exceed $16,308 per annum in lieu of a clerk at not to exceed $13,892 per annum; and (f) in the janitor's department: five laborers at not to exceed $4,530 per annum each in lieu of six laborers at not to exceed $4,530 per annum each: *Provided further*, That, the two positions of special employee at not to exceed $1,510 per annum each are hereby abolished.

For "Office of Sergeant at Arms and Doorkeeper" for the period July 1, 1976, through September 30, 1976, $3,275,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For offices of the Secretary for the Majority and the Secretary for the Minority, $296,245: *Provided*, That, effective July 1, 1975, and each fiscal year thereafter, the Secretaries for the Majority and Minority may each appoint and fix the compensation of an assistant during emergencies at rates of compensation not exceeding, in the aggregate at any time, $20,234 per annum, for not more than six months in each fiscal year.

For "Offices of the Secretaries for the Majority and Minority" for the period July 1, 1976, through September 30, 1976, $74,100.

AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $4,750,000.

For "Agency Contributions and Longevity Compensation" for the period July 1, 1976, through September 30, 1976, $1,200,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the office of the Legislative Counsel of the Senate, $584,110.

For "Office of the Legislative Counsel of the Senate" for the period July 1, 1976, through September 30, 1976, $147,000.

CONTINGENT EXPENSES OF THE SENATE

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $369,055 for each such committee; in all, $738,110.

For "Senate Policy Committees", $92,200 for each such committee; in all, for the period July 1, 1976, through September 30, 1976, $185,000.

AUTOMOBILES AND MAINTENANCE

For purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms, $40,000.

For Automobiles and Maintenance", for purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms for the period July 1, 1976, through September 30, 1976, $10,000.

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, including $570,180 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, $17,654,500.

For "Inquiries and Investigations", including $143,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, for the period July 1, 1976, through September 30, 1976, $4,415,000.

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, $86,575.

For "Folding Documents", for the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, for the period July 1, 1976, through September 30, 1976, $40,000.

MISCELLANEOUS ITEMS

For miscellaneous items, $14,184,200.

For "Miscellaneous Items" for the period July 1, 1976, through September 30, 1976, $3,550,000.

POSTAGE STAMPS

For postage stamps for the offices of the Secretaries for the Majority and Minority, $320; Chaplain, $100; and for air mail and special delivery stamps for the office of the Secretary, $610; office of the Sergeant at Arms, $240; and the President of the Senate, as authorized by law, $1,215; in all, $2,485.

For "Postage Stamps", for the offices of the Secretaries for the Majority and Minority, $80; Chaplain, $25; and for air mail and special delivery stamps for the office of the Secretary, $155; office of the Sergeant at Arms, $60; and the President of the Senate, as authorized by law, $305; in all, for the period July 1, 1976, through September 30, 1976, $625.

STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $4,500, and for committees and officers of the Senate, $24,750; in all, $29,250.

For "Stationery (Revolving Fund)", for the President of the Senate, $1,125, and for committees and officers of the Senate, $6,200; in all, for the period July 1, 1976, through September 30, 1976, $7,325.

ADMINISTRATIVE PROVISIONS

SEC. 101. For the purpose of carrying out his duties, the Secretary of the Senate is authorized to incur official travel expenses but such expenditures shall not exceed $5,000 during any fiscal year. The Secretary of the Senate is authorized to advance, in his discretion, to any designated employee under his jurisdiction, such sums as may be necessary, not exceeding $1,000, to defray official travel expenses in assisting the Secretary in carrying out his duties. Any such employee shall, as soon as practicable, furnish to the Secretary a detailed voucher for such expenses incurred and make settlement with respect to any amount so advanced. Payments to carry out the provisions of this paragraph shall be made from funds included in the appropriation "Miscellaneous Items" under the heading "Contingent Expenses of the Senate" upon vouchers approved by the Secretary of the Senate.

SEC. 102. Effective July 1, 1975, the first sentence of section 105(d)(1)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, is amended to read as follows: "The aggregate of gross compensation paid employees in the office of a Senator shall not exceed during each calendar year the following:

"$392,298 if the population of his State is less than 2,000,000;

"$404,076 if such population is 2,000,000 but less than 3,000,000;

"$432,464 if such population is 3,000,000 but less than 4,000,000;

"$469,006 if such population is 4,000,000 but less than 5,000,000;

"$498,904 if such population is 5,000,000 but less than 7,000,000;

"$530,312 if such population is 7,000,000 but less than 9,000,000;

"$564,438 if such population is 9,000,000 but less than 10,000,000;

"$590,712 if such population is 10,000,000 but less than 11,000,000;

"$625,140 if such population is 11,000,000 but less than 12,000,000;

"$651, 414 if such population is 12,000,000 but less than 13,000,000;

"$684,936 if such population is 13,000,000 but less than 15,000,000;

"$718,458 if such population is 15,000,000 but less than 17,000,000;

"$751,980 if such population is 17,000,000 but less than 19,000,000;

"$777,050 if such population is 19,000,000 but less than 21,000,000;

"$802,120 if such population is 21,000,000 or more."

SEC. 103. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(1) by striking out "actual transportation expenses incurred by employees" in subsection (a)(8) and inserting in lieu thereof "travel expenses incurred by employees"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee is a Senator's office including employees authorized by S. Res. 60, 94th Congress and section 108 of this title shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employees on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within the State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office, unless his candidacy in such election is uncontested. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.".

SEC. 104. Notwithstanding any other provision of law, the Committee on Government Operations is authorized, during fiscal year 1976, and the transition period, July 1, 1976, through September 30, 1976, to employ one additional professional staff member at a per annum rate no to exceed the rate for one of the four professional staff members referred to in section 105(e)(3)(A) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

SEC. 105. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $40,000. The Secretary for the Majority (other than the incumbent holding office on July 1, 1975) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $39,500. The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed $39,500. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $39,000. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $39,000. The Administrative Assistant in the Office of the Majority Leader and the Administrative Assistant in the Office of the Minority Leader may each be paid at a maximum annual rate of compensation not to exceed $38,000. The Assistant Secretary for the Majority and the Assistant Secretary for the Minority may each be paid at a maximum annual rate of compensation not to exceed $37,500. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $37,000. The Legislative Assistant in the Office of the Majority Leader, and the Legislative Assistant in the Office of the Minority Leaders, the Assistant to the Majority and the Assistant to the Minority in the Office of the Secretary of the Senate may each be paid a maximum annual rate of compensation not to exceed $36,500. The two committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriations Act, 1968, as amended and modified, whose salaries are appropriated under the heading "Salaries, Officers and Employees" for "Committee Employees" for the Senate during any fiscal year, may each be paid at a maximum annual rate of compensation not to exceed $38,000, except that the Committee on Commerce is authorized to pay two employees, in addition to the two employees referred to in clause (A) of such section, at such maximum annual rate of compensation during the fiscal year ending June 30, 1976, and the transition period ending September 30, 1976, The two committee employees, other than joint committee employees, referred to in clause (A) of section 105(e)(3) of such Act whose salaries are not appropriated under such heading may each be paid at a maximum annual rate of compensation not to exceed $37,500, except that the two employees of the majority policy committee and the two employees of the minority policy committee referred to in clause (A) of section 105(e)(3) of such Act may each be paid at a maximum annual rate of compensation not to exceed $38,000. The one employee in a Senator's office referred to in section 105 (d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $38,000. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,500. This paragraph does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This section is effective July 1, 1975.

SEC. 106. (a) Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (c) and by adding immediately below subsection (c) the following:

"(2) The aggregate amount that may be paid for the acquisition of furniture, equipment, and other office furnishings heretofore provided by the Administrator of General Services for one or more offices secured for the Senator is $20,500 if the aggregate square feet of office space is not in excess of 4,800 square feet. Such amount is increased by $500 for each authorized additional incremental increase in office space of 200 square feet."

(b) The amendment made by subsection (a) of this section is effective on and after July 1, 1975.

SEC. 107. Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (a) and by adding immediately below subsection (a) the following:

"(2) The Senator may lease, on behalf of the United States Senate, the office space so secured for a term not in excess of one year. A copy of each such lease shall be furnished to the Sergeant at Arms. Nothing in this paragraph shall be construed to require the Sergeant at Arms to enter into or execute any lease for or on behalf of a Senator.".

SEC. 108. (a) Pursuant to section 2 of Senate Resolution 60 (94th Congress, 1st Session), and subject to the requirements of this section, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

(1) A Senator serving on one or more standing committees named in paragraph 2 of Rule XXV of the Standing Rules of the Senate shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(2) A Senator serving on one or more standing committees named in paragraph 3 of Rule XXV of the Standing Rules of the Senate or, in the case of a Senator serving on more than two committees named in paragraph 2 of that Rule but on none of the committees named in paragraph 3 of that Rule; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(b)(1) Each of the amounts referred to in subsection (a)(1) shall be reduced, in the case of a Senator who is—

(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the aggregate annual gross rates of compensation of all staff employees of that committee or subcommittee (1) whose appointment is made, ap-

proved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to the amount referred to in section 105 (e) (1) of such Act, whichever is less.

(2) The amount referred to in subsection (a) (2) shall be reduced in the case of any Senator by an amount equal to the aggregate annual gross rates of compensation of all staff employees (i) whose appointment to the staff of any commitee referred to in subsection (a) (2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to the amount referred to in section 105(e) (1) of such Act, whichever is less.

(c) An employee appointed under this section shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

(d) An employee appointed under this section shall not receive compensation in excess of that provided for an employee under section 105(e) (1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(e) The aggregate of payments of gross compensation made to employees under this section during each fiscal year shall not exceed at any time during such fiscal year one-twelfth of the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) multiplied by the number of months (counting a fraction of a month as a month) elapsing from the first month in that fiscal year in which the Senator holds the office of Senator through the end of the current month for which the payment of gross compensations is to be made. In any fiscal year in which a Senator does not hold the office of Senator at least part of each month of that year, the aggregate amount available for gross compensation of employees under this section shall be the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) divided by 12, and multiplied by the number of months the Senator holds such office during that fiscal year, counting any fraction of a month as a full month.

(f) This section is effective on and after July 1, 1975.

On page 23, line 19, insert "TITLE II";

On page 32, at the beginning of line 5, insert "Sec. 201.";

On page 32, line 16, insert "TITLE III";

On page 32, in line 22, strike "$1,283,800" and insert "$1,084,615";

On page 32, in line 24, strike "$320,950" and insert "$271,150";

On page 33, beginning with line 11, insert the following:

AMERICAN INDIAN POLICY REVIEW COMMISSION

For salaries and expenses of the American Indian Policy Review Commission necessary to carry out the provisions of Public Law 93-580, $1,500,000.

For "American Indian Policy Review Commission" for the period July 1, 1976, through September 30, 1976, $300,000.

On page 34, in line 13, strike "$835,000" and insert "$635,000";

On page 34, in line 16, strike "$208,750" and insert "$158,750";

On page 37, in line 11, strike "$540,225" and insert "$564,820";

On page 42, in line 11, strike "$368,450" and insert "$374,350";

On page 42 in line 15, strike "$91,700" and insert "$93,600";

On page 43, line 6, insert "TITLE IV";

On page 43, in line 11, insert "including rental of space in the District of Columbia for meetings,";

On page 43, in line 12, strike "$5,600,000" and insert "$6,500,000: *Provided*, That not to exceed $435,000 of the funds remaining unobligated as of June 30, 1975, shall be merged with and also be available for the general purposes of this appropriation.";

On page 43, in line 17, strike "$1,400,000" and insert "$1,625,000";

On page 43, in line 18, insert "TITLE V";

On page 44, in line 17, strike "$113,000" and insert "$120,000";

On page 44, in line 24, strike "$28,250" and insert "$30,000";

On page 45, in line 15, strike out "preservation of historic drawings through use of document conservation laboratory facilities of the Library of Congress on a reimbursable basis;";

On page 46, in line 1, strike "$4,189,800" and insert "$4,144,500";

On page 47, in line 1, strike "$1,686,700" and insert "$1,685,000";

On page 47, in line 19, after the comma, insert "and the Legislative Branch Appropriations Subcommittees of the House and Senate,";

On page 48, beginning with line 12, insert the following:

SENATE OFFICE BUILDINGS

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Buildings; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), prevention and eradication of insect and other pests without regard to section 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all $8,000,000, of which not to exceed $783,600 shall be available for expenditure without regard to Section 3709 of the Revised Statutes, as amended, and shall remain available until expended for consulting services, design, testing, evaluation, and procurement of office furniture, furnishings, and equipment under a pilot program devised to provide guidelines and criteria for future procurements for such items for the Senate Office Buildings Complex: *Provided*, That the second proviso under the head "Senate Office Buildings" contained in the Legislative Branch Appropriation Act, 1972 (85 Stat. 138) is amended by adding at the end thereof, before the colon, the words "and, in fixing the compensation of such personnel, the compensation of four positions hereafter to be designated as Director of Food Service, Assistant Director of Food Service, Manager (special functions), and Administrative Officer shall be fixed by the Architect of the Capitol without regard to Chapter 51 and Subchapter III and IV of Chapter 53 of title 5, United States Code, and shall thereafter be adjusted in accordance with 5 U.S.C. 5307"

Not to exceed $225,000 of the unobligated balance of the appropriation under this head for the fiscal year 1975 is hereby continued available until June 30, 1976.

For "Senate office buildings" for the period July 1, 1976, through September 30, 1976, $2,050,000.

CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING

No part of the funds appropriated for "Construction of an Extension to the New Senate Office Building" shall be obligated or expended for construction, either on, above, or below street level, or any additional pedestrian entrances to the Dirksen Senate Office Building on the side of such building that faces First Street Northeast, or for construction of additional underground pedestrian walkways extending from the Dirksen Building through the Russell Building, or for construction of any restaurants or shops on the first floor of the Dirksen Building.

SENATE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $127,300.

For "Senate garage" for the period July 1, 1976, through September 30, 1976, $34,000.

On page 52, in line 8, strike "$2,050,000" and insert "$1,891,000";

On page 52, in line 8, strike out "$104,000" and insert "$78,000";

On page 52, in line 15, strike "$524,000" and insert "$485,000";

On page 52, beginning with line 16, insert the following:

ADMINISTRATIVE PROVISION

SEC. 501. (a) Whenever—

(1) the law of any State provides for the collection of an income tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and remitting such sums to the authorities of such State; and

(2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State;

then the Architect of the Capitol is authorized, in accordance with the provisions of this section, to enter into an agreement with the appropriate official of that State to provide for the withholding and remittance of sums for individuals—

(A) employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant; and

(B) who request the Architect to make such withholdings for remittance to that State.

(b) Any agreement entered into under subsection (a) of this section shall not require the Architect to remit such sums more often than once each calendar quarter.

(c) (1) An individual employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant may request the Architect to withhold sums from his pay for remittance to the appropriate authorities of the State that he designates. Amounts of withholdings shall be made in accordance with those provisions of the law of that State which apply generally to withholding by employers.

On page 55, line 11, insert "TITLE VI";

(2) An individual may have in effect at any time only one request for withholdings, and he may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholdings is effective on the first

day of the first pay period commencing on or after the day on which the request is received in the Office of the Architect, the Botanic Garden Office, or the Senate Restaurant Accounting Office except that—

(A) when the Architect first enters into an agreement with a State, a request for withholdings shall be effective on such date as the Architect may determine; and

(B) when an individual first receives an appointment, the request shall be effective on the day of appointment, if the individual makes the request at the time of appointment.

(3) An individual may change the State designated by him for the purposes of having withholdings made and request that the withholdings be remitted in accordance with such change, and he may also revoke his request for withholdings. Any change in the State designated or revocation is effective on the first day of the first pay period commencing on or after the day on which the request for change or the revocation is received in the appropriate office.

(4) The Architect is authorized to issue rules and regulations he considers appropriate in carrying out this subsection.

(d) The Architect may enter into agreements under subsection (a) of this section at such time or times as he considers appropriate.

(e) This section imposes no duty, burden, or requirement upon the United States, or any officer or employee of the United States, except as specifically provided in this section. Nothing in this section shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this section.

(f) For the purposes of this section, "State" means any of the States of the United States.

On page 56, in line 3, strike "$1,208,600" and insert "$1,205,000";

On page 56, line 7, insert "TITLE VII";

On page 56, in line 19, strike "$57,096,000" and insert "$57,525,000";

On page 56, in line 21, strike $14,838,500" and insert "$14,976,500";

On page 57, in line 5, strike "$6,753,500" and insert "$6,883,000";

On page 57, in line 7, strike "$1,768,000" and insert "$1,800,500";

On page 57, beginning with line 8, insert the following:

NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS

SALARIES AND EXPENSES

For necessary expenses of the National Commission on New Technological Uses of Copyrighted Works, $337,000.

For "Salaries and Expenses" for the period July 1, 1976, through September 30, 1976, $114,000.

On page 57, in line 20, strike "$16,136,700" and insert "$17,050,000";

On page 58, in line 7, strike "$4,286,300" and insert "$4,584,000";

On page 59, in line 16, strike "$15,813,000" and insert "$15,941,000";

In page 59, in line 18, strike "$3,728,000" and insert "$3,760,000";

On page 60, in line 14, strike "$4,036,500" and insert "$4,100,000";

On page 60, in line 25, strike "$138,700" and insert "$145,300";

On page 61, at the beginning of line 14, insert "Sec. 701.";

On page 61, at the beginning of line 20, insert "Sec. 702.";

On page 62, at the beginning of line 5, insert "Sec. 703.";

On page 63, at the beginning of line 3, insert "Sec. 704.";

On page 63, at the beginning of line 9, insert "Sec. 705.";

On page 63, at the beginning of line 15, insert "Sec. 706.";

On page 63, at the beginning of line 22, insert "Sec. 707.";

On page 64, at the beginning of line 5, insert the following:

SEC. 708. Funds available to the Library of Congress may be expended to purchase, lease, maintain, and otherwise acquire automatic data processing equipment without regard to the provisions of 40 U.S.C. 759.

On page 64, line 9, insert "TITLE VIII";

On page 66, in line 20, strike "$36,765,700" and insert "$33,250,000";

On page 67, in line 4, strike "$9,191,400" and insert "$8,312,000";

On page 68, line 20, insert "TITLE IX";

On page 69, in line 19, strike "$136,565,000" and insert "$135,930,000";

On page 70, in line 13, strike "$35,955,000" and insert "$35,800,000";

On page 70, line 18, insert "TITLE X";

On page 70, in line 24, strike "$1,642,000" and insert "$1,635,000";

On page 71, line 3, insert "TITLE XI";

On page 71, in line 8, strike "102" and insert "1101";

On page 71, in line 11, strike "103" and insert "1102";

On page 71, in line 23, strike "104" and insert "1103";

On page 72, in line 5, strike "105" and insert "1104";

On page 73, in line 17, strike "Committee on Appropriations" and insert "Secretary of the Senate";

On page 73, in line 23, strike "106" and insert "1105";

On page 74, beginning with line 22, insert the following:

SEC. 1106. Section 106 of the Legislative Branch Appropriation Act, 1975 is repealed.

SEC. 1107. Section 40 of the Revised Statutes (2 U.S.C. 39) is repealed.

SEC. 1108. Section 638a of Title 31 of the United States Code shall hereafter not be construed as applying to the purchase, maintenance, and repair of passenger motor vehicles by the United States Capitol Police.

SEC. 1109. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in Section 204 of the Supplemental Appropriation Act, 1975 (P.L. 93-554).

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

The PRESIDING OFFICER. On whose time?

Mr. HOLLINGS. The time to be mutually agreed upon, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. 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. HOLLINGS. Mr. President, on behalf of the Committee on Appropriations I am pleased to present to the Senate our recommendations of the appropriations for the legislative branch for the fiscal year ending June 30, 1976, and for the 3-month transition period to the new fiscal period beginning October 1, 1976. Inasmuch as the amounts for the transition period are generally a straight 25 percent of the appropriations recommended for 1976, I will confine these remarks to the committee's actions on the 1976 estimates.

When the bill passed the House of Representatives on May 21 it contained $698 million for fiscal 1976. However, in accordance with long-standing custom, the House did not make provision for budget estimates totaling $127 million for the Senate and Senate items under the jurisdiction of the Architect of the Capitol. By sheer coincidence, the amount of the increase recommended by the committee to the House bill happens to be slightly more than $127 million, so that the amount we recommend for fiscal 1976 is $825,372,685.

The committee has reduced the budget estimates by almost $12.9 million, and a summary of our actions appears on page 4 of our report. The level for 1976 exceeds the previous fiscal year by $57.7 million, of which 36 percent is for the House of Representatives that the committee has not changed in accordance with long-standing custom.

With that background, I will now highlight the major items in this bill.

SENATE

For the Senate, the committee recommends $118,836,775 an increase of $11,403,206 over the 1975 appropriations and $270,110 under the budget estimates. More than one-third of the increase for the Senate relates to the full year cost of the 5.52 percent pay raise effective October 1, 1974, that was largely absorbed in fiscal 1975.

At the request of the majority and minority leaders, the committee recommends salary increases for 181 top officials and employees of the Senate. The Senate took similar action last year but this year's proposal is more restricted. The salaries proposed permit a maximum salary of $40,000 in the case of the Secretary of the Senate, the Sergeant at Arms, and the Legislative Counsel so that their salaries will finally match comparable positions in the House. The proposed salaries for the other officers and high level employees are staged in increments ranging downward from $39,500 to $37,500.

The committee has also inserted several administrative provisions designed to improve the operations of the Senate. An increase is recommended in the allowance for furniture and furnishings supplied by the General Services Administration for Senators home State offices, another provision authorizes travel expenses of office staff of Senators.

The committee is well aware of Senate Resolution 60 which passed the Senate on June 12 and changed rule 25 of the Senate to entitle Senators to legislative assistants in connection with their committee business. Senate Resolution 60 provided two ways to fund the cost of the additional legislative assistants authorized. It could be left to operate as a rule and be funded from the contingent fund of the Senate. However, section 2 of Senate Resolution 60 stipulates that if a legislative assistance clerk-hire fund is established and funded, the

rule would be suspended. However, the clerk-hire fund must provide for assistance to Senators serving on committees at rates not less than those provided in the rule and subject to no more conditions and no greater limitations than those provided in the rule. The committee recommends funding of Senate Resolution 60 by establishing legislative assistance clerk-hire appropriation of $3.5 million. An administrative provision has been inserted in the bill to conform with the requirements of section 2 of Senate Resolution 60, but the committee has slightly liberalized the application of Senate Resolution 60 in answer to problems that have come up since its passage. These liberalizations permit a Senator to aggregate the entitlement instead of it coming to him in separate pots of money and place this fund on the accrual bases so that a Senator will have the same flexibility in the use of this money as he does with his administrative and clerk-hire fund.

Before leaving this particular item I should also note that the committee has merely provided for a straight continuation of the level of inquiries and investigations. There is pending before the Committee on Rules and Administration requests by the committees to raise the level by approximately $6 million. During the floor debate of Senate Resolution 60 it was indicated that the additional legislative assistance would obviate in large part the need for the additional $6 million. The Appropriations Committee looks forward to the action of the Committee on Rules and Administration and the Senate on the resolutions for inquiries and investigation.

The committee recommends the establishment of new statutory positions for the offices of the Secretary and Sergeant-at-Arms that reflect the increased workload of these offices, including 27 additional officers for the Capitol Police. The committee has also allowed the funds requested by the Secretary to set up a Senate Historical Office to collect and disseminate information on the vast amount of Senate documents that are stored in nooks and crannies throughout the Senate. I am also pleased to note that we have abolished a total of five statutory positions in these offices that are no longer needed. We have also established a new legislative assistant for each of the whips, funded two additional attorneys and a secretary for the Legislative Counsel, provided for emergency assistance to the secretaries of the majority and minority, and made temporary arrangements in the high level positions of the Committees on Commerce and Government Operations.

Before going further, I want to acknowledge the helpful assistance and cooperation of our new ranking minority member, the junior Senator from Pennsylvania (Mr. SCHWEIKER). We share a common goal of equipping the Senate with the most up-to-date tools available to do our legislative duties.

A considerable portion of our hearings this year were devoted to availability of computerized legislative information to Senators. We found that almost everyone had the information except Senators. The Sergeant-at-Arms has responsibility for the Senate Computer Center and he receives direction from the Committee on Rules and Administration. There has been much well-intentioned effort over the last few years, but Senators are still without the promised direct access to a legislative information system.

In our opinion the pace has been far too slow. At the committee's urging, arrangements have been completed to the legislative information system developed by the Library of Congress into each Senator's office via a dial-up computer terminal. By next year this temporary expedient will be replaced by the Senate's own telecommunications network that will bring a comprehensive legislative information system to a terminal in the Senator's offices, and to the committee offices, the Secretary of the Senate, and the offices of the secretaries for the majority and minority. The Senate system will go far beyond what the Library has in that it will provide status on amendments, committee action, and cover the purely Senate functions of approving treaties and nominations.

JOINT ITEMS

With respect to the joint items the committee recommends $54,712,310, or $1,131,310 more than allowed by the House, chiefly due to the inclusion of $1,500,000 for the American Indian Policy Review Commission. This is a new Commission headed by Senator ABOUREZK and their estimate came too late to be heard by the House. This Commission is charged with making a comprehensive review of the historical and legal developments underlining the American Indians unique relationship with the Federal Government and they are to make a report to the Congressional Interior Committees by December 1976.

The committee has provided only $100,000 over the continuing level for the Joint Economic Committee, a reduction of $199,000 from the amount allowed by the House, and has also not allowed the $200,000 that the House appropriated to the Joint Committee on Congressional Operations for two activities that the subcommittee does not consider appropriate for joint items.

OFFICE OF TECHNOLOGY ASSESSMENT

The committee recommends the full budget estimate of $6.5 million for the Office of Technology Assessment plus the reappropriation of $435,000 of the unobligated 1975 appropriations. There is a growing awareness of the capability of the OTA as a service arm of Congress and the committee was highly impressed by the projects outlined in the budget presentation. More than 60 requests have been received from committees on problem areas to be assessed and with the funds received, only half of these requests can be fulfilled.

ARCHITECT OF THE CAPITOL

The committee has allowed $40,285,000 for the numerous activities of the Architect of the Capitol. I am happy to report that this year the other body has seen the light and appropriated $350,000 for a master plan for Capitol Hill, an action which our committee has advocated for the last 2 years. The Architect assured us that the development of the long overdue master plan will not include the extension, full, partial, or otherwise of the West Front, and the committee expects the public, particularly our Capitol Hill neighbors, to be afforded an opportunity to comment during the plan's development. A new item that the committee fully supports is $2.7 million to make alterations and improvements to the buildings and grounds to provide facilities for the physically handicapped. The committee has also provided for a special research project to design, test and evaluate work station type office furniture and equipment in connection with the Dirksen extension. Excavation is scheduled to begin on the Dirksen extension in September and occupancy is now planned for early 1978, so it is essential to begin consideration of the furniture for the extension.

LIBRARY OF CONGRESS

The committee recommends a total of $117,135,600 for the Library of Congress. The committee's recommendations include restoration of 37 of the 83 positions denied by the House in the basic salaries and expenses appropriation, and full restoration of the amounts that the House cut for the books for the blind and physically handicapped. However, the two primary recommendations of the committee with regard to the Library pertain to the Congressional Research Service and the new National Commission on New Technological Uses of Copyrighted Works. In the case of the CRS we have restored 60 of the 107 positions denied by the House, primarily to expand the vital policy analysis and research activities to improve the services to Members and committees.

The National Commission on New Technological Uses of Copyrighted Works was authorized by Public Law 93-573 to study and compile information concerning the unprecedented problems arising from the use of copyrighted works by means of photocopy, computer storage and retrieval, and other new means of information processing and transfer.

GOVERNMENT PRINTING OFFICE

The committee had no choice but to go along with the $108,500,000 requested for printing and binding by the Government Printing Office. This is an increase of $28,500,000 over the appropriation for 1975, but $23.4 million of the increase is to cover deficiencies incurred in fiscal year 1973, 1974, and 1975 because of greater than estimated physical volume. For instance, the daily CONGRESSIONAL RECORD pages are up 11 percent and there seems to be no letup in the ever-increasing amount of hearings, reports, and other congressional printing. The committee has reduced the amount for the Superintendent of Documents by $3.5 million by denying a special subsidy requested for the Federal Register program. This program consists not only the Federal Register, but the Code of Federal Regulations, the Weekly Compilation of Presidential Documents and in the opinion of the committee the users of these publications are able to and should pay the full cost of producing them.

GENERAL ACCOUNTING OFFICE

The General Accounting Office is a major staff arm of the Congress in evaluating the effectiveness, economy, and efficiency of Federal programs. The Comptroller General estimated savings directly attributable to GAO recommendations totaling $562 million in fiscal year 1974, of which approximately $166 million is estimated to recur annually. In fiscal year 1974 the GAO submitted 553 reports on audits or special studies to the Congress, committees, and Members. This compares with 504 for the preceding year, and during the first 9 months of the current fiscal year 508 reports have been issued, more than the entire amount of 1973, and at a rate over 20 percent greater than fiscal 1974.

The committee has reviewed the additional staff-years allowed by the House of Representatives as allocated by the Comptroller General. The amount allowed by the House nets to half of the 260 additional staff years requested, but, when consideration is given to certain internal offsetting amounts, the increase is approximately two-thirds of the requests for the various Divisions and activities. The committee is in general agreement with the amounts allowed by the House as allocated by the Comptroller General except for an additional reduction of 28 staff years pertaining to GAO's responsibilities in connection with the Budget Act and the Office of Special Programs.

The committee's examination of the budget found that the General Accounting Office had assigned 104 staff years in the current fiscal year to budget and program analysis, congressional information services, and congressional budget support activities. This 104 consisted of 55 staff years already available and 49 staff years released by the phaseout of the former GAO campaign finance activities. An additional 61 staff years were requested for these functions. This internal reprograming included the establishment of an Office of Program and Budget Analysis, that has since been redesignated as the Office of Program Analysis.

A major and essential part of the new congressional budget operation will be the Congressional Budget Office. The committee was informed that the CBO will be presenting their budget estimates for consideration in the supplemental appropriations bill. The committee believes that there should be no further increases in GAO staffing in this area, and that the resources reassigned in 1975 for these functions are adequate for the responsibilities assigned the Office, until the total requirements of the Congressional Budget and Impoundment Act of 1974 can be completely assessed. Accordingly, the committee has allocated a total of 104 staff years to these responsibilities.

The committee is also concerned about the GAO's involvement in technology, particularly the possible overlap with the work of the Office of Technology Assessment. The Congress in establishing the Office of Technology Assessment specifically authorized that Office to give to the Congress a "new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects" of technological applications. Clearly, the Congress expects the OTA to take the lead role in assessments of the impact of technology applications. GAO is authorized to provide support to the OTA and is currently providing administrative services under an agreement between the two agencies. GAO is also confronted with technology in carrying out its examination of Federal programs, but the committee is concerned that there is some overlap with the OTA in the projects of the Office of Special Programs. The committee has reduced the House allowance for that Office by 6 staff years so that a total of 50 are funded.

The committee expects any personnel reductions necessary to carry out these recommendations to be accomplished through attrition.

COST-ACCOUNTING STANDARDS BOARD

The last agency in the bill is the Cost-Accounting Standards Board. Ths Board, which is chaired by the Comptroller General, was authorized by Public Law 91-379. Since the Board began operation in January 1971, 10 standards have been promulgated and nine are in effect and are required to be included in negotiated defense contracts. These standards improve the negotiation, administration, and settlement of defense contracts. Contractors who have more than $10 million in negotiated defense contracts must also file with the procuring agencies and the Board a full disclosure statement of their cost accounting practice which insures consistent application of those practices by defense contractors.

GENERAL PROVISIONS

There are several new general provisions at the end of the bill that I should comment on before concluding these remarks. First of all, the House added a provision that makes the reporting requirements of travel expenditures to interparliamentary groups conform with other foreign travel expenses reporting. This is a follow on to the amendment that the Senator from Iowa placed in the bill last year. The committee has modified the House language to have these reports filed with the Secretary of the Senate, where there are facilities for handling the reports, instead of having them filed with the Committee on Appropriations.

The committee has made three other changes to the general provisions. First of all we recommend repeal of language inserted last year to allow the Senate to hire an alien that is no longer required. While we are on the subject of repealing unnecessary laws, the committee also recommends the repeal of 5 U.S.C. 39 which provides for deductions by the Secretary of the Senate and the Sergeant-at-Arms of the House, from the monthly salary payments of each Member or Delegate, of the amount of his salary for each day that he is absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or some member of his family. This law has been in effect since August 1856, but has not been applied in the Senate since 1867 and it is high time it was repealed. The committee has also inserted language to exempt the vehicles of the U.S. Capitol Police from the price limitation on the purchase of police type vehicles.

Mr. President, in yielding to my distinguished colleague from Pennsylvania, once again let me point out that Senator SCHWEIKER has been a loyal supporter and a tremendous help to the entire Appropriations Committee in bringing this bill to the floor.

It is a tedious matter, getting all the housekeeping items, listening to all the complaints and ideas and suggestions. I do not know how many hours we have had in hearings, but many days, and an unusual amount this particular year.

Senator SCHWEIKER has been in attendance and has been cross-examining and trying to bring a reasonable solution to the many problems we have in the legislative branch in trying to really perform our duties in an increased fashion, on the one hand, and being totally mindful of the inflation and unemployment and restrictions on spending on the other.

I am delighted now to yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I commend my distinguished chairman of the Legislative Appropriations Subcommittee (Mr. HOLLINGS) for the leadership and intensive investigation that this committee has spent on a number of the items before us.

I have been on the committee several years and this represents one of the most thorough and intensive oversights of the whole legislative appropriations budget which I have seen and I think it is because of Chairman HOLLINGS' leadership and interest in this area that this thorough job was done. I commend him for it.

Mr. President, the distinguished chairman of the Subcommittee for Legislative Appropriations (Mr. HOLLINGS) has provided a detailed overview of this bill before us today. I support his comments and would like to make a few brief remarks to highlight certain features of the bill. They will not be very long.

This bill provides the funds that are necessary for the Congress to function, as well as the Library of Congress, the Government Printing Office, and the General Accounting Office. All of these activities in conjunction with the Architect of the Capitol have experienced the effects of inflation similar to other activities of Government and the private sector. This simply means that, although this bill as reported by the committee is $12,892,740 below the budget estimate, it is $57,679,857 over the 1975 appropriation. This is a fact of life growth to this appropriation and necessary if we are to continue the activities of 1975 and support improvements in 1976.

The committee has recommended salary increases for the top officials and staff positions of the Senators and the committees of the Senate. This increase will bring the salaries of these offices into

line with those of the House of Representatives. Funds have also been included to bring a computer terminal providing legislative information into each Senator's office. This system should assist all of us in developing needed information on bills to be considered by the Senate on an at-once, need-to-know basis. The committee has also recommended funds to provide for the legislative assistants clerk hire authorized by the recently approved Senate Resolution 60, which the chairman just described.

The subcommittee reviewed all of the budget request in detail and believes that the bill as reported by the committee represents the real requirements of the Senate and the other agencies. I urge the support of all of our colleagues in approval of this bill as reported by the committee.

I thank the Senator for yielding at this point.

Mr. CURTIS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 23, between lines 18 and 19, insert the following new section:

SEC. 108. Notwithstanding any other provision of law appropriated funds are available for payment to an individual of pay from more than one position, each of which is in the office of a Senator and the pay for which is disbursed by the Secretary of the Senate, if the aggregate gross pay from those positions does not exceed the amount specified in section 105(d)(2)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

The PRESIDING OFFICER. Will the Senator from Nebraska advise the Chair if this is the amendment for which 1 hour was set aside?

Mr. CURTIS. It is the same amendment referred to.

Mr. President, I do not believe it will take an hour unless some controversy arises that calls for considerable discussion that we do not anticipate.

I hope to present my part of it in 5 or 10 minutes.

The PRESIDING OFFICER. There will be 30 minutes to the side.

Mr. CURTIS. I thank the Chair.

Mr. President, here is what this amendment does. It permits two or more Senators to employ the same individual and each of the participating Senators pays a portion of the salary from his allocation.

Let me say to those who feel that this invites complications, it is a practice that the House of Representatives has carried out for a long time.

We are called upon to legislate on many complex subjects. Sometimes we want to reach out for some unusual talent and experience to help us. Perhaps we do not have enough money in our allowance to hire such a person full time.

There are also situations where even if we had the money we would not have need of such an expert full time. Consequently, it is in the interest of efficiency and economy that several Senators hire a particular professional with a particular expertise, with a particular training and experience.

Mr. President, may I say it is being done right now, but it is being done in a most awkward way. There are cooperating activities that take place here, where Senators are interested in the same subject and they rely upon the help of one individual. At the present time, however, one Senator has to put that individual on the payroll for a month or so, and then he is removed from his payroll and somebody else has him on their payroll.

This causes complications. It is awkward. It requires additional bookkeeping and accounting.

Also, Mr. President, sometimes it is impossible to do that because sometimes a Senator would not have an allowance adequate to pay the full salary for a short period of time when, at the same time, he could pay a fractional part of such a salary.

Mr. President, this matter was not presented in formal hearings of the committee. However, it was presented to the committee and I explained it.

I took this matter up with the legislative counsel. They prepared language that would do what we desire to do. I took that language to the distinguished chairman of the subcommittee (Mr. HOLLINGS) and the distinguished ranking minority member (Mr. SCHWEIKER), and presented it to them, together with the argument as to why this should be done.

The bill is here without the amendment. I am not critical of that because it is a new departure for the Senate. As I understand, there was a question or two raised in the minds of some that they did not take action on.

Mr. President, if I may have the attention of those in charge of the bill, I went back to the office of the legislative counsel. I told the counsel that I understand that certain technical questions have been raised about the amendment that we offer in that the amendment would be in conflict with two prior statutes. The counsel had informed me when he originally prepared the language that the language in this bill would do the job. Consequently, I asked him for a statement. I have it here and it is signed. I shall read it.

MEMORANDUM TO SENATOR CURTIS

This amendment to the Legislative branch appropriations bill for 1976, is designed to override any provision of law prohibiting the use of appropriated funds to pay an individual for serving in more than one position provided that such service is in the office of a Senator and the total pay of the individual does not exceed the maximum that a Senator may currently pay an employee referred to in section 105 (d) (2) (1) of the Legislative Branch Appropriations Act, 1968, as amended and modified (currently $34,881). The only provision of law currently imposing a limit on this type of employment is contained in section 5533 of title 5 of the United States Code. A similar provision appears in the Legislative Branch Appropriation Act, 1957 (70 Stat. 356, 360); however, the dual compensation limitations of title 5 would appear to have superseded the language of the Appropriation Act. In any event the language of the amendment is sufficient to override the limitation.

Respectfully submitted,

WILMER R. TICER,
Assistant Counsel.

Now, Mr. President, it is my hope that on the strength of this statement of the legislative counsel this amendment will be accepted. I am sure if there is any afterthought of some technical problem it can be resolved in conference, but I do not think that will be the situation. I think we can rely upon the legislative counsel's office.

Mr. President, I hope that the committee will accept the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I have the greatest respect for our distinguished colleague from Nebraska. I know he is very genuine in stating the purpose of this amendment is to permit the employment of a single Senate employee by two or more Senators. He characterizes it in the light of an expert who would be available to a group of Senators who would not be available within the amounts available to a single Senator. I can understand that.

Let me state right here and now it is not the technicality of the amendment, namely, that I would question whether or not this would be a legal amendment if it was adopted by the Senate. I oppose its adoption. The reason I oppose its adoption on behalf of the committee and the subcommittee is that as we have looked into all the requests, generally speaking, we have tried to adhere in the legislative branch, those practices that we exact upon the Executive.

It is always good to legislate generally with respect to Federal employees. But when it comes down to our club, namely, the congressional plant, then somehow or the other we seem to forget about all of these great principles.

Just the other day there was a subpena, and it was properly rejected under the law, but there was a subpena, for the confidential filings of Senators. There have been Senators running around here for the last 18 months referring to the secrecy of the executive branch, why did they not furnish tapes, why did they not furnish records, why were they exacting executive privilege.

The law states yes, the Select Committee on Standards and Conduct can see those confidential filings—that is six Senators, a bipartisan group—but no one else. We exacted legislative privilege, just as we had been complaining about executive privilege.

We are always talking about the Occupational Safety and Health Hazards Act. How you have in your particular business, so many rest rooms, so many fire extinguishers, and everything else. I have always wondered what would occur if we had an Occupational Safety and Health Act inspection of the office of the Senator from Pennsylvania, my distinguished friend. I know he takes this in

the right tenor. They could cart him off to jail. He would be a violator.

That is good for the businesses of America, it is good for the executive branch and everything else, but do not bring OSHA on us.

Or, again, on equal employment opportunity. If we brought the Equal Employment Opportunity Commission—we run it all over the country, to every business, but if we brought it around to every Senator's office, I wonder how many would pass the test.

This is the point that the Appropriations Committee is speaking to. We have a general law against dual compensation. It has been on the books for over 40 years. The Senator from Nebraska has cited it: it is title V, section 5533. The best historical references there pointed out the fact that this was a prohibition against any particular member of the executive branch, for example, serving more than one master, on the one hand, or accumulating salaries from various offices, on the other hand, to exceed certain levels. And while there have been practices, and I readily admit it, over on the House side, there is also a practice ongoing within the Senate, or just taking a particular expert and in fact employing him just as the employee of one Senator on his payroll for 1 month, and then transferring him to the next Senator's payroll for the next month. I am not saying that this is not to get around it, but, Mr. President, we do not want to confirm into law here, in a legislative appropriation, a substantive amendment to employee practices in the Government.

This is not a matter of legal opinion. It is not some little technical thing we could take to conference. We oppose this way of doing business with respect to Federal employees.

With that said, we did bring it up before the Subcommittee on Legislative Appropriations. I promised my friend—I talked with the Senator from Nebraska and I talked with the minority members as well as the majority members when we met and marked up the bill. I pointed out that Senator CURTIS felt very strongly about this, and if there were some way we could reconcile it I would be glad to do it, but that if I had my facts correctly I opposed it, and the subcommittee went along, and the matter was not raised in the full committee.

We will have to ask for the yeas and nays later when we get a quorum of sufficient Members to second the request, because we do have to oppose the amendment, Mr. President.

I reserve the remainder of my time on this side, and yield to the Senator from Pennsylvania if he wishes, or to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I would just like to make a little further statement.

Mr. SCHWEIKER. Surely.

Mr. CURTIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. SCHWEIKER. Mr. President, I will be glad to yield the Senator additional time.

Mr. CURTIS. For the moment, I yield myself 3 minutes.

The Senator has made a very stirring speech on OSHA and the Committee on Standards and Conduct. I hope he will repeat both speeches some time when we have something before us that is relevant to what he has said, because it has no relevance to what is to be done here today.

There is no question of ethics. There is no question of violating the law. We are making a law. There is no ethics involved if we want to change a law written some time back. There is ethics involved when we try to deviate around it. There is not any matter of ethics involved when we want our procedure to conform with the House of Representatives, where several Members can join in hiring an accountant or a lawyer or a researcher, or any other professional.

This is a matter of economy and efficiency. It will not add $1 to the expenditures, because it all has to be done within the limitation of the total allocation to each Senator, and all the rules as to how much can be paid would apply in this case.

I believe that the position of the committee is without any foundation whatever, and I believe that the adoption of the amendment will produce both efficiency and economy in the operation of the Senate, and will enable a number of Members to be better prepared on various items of legislation.

I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, in using the confidential filings to the Comptroller General, it was not the intent of the Senator from South Carolina to say that it was particularly an ethical question. Rather, I was trying to emphasize the fairness. I would characterize this as the amendment for unfair practices.

If you believe in this amendment, put in a bill and make it with respect to all Federal employees, and then we can debate it with respect to its merits as it affects Government workers in the legislative branch, in the judicial branch, and in the executive branch.

Every one of the arguments my friend makes for his experts and everything else could apply to everyone. But we have found it expedient to adhere to this particular law, particularly on the Senate side. As pointed out in this memorandum, regarding the Legislative Branch Appropriations Act of 1957—at that particular time we affirmed that no employee shall exceed a salary of $9,680. We said there shall not be dual compensation or dual employment, period, on the Senate side, because it had become burdensome to keep up the records, the allocations between Senate offices and committees for retirement, and the other employee benefits under all the particular categories.

I have the letter and the record and historical background on that, if it is of particular interest to anyone. It has not only been adhered to, but reaffirmed, on the Senate side, and there was no vote for the proposed change in the Appropriations Committee.

I think there was no vote for it in the Appropriations Committee because they felt that if we were going to start changing the dual employment provision in the law, we should do it not only for the legislative branch, but the other branches as well; and that is why we would still oppose this provision in this particular bill.

Mr. CURTIS. Mr. President, I yield myself 1 additional minute.

There is no request to change it for the executive branch. There is no particular need shown. We do have a need for it in the Senate, and everyone knows it.

This is no special privilege for Congress over the Executive. This is the Senate. The Senate is one body, and just as we have committee people who are assigned to a group, they are still employees of the Senate, and the committee is the agent of the Senate.

If the Executive have a need for this, let them come in and present their case. There is a need for it here. It is logical, it is right, and any idea that it is special privilege for the Senate is just ridiculous.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. CURTIS. I reserve the remainder of my time.

Mr. SCHWEIKER. Mr. President, I would like to ask any distinguished colleague how the procedure works now that he was describing a moment ago.

At the present time, I gather that when one Senator's time is terminated, another letter is written and the employee is put on for, what, a month or two? Could the Senator describe a little bit less technically what the procedure is now?

Mr. CURTIS. Yes, I think there are groups operating in the Senate that are working on projects that are not promotions, necessarily, of more Government projects or more expenditures, and balancing the budget, where the employees are put on the payroll by one Senator. He agrees to do it for a month. He writes a letter terminating the employment, and another Senator writes a letter putting the same employees on the roll. It is awkward and it is cumbersome. This is an easier way that we propose to do it.

Mr. SCHWEIKER. What I would like to propose to the Senator as a way out of our dilemma here is that if we were to get a determination from the financial clerk that instead of writing a new letter each month, which is tedious and quite bureaucratic in nature, whether it might help the Senator's objective and still meet the legal concern of the chairman if we were to have an understanding with the financial clerk to the point that he would accept a letter, one letter a year from the Senators involved just specifying that work and no further follow-up for the year would be needed. One letter a year from the Senators involved would mean one letter, and automatically then followed up, it would accomplish the purpose of the Senator and still not, in essence, upset the dual compensation feature.

Mr. CURTIS. I appreciate the willingness of the distinguished Senator to compromise on it, but that would not meet the need for this reason:

I or any other Senator might be able to allocate from his funds $400 or $500 toward the employment of an individual, but it just would be totally impossible

within his allowance to pay even that one-twelfth of the total salary in one month. If the total salary were $25,000, he would not have enough allowance to pay that full salary for a month. That is a problem that would not be met by just cutting down the number of letters.

Mr. SCHWEIKER. I do not think there is any limit as to how long you can keep a Senator's staff on the payroll. In other words, if the proviso were requested on a 2-week basis, I would think the financial clerk would still have to do the transferring on that basis.

Mr. CURTIS. But the problem is, suppose a Senator's regular staff takes most of his allowance and he just does not have enough money there to put a new staffer on for the full amount?

Mr. SCHWEIKER. I see, for that period of time.

Mr. CURTIS. For that period. But he is able to pay a fractional part of it for several months.

What disturbs the Senator from Nebraska is this: I believe the entire notion of the committee is erroneous. This dual compensation they have been talking about implies some sort of conflict of interest which I just cannot understand.

But I thank the Senator for his willingness to consider some compromise.

Mr. SCHWEIKER. Under the new procedures now, last year we changed the fact that a Senator can accrue his allowances. Up to last year, I guess it was, a Senator could not accrue his allowances, and so the amount of allowance he had for his staff in any one month was very critical. If he did not spend it that month, he lost it. Under the procedures we now have, which our committee changed, the allowance stays with a Senator the whole calendar year. So I do not think it would really be a problem under the accrual procedure, except possibly the first week, since there is the option of picking any number of Senators to take that first time frame. I am not sure it would be a mechanical problem just because we have the accrual right now where we did not have the accrual right before. I just throw it out as possibly a way out of the dilemma.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I am prepared to vote. I would ask for the yeas and nays, but, first, we would have to get one more Senator.

While we are presently getting the one more Senator, might I add—and I do not want to provide further discussion—but looking into this particular situation in January, 1973, I say to Senator SCHWEIKER we allowed the Senators to use his funds on an accrual basis rather than on a day-to-day basis. Prior to that particular time, if a Senator did not spend it today, he would not have it tomorrow.

During the debate on Senate Resolution 60, in the Chamber of the Senate, if my memory serves me correctly, Senator CANNON, the chairman of the Rules Committee——

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, completing that thought—prior to that time if the clerk-hire was not expended one day it went by the board.

Now we have accrued funds. Rather than forthrightly employing a legislative assistant to handle the committee work or legislation that the Senator may be working on, we now have a new group of employees pursuant to Senate Resolution 60 so that we have money left on our office clerk-hire allocation. As I remember, Senator CANNON pointed out that over a majority were returning moneys. I know this particular Senator returned over $20,000.

With these moneys lying around what is occurring is that people are breaking off into caucuses with the very intriguing and inviting idea of, "Why don't we get together, we think alike, and we will employ one or two fellows here and they can write us speeches, and they can do a little lobbying for us, preparing us, and everything else."

I happen to resist that particular practice. I think we are too fragmented now.

I was glad to see, as a Member from the South, that we are not having, I say to the distinguished chairman from Arkansas, southern caucuses any more. We are meeting generally as U.S. Senators on the Nation's problems.

I am very proud of our stand in this particular area. I do not believe we have had those caucuses or meetings for the last 3 or 4 years.

What is really being said is, "Let us instead of returning the funds for regular and State employees on the staff"—and it is hard to resist when somebody comes around—"let us all put in five, let us all put in ten rather than giving it back to the Government, and we have our little office and our little staff and we will start our little movement." That is what is going on. That is what this amendment is to provide for.

I resist that, but I particularly oppose the idea of providing this for the legislative branch and not for the executive and judicial branches.

My distinguished friend says there is no request from the other branches. I would think the common dictates of fairness would make that request in the Senator's mind. If we want to really change this basic law, it should be introduced, referred to the Committee on Post Office and Civil Service, and let it be debated in the Chamber for all Federal employees. We should not come around in an appropriations bill, having seen fit to keep the statutory provisions against dual compensation for at least 40 years on the books of the U.S. Government for all employees, but say: "With respect now to us we have a little proviso, and we can go ahead and do as we wish and compile and get the salaries together. We have amended the law for us but not for you."

I oppose the amendment, and I am prepared to yield back the remainder of my time, unless the Senator wishes to speak further to the amendment. I will hold the remainder of my time.

Mr. CURTIS. It is apparent we are going to have a rollcall on this amendment. I think when we get a quorum here I will have something further to say about it. So I reserve my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, does the distinguished Senator intend to call for a live quorum? We can put in a call for a quorum and divide it equally between both sides.

Mr. CURTIS. I do not think I will have any time remaining if I do that.

Mr. HOLLINGS. If I have any time, I am willing to divide that time with my distinguished friend.

Mr. CURTIS. Mr. President, I ask unanimous consent we have a quorum call and that it be charged to the debate on the bill.

The PRESIDING OFFICER. Is there objection?

Is that to be both sides equally on the bill?

Mr. CURTIS. Yes.

Mr. HOLLINGS. That is right.

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

The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 49 Leg.]

Allen	Hollings	Morgan
Byrd, Harry F., Jr.	Hruska	Schweiker
Cranston	Huddleston	Sparkman
Curtis	Long	Tower
Garn	Mansfield	Young
Helms	McClellan	
	McIntyre	

The PRESIDING OFFICER. A quorum is not present.

Mr. HOLLINGS. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk	Gravel	Nelson
Baker	Griffin	Nunn
Bartlett	Hansen	Packwood
Bayh	Hart, Gary W.	Pastore
Beall	Hart, Philip A.	Pearson
Bellmon	Hartke	Pell
Bentsen	Haskell	Percy
Biden	Hatfield	Proxmire
Brock	Hathaway	Randolph
Brooke	Inouye	Ribicoff
Bumpers	Jackson	Roth
Burdick	Javits	Scott, Hugh
Byrd, Robert C.	Johnston	Scott, William L.
Cannon	Kennedy	Stafford
Case	Laxalt	Stennis
Chiles	Leahy	Stevens
Church	Magnuson	Stevenson
Clark	Mathias	Stone
Culver	McClure	Symington
Dole	McGee	Taft
Domenici	McGovern	Talmadge
Eagleton	Metcalf	Thurmond
Fong	Mondale	Tunney
Ford	Montoya	Weicker
Glenn	Moss	
Goldwater	Muskie	

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the

Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Who yields time?

Mr. CURTIS. Mr. President, I yield myself five minutes.

Mr. President, this amendment—may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. This amendment would permit two or more Senators to employ the same individual on their staff. It would permit each of the participating Senators to pay a fraction of the salary. It would meet many needs of the Senate which would result in efficiency and economy.

There are situations where the two Senators from the same State are now operating joint offices back home. This would enable them for reasons of efficiency and economy to put one or two people in charge, and the salary could be paid by both Senators.

There are many other situations. Now and then there is a river basin that has special problems and where it is important that the Senators from that area have some expertise on that particular type of public works, just using this for an example. It is being done right now.

What we do is we put a person on the payroll for a month, then he goes off that Senator's payroll and somebody else has to take him on.

This would enable groups that have area problems, whether it is Appalachia or West Trails—is that the title of it?—a number of States or whether it is the two Senators from a State who want to hire one individual, this would permit them to do it. Or it may not have anything to do with geography or States. It may be that some Senators are involved in some legislation on a particular subject, and they have no need as individuals for a full-time expert, or maybe they cannot afford it because of the limitations and the needs of the rest of their staff.

Mr. President, this is something the House of Representatives has been doing since the year 1. They have never been accused of having special privileges. No one has ever risen on the floor there and said that the House is engaged in a questionable practice or that it is unfair to the executive branch. As a matter of fact, when title V was recodified, the House added some language preserving the thing that they have done all through the years, and that was done by a legislative committee.

Mr. President, there are other important matters for this body to look after. If it is the will of the Senate to deny this operation that has been going on in the House all the time, to deny the right of a group of Senators to act in an efficient and economical way to get something done, why, the Senator from Nebraska will accept that verdict. But I believe what is being asked for here is reasonable and fair. I do not think any argument has been presented against it that is valid or pertinent.

I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, assuming everything that the distinguished Senator from Nebraska has pointed out is the case, you still come down to the fundamental question, and the reason we oppose this particular amendment is, what is sauce for the goose is sauce for the gander.

If the Senator believes in what he says—and this was suggested at the time he presented it—then why not change the basic law that prohibits dual compensation? That has been on the statute books of the U.S. Government for all Federal employees for over 40 years. There has been no effort to change that; the reason for it being that no Federal employee should serve more than one master, that he should not be able to accumulate salaries and otherwise, which has been the basic consideration that has adhered to this particular law over the many years, and was reaffirmed in 1957, because the general law said not to exceed a salary level of $9,080. So the appropriations bill of 1957 in the U.S. Senate said, "We forbid dual payment of salary rates," and that is the policy in accordance with the law.

I am only saying to my distinguished colleague if all of these things are so desirable, so equitable, and so efficient, and everything else, then submit it to the Committee on Post Office and Civil Service as a general practice for Federal employees. This is the wrong way, the wrong bill, and we considered it so in the Subcommittee on Legislative Branch Appropriations. No one even raised it at the full committee because we felt this way about it.

Again, as we pointed out, and I know how my distinguished colleague feels about OSHA—he and I both together—but we are always requiring everything, I say to the Senator from North Carolina, for businesses, for everybody else, but not for us. How would you like to have an Occupational Safety Health Accident fellow come around to the office of the Senator from North Carolina—they would cart him off to jail as a violator because it is unsafe. You do not have enough extinguishers; the place is cluttered with desks; there are too many employees. You would be a violator. Yet we continue to pass that and exact it from and place it upon American industry.

How about the Fair Employment Practices Act? Come around to the Senators' offices. How many Senators are complying with that? "Oh, that is for the executive branch, that is for business in America," but not for a Senator. I just resist that approach to legislating in this body. I think it is wrong. I think it is absolutely wrong to come here and talk in these particular terms that really would promote loose practices rather than efficiency.

What has really happened is that we have gone to an accrual basis. Up until January 1973, may I say to the Senator from Nevada, if a Senator did not spend the money it was returned to the Treasury. But we changed that in January 1973. We have gone on to an accrual basis.

I pointed out that the debate on Senate Resolution 60 revealed that a majority of Senators are sending money back. If I recall one analysis correctly, some 53 Senators still in office refunded more than $20,000 each. Well, this is a movement that says, "Look, why give it back to the Government? Let us give it to old Joe, and he will set us up a conservative caucus; he will set us up a southern caucus or a northern caucus or an eastern caucus or a gas caucus, but get him a little office, we will get him a telephone, he can write speeches."

I do not think that is the way to run a Senate operation. That is just my personal thought, but I have to express it.

I hate to be told that this amendment is in the idea of efficiency when it is to promote inefficiency in the Senate accounts.

But mainly, I think, the Appropriations Committee rejected those ideas because if we thought everything that the Senator from Nebraska contends for is right and appropriate, then we ought to change the fundamental law that has been on the books for 40 years or more.

Mr. CURTIS. Mr. President, I yield myself 5 additional minutes.

Mr. President, I realize I am repeating some things here, but I have a greater audience and I cannot resist the temptation, I might convince more than I did. There may be some doubt about that, but I want to take the chance.

Mr. President, I think we have a pretty strong case here because the opposition is all over the whole lot in opposing it.

We do not have a single law that prohibits dual compensation on business or any branch of private enterprise. Yet, why liken this to OSHA? I could think of a better way to confuse.

Mr. President, this is not a special privilege for the Senate. This is a move to conform what the House has been doing for years and a right that they have preserved in all of the legislation. I resent the idea that this is hatched so that if we have some money left in our allowances we could pool it together and hire some nice person.

I think it is much more efficient if two Senators are operating offices back home if both offices want to participate in employing one person and that person having responsibilities to both Senators, that that should not be prohibited.

I also think that if there is a regional problem, such as a river basin, where the Senator is involved and wants to hire somebody with some particular expertise and they all pay a fraction, that that should not be prohibited.

I do not think the Senate exceeds the House in purity. There is not any ethical problem involved here. The House has been doing this for years. Furthermore, it is not compulsory, it is permissive.

Mr. President, I am ready to yield back the remainder of my time if the distinguished Senator from North Carolina will do so.

Mr. HOLLINGS. South Carolina.

Mr. CURTIS. I apologize to everybody involved.

Mr. HOLLINGS. I am always complimented to be associated with my colleagues from North Carolina.

Mr. President, this would be one of the House practices that we could find some merit in.

I am a good enough politician to not be critical of House colleagues, but taking that as an argument of their practices, giving 36 trips in cash, to walk up to a window and get it, of stationery amounts, and get a personal check. It was in my campaign I had to answer for the Congress last year and they said that I had gotten a $10,000 increase and there were all the stories about the House practices in the closing days.

Let us not use that as a basis for loose practices here on the Senate side, specifically for amending a basic law, title V, section 5533, applying to the Federal employees in the Pentagon, the Senate, the executive branch, the judiciary, and everywhere, that has been the policy with respect to the Federal employees.

I say that if the Senator wishes to amend it, to change it, let us do it for all Federal employees, not just for the club. I hate for us to pose in that position, for the club we can see merit, but we never see merit anywhere else.

I think this is what is causing the lack of confidence in the legislative branch and that is why we oppose this amendment, to try to build up confidence in the Congress to show them we are treating all employees fairly.

Yes, fair employment practices. If I had to characterize the amendment, this would be known as the amendment on unfair employment practices.

Simply stated, over in the Senate, if one is a Federal employee, one can get moneys for the several payrolls, but if one is in the executive or judicial branch of this Government, only one payroll.

On that basis, we have to oppose the amendment.

I am prepared to yield back the remainder of my time.

Mr. CURTIS. I yield back the remainder of my time.

Mr. HOLLINGS. The yeas and nays have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. 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 Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 44, nays 50, as follows:

[Rollcall Vote No. 264 Leg.]

YEAS—44

Abourezk	Bartlett	Bentsen
Allen	Beall	Brock
Baker	Bellmon	Brooke
Byrd, Harry F., Jr.	Hathaway	Scott, William L.
Culver	Helms	Stafford
Curtis	Hruska	Stevens
Dole	Javits	Stevenson
Domenici	Johnston	Taft
Fong	Laxalt	Talmadge
Garn	Long	Thurmond
Glenn	McClure	Tower
Goldwater	Morgan	Weicker
Griffin	Nelson	Young
Hansen	Packwood	
Hatfield	Percy	
	Roth	

NAYS—50

Bayh	Haskell	Moss
Biden	Hollings	Muskie
Bumpers	Huddleston	Nunn
Burdick	Inouye	Pastore
Byrd, Robert C.	Jackson	Pearson
Cannon	Kennedy	Pell
Case	Leahy	Proxmire
Chiles	Magnuson	Randolph
Church	Mansfield	Ribicoff
Clark	Mathias	Schweiker
Cranston	McClellan	Scott, Hugh
Eagleton	McGee	Sparkman
Ford	McGovern	Stennis
Gravel	McIntyre	Stone
Hart, Gary W.	Metcalf	Symington
Hart, Philip A.	Mondale	Tunney
Hartke	Montoya	

NOT VOTING—5

Buckley	Fannin	Williams
Eastland	Humphrey	

So Mr. CURTIS' amendment was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment as follows:

On page 11, line 2, strike "$14,184,200." and insert in lieu thereof "$14,184,018.80."

Mr. TOWER. Mr. President, on June 9 of this year, two of my constituents—Paul and Nancy Campbell of Houston, Tex.—sent me their tax rebate check and asked that it be used to reduce our national debt.

In his letter, Mr. Campbell said:

Since I do not subscribe to deficit spending, but have no recourse but my vote, I am anxious to return my tax rebate and ask that it be applied to our national debt. I believe it is extremely important to reduce our debt and return this country to a sound fiscal policy.

It has long been my conviction, Mr. President, that the average American is willing to make the sacrifices that need to be made in order to resolve our current economic problems. My conviction was confirmed by the selfless, patriotic gesture of Paul and Nancy Campbell, who returned their tax rebate check of $181.20 to diminish by that amount our $70 billion budget deficit.

I returned their tax rebate check to the Campbells. The problem posed by the budget deficit is not that taxpayers are taxed too little, but that politicians spend too much. The solutions to the problems posed by a $70 billion budget deficit can be found right here, in the Senate and in the House. It is we who authorize the spending programs that are now running virtually out of control. It is our responsibility to trim them back.

Even though it is the Congress, and not the Campbells, who must resolve our financial problems, I feel that this generous and patriotic gesture should not go unrecognized or be without effect.

In my reply to the Campbells, I promised that I would move to reduce an upcoming appropriations bill by $181.20—the amount of the Campbells' tax rebate.

In view of my correspondence with the Campbells, I think the timing could not be more appropriate as far as this particular bill is concerned. Like charity, spending cuts should begin at home, and the legislative branch appropriations bill directly affects all of us who serve in this body.

What my amendment will do, quite simply, is reduce spending under the "miscellaneous items" section of this bill by $181.20. More specifically, I move that we reduce funding for this section from $14,184,200 to $14,184,018.80.

Mr. President, I have proposed amendments of more substantive import than this during my service here in the Senate, but none, I think, of more symbolic import. The Senate, by approving what I hope will be known as the Campbell amendment, will first—albeit in a very small way—be striking a blow for fiscal responsibility. Hopefully, much heavier blows will follow.

Second, the Senate will be demonstrating its responsiveness to heartfelt desire of the American people: The Senate will provide proof positive that we do listen to what the people have to say.

I am hopeful that my amendment will be accepted, Mr. President, and I ask consent that the letter Mr. and Mrs. Campbell sent to me and my response to them be printed in the RECORD.

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

WASHINGTON, D.C.,
June 23, 1975.

Mr. and Mrs. PAUL C. CAMPBELL,
Houston, Tex.

DEAR MR. AND MRS. CAMPBELL: It has long been my conviction that the American people are not getting the kind of government that they deserve, and certainly not the kind of government they have been paying for. Your letter proves me correct.

The lobbying groups who have lined up to feed at the public trough claim they speak for "the people," and that the people are demanding more and more spending programs from Big Government.

I believe the average American is willing to make the sacrifices that need to be made in order to resolve our current economic crisis. Your letter strengthens me in that belief. I hope the example you have set by your unselfish action will cause some freespending members of the Senate and House to face up to the threat posed to our economy by a $70 billion budget deficit.

I must return your check. It is your money, and you are entitled to it. The problem posed by the deficit is not that taxpayers are taxed too little, but that politicians spend too much. The solution to the problem can be found only here, in Congress.

I want you to know, however, that you have not made this noble gesture in vain. I will propose an amendment to the very next spending bill that comes before Congress that will reduce its appropriation, whatever it may be, by $181.20, the amount of your tax rebate.

Best regards to you and your family. I am proud to have you both as constituents.

Sincerely,

JOHN TOWER.

JUNE 8, 1975.

Senator JOHN TOWER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR TOWER: At the time Congress passed the 1975 tax rebate law, I was somewhat disappointed that once again our Federal Government insisted on deficit financing to answer a "crisis". My personal belief is that this type of logic has put our country in the present inflation "crisis." This inflation has brought about, in large part, the recession, I believe. Since I do not subscribe to deficit spending, but have no other recourse but my vote, I am anxious to return my tax rebate and ask that it be applied to our National debt. I believe that it is extremely important to reduce our debt and return this country to a sound fiscal policy.

I agree that we should have compassion for the less fortunate people, but the large outlays of public funds is a detriment to us all rather than a favor for a few.

I have thought about this for some time, and even though my family and I could use the money, I firmly believe that we must all reduce our spending for the long time good of this country.

Because this is my first time to write a Senator of the United States, which is a fault for which I must apologize, I would like to quickly offer the following:

1. Urge President Ford to release to the American Public all CIA data available regarding domestic problems. Even though there might be short term eruptions due to such releases, the consequences would certainly be less than Watergate.

2. Recommend to the Congress that all lobbying be eliminated in Washington. Since the individual has limited access to our Congressmen, I believe that Special Interests should be limited to letter writing, especially when much of the expense of maintaining lobbying personnel in Washington is tax deductible through company expenses.

I want to thank you for your efforts, for I know that your minority position in the present Congress must be frustrating at best.

I pray you and our Country good health. May God Bless you and us all.

Yours truly,

PAUL C. CAMPBELL.

Enclosure: Treasury check No. 68,038,656, $181.20.

Mr. TOWER. Mr. President, I hope that the managers on the part of both the majority and the minority will be willing to accept my amendment.

Mr. HOLLINGS. Mr. President, we want to accept this amendment. However, I wonder if I could ask our distinguished friend from Texas if he would just round it out at $14,184,000. While we are trying our best to save the $181.20, they tell me that carrying that $18.80 on the end through the computer will cost the Government more than $18.80.

Mr. TOWER. I think the Senator from South Carolina has a point well taken, and I am willing to knock off the other $18.80 and round out the figure. I accept the modification proposed by the Senator from South Carolina.

Mr. HOLLINGS. Is the amendment so modified? On that basis we would be willing to accept it.

The PRESIDING OFFICER. The amendment is so modified.

Mr. HARRY F. BYRD, JR. Mr. President, before we vote, I commend the Senator from Texas for his amendment.

I commend Mr. and Mrs. Campbell. I think that attitude which they show toward their Government is one which should be recognized by the Senate of the United States as is being proposed today by the able senior Senator from Texas.

The Senator from Virginia had a similar letter from a gentleman from Sandston, Va., recently, in which he attached his check for $200, the refund that he received from the Government. In his letter to me he asked that his name not be used. Therefore, I will, of course, comply with his wishes, but in his letter to me he stated that that represented 30 percent of his total savings account, and yet he felt that he wanted to return that to the Government, because he is deeply concerned as an American citizen by the deficit financing policies of the Government of the United States.

I take this occasion to commend my fellow Virginian, who sent me that check to be returned to the Treasury, which I have done.

I commend also this very fine couple, Mr. and Mrs. Campbell, from Texas, who likewise have returned their refund.

I think that it dramatizes that there are a great many American citizens who are deeply concerned with what I consider to be reckless spending policies of the Federal Government. They want some responsibility brought back into the handling of the tax funds of our Nation.

I commend the Senator from Texas for presenting this amendment and am pleased that it will be approved by the Senate.

Mr. TOWER. I thank my good friend from Virginia for his comment. He has always in his career in the Senate, I know, reflected the concern of the citizens of his State for fiscal responsibility. I appreciate his joining in this discussion.

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

Mr. TOWER. I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. First, I commend the distinguished Senator from Texas for this amendment. I think it points up the problem we have in Government today, and I think it is very appropriate.

I certainly, on our side of the aisle, am willing to accept this amendment and commend him for it.

Mr. TOWER. I thank the Senator from Pennsylvania and the Senator from South Carolina.

Mr. HOLLINGS. We are prepared to accept the amendment. We are ready to vote.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

Mr. BARTLETT. 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:

Mr. BARTLETT, for himself and Mr. HELMS, proposes an amendment, as follows:

At an appropriate place in the bill insert the following:

SEC. . The Architect of the Capitol shall study and submit his recommendations to the Congress within three months of a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

Mr. BARTLETT. Mr. President, at a time when the Nation is looking to Congress to take out a very sharp pencil and cut back, they have been disappointed in some areas where they have not seen this kind of action.

I think here is an opportunity to take a good look at an area that is definitely under the control of Congress, which appears to many people with whom I have talked as an excess use of personnel to operate the elevator complex that we have in the Capitol area.

This amendment would require study and a submission of a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex.

I do not know exactly what percentage of the elevators are automatic, but I think it is safe to say that at least 50 percent, and so we are talking about at least a quarter of the elevators for the Senate itself. The salary of the elevator operator is $7,715. There are 70. That amounts to $540,000.

There are some people who think that that figure I have may be just the starting salary and it may be a higher figure. So we are talking something about a savings in the Senate alone of $200,000, and for the House of Representatives it would be presumably even a higher figure.

I believe that this is a small step but, nonetheless, a step in the right direction of the Congress action in their own backyard to cut down on spending at a very crucial time economically and fiscally for this Nation.

Mr. HOLLINGS. Mr. President, the committee is ready to accept this particular amendment. As the Senator from Oklahoma presented it, it seems to me under that wording it could be construed that we as a body were finding that there should and could be economically a 50-percent saving in Senate elevator employees. I do not know. As the Senator from Oklahoma himself has stated, he does not know how many self-operating elevators we have. They are under the Architect, in all of our buildings and on both sides.

I certainly accept the spirit of his amendment that we should economize where we can, and in that vein we are prepared to accept the study and recommendations from the Architect. He well could recommend that it would be false economy. He could well recommend rather than just a 50-percent reduction, it be 80 percent, even more, or some less. But that is the way we are inclined to accept this amendment, that a study and recommendation should be made by the Architect on this particular matter.

Mr. PASTORE. Mr. President, I certainly have no objection to this amendment. But I am a little bit astonished. I realize that this establishment has been slipping. I am wondering how far we are going to fall before we begin to impress the people of this country as to the responsibility and integrity of this great body.

Only 3 weeks ago we peddled out a new assistant on several committees to every

Member of the Senate—jobs that were absolutely unnecessary. Senators felt that they had to have it because they cannot attend the hearings, so they want someone else to go there and come back and report.

I am telling you, frankly, the trouble with the Senate today is overstaffing and not understaffing.

But now here we are, we are picking on these young boys and these young girls who are going to college, and we are trying to impress the people of this country that here we are, the Senate is going to save $200,000 when we spent over $4 million to accommodate the Senators only a few weeks ago.

I am not going to raise any fuss over it, Mr. President. But how far are we going to go—How far are we going to go before we begin to act like Senators?

Mr. SCHWEIKER. Mr. President, I support the amendment of the Senator. I think that we should look everywhere we can to do it and to make sure the dollars we are spending are utilized. I think this is a question of when we have an automatically operated elevator how we are going to use it effectively, whether it is college, noncollege, or high school personnel, or what.

I think we should apply the same test we do downtown and as we do in industry. I think this is a good place to take a hard look, and I am willing to accept the amendment.

Mr. BARTLETT. Mr. President, I express my appreciation to the distinguished floor manager, the Senator from South Carolina, and the distinguished Senator from Pennsylvania. I know I share their interest in economizing in our operations as well as other operations of Government, and I understand this is acceptable.

I yield back the remainder of my time.

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

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PASTORE. Mr. President, I should like the RECORD to indicate that the senior Senator from Rhode Island voted against the amendment.

The PRESIDING OFFICER. The RECORD will so indicate.

Mr. GOLDWATER. Mr. President, I should like the RECORD to show that the junior Senator from Arizona voted against the amendment.

The PRESIDING OFFICER. The RECORD will so indicate.

The bill is open to further amendment.

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment:

At the end of the bill insert the following: Notwithstanding any other provision of this Act all monetary figures herein are cut by 10 percent.

Mr. HOLLINGS. Mr. President, will the Senator yield, so that we can get the yeas and nays on the passage of the bill?

Mr. HELMS. Mr. President, I ask unanimous consent that we get an order for the yeas and nays on the amendment, also.

Mr. HOLLINGS. All right.

Mr. HELMS. 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. HOLLINGS. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I am going to make the briefest speech of the day in the U.S. Senate.

This amendment will give the Senate an opportunity to put up or shut up on economy in Government. That is my speech.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, if I recall the amendment correctly, as I heard it read—this is the first it has come to our attention—it provides that we have a 10-percent cut to every appropriation in this bill. It is put in the category of "put up or shut up."

I am sure that my friend, who is for law and order, does not want to cut the appropriation for the Capitol Police officers by 10 percent. We have an increased burden, an increased duty. In fact, going into the latter half of fiscal year 1976, for which this bill provides, we are going to have the Bicentennial, and the police are going to take on increased duties.

I could list everything, with respect to the Library of Congress we have the books for the blind and physically handicapped. We also have the General Accounting Office, and with this amendment we would have 10 percent less oversight and auditing of the functions of Government.

I cannot go along with my distinguished friend on the idea of "put up or shut up," as though one is either for or against economy. I think that economy is a penny wisely spent, and that is the way this bill has generally been submitted to the Senate. If we could have had a 10-percent cut, I would have been for it.

On that basis, I oppose the amendment.

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

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. On this question 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 Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. FANNIN), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

The result was announced—yeas 19, nays 74, as follows:

[Rollcall Vote No. 265 Leg.]

YEAS—19

Allen	McClure	Stone
Bartlett	Nunn	Talmadge
Byrd, Harry F., Jr.	Percy	Thurmond
Curtis	Proxmire	Tower
Goldwater	Roth	Weicker
Hansen	Scott, William L.	
Helms	Stafford	

NAYS—74

Abourezk	Gravel	McIntyre
Baker	Griffin	Metcalf
Bayh	Hart, Gary W.	Mondale
Beall	Hart, Philip A.	Montoya
Bellmon	Hartke	Morgan
Bentsen	Haskell	Moss
Biden	Hatfield	Muskie
Brock	Hathaway	Nelson
Brooke	Hollings	Packwood
Burdick	Huddleston	Pastore
Byrd, Robert C.	Humphrey	Pearson
Cannon	Inouye	Pell
Case	Jackson	Randolph
Chiles	Javits	Ribicoff
Church	Johnston	Schweiker
Clark	Kennedy	Scott, Hugh
Cranston	Laxalt	Sparkman
Culver	Leahy	Stennis
Dole	Long	Stevens
Domenici	Magnuson	Stevenson
Eagleton	Mansfield	Symington
Fong	Mathias	Taft
Ford	McClellan	Tunney
Garn	McGee	Young
Glenn	McGovern	

NOT VOTING—6

Buckley	Eastland	Hruska
Bumpers	Fannin	Williams

So Mr. HELMS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLINGS. Mr. President, for the information of the Senate, we have three housekeeping amendments, some technical amendments. The three amendments refer to the Vice President's office, the Office of Technology Assessment, and one placing a limitation on pages' salaries, exempting them from any cost-of-living increase which might be promulgated by the President later on in October.

I hope we can adopt these amendments. The yeas and nays have been ordered on final passage, and if we can adopt these by voice vote we can move here to final passage in the next 10 minutes.

Mr. SCHWEIKER. Mr. President, I just want to say the minority has looked over these amendments, and they are acceptable to us.

The PRESIDING OFFICER. Are they at the desk?

Mr. HOLLINGS. Yes, they are and I call up first the Vice President's office salary amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 18, line 8: strike the figure "$37,500" and insert in lieu thereof "$33,000".

Mr. HOLLINGS. Mr. President, this was an oversight. When we provided for

the administrative assistants to the Senators and for the top staff positions of the standing committees, we forgot the relationship that we have maintained with respect to the Office of Legislative Counsel and the Vice President's office.

I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. I now call up the amendment on the Office of Technology Assessment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 43, line 12, strike: "for meetings" and insert in lieu thereof: "in the North Capitol Plaza Building at 400 North Capitol Street, N.W."

Mr. HOLLINGS. Mr. President, just yesterday it was brought to my attention by the Chairman and Vice Chairman of the Technology Assessment Board that there is an opportunity to rent critical needed space for the Office of Technology Assessment in a building adjacent to the Capitol Grounds at 400 North Capitol Street NW.

At the current time the OTA staff and the assessment panels are located in four widely separated locations on Capitol Hill. By allowing the OTA to lease space in the North Capitol Plaza Building, all of OTA's activities could be brought together under one roof. As I indicated, the North Capitol Plaza Building is at 400 N. Capitol Street NW which is just across the street from the Capitol grounds and is therefore hardly any further away than their present main location in the Immigration and Naturalization Building.

The North Capitol Plaza Building was originally constructed to provide additional space for the Securities and Exchange Commission whose headquarters is immediately adjacent. As the Senate will recall, the Securities and Exchange Commission is moving to another location so the Office of Technology Assessment can acquire this space at a fair rate.

It is estimated by OTA that they will require 38,000 square feet of space and the realtor is charging $7.50 per square foot so the annual cost of the space will amount to $285,000. This space will be altered to OTA's specifications and should be sufficient to house the OTA's staff for several years in the future. The committee expects the OTA to consult with the officials of the General Services Administration who are experts in real estate transactions of this sort in order to derive the best possible deal in this transaction.

In addition to the annual leasing costs there will be one time costs in fiscal year 1976 to replace the furniture that OTA must return to the Superintendent of the Senate Office Buildings and for miscellaneous costs involved with the move. These one time costs are estimated at $250,000. We have made no additional provision in the bill for this move.

Both Senator SCHWEIKER and I serve on the Technology Assessment Board and we are familiar with the present working conditions of OTA. There is a great need to provide sufficient and suitable space and we regard this as an excellent opportunity to satisfy this need.

Mr. President, this has been checked with the minority and with the chairman of the Rules Committee, the distinguished Senator from Nevada (Mr. CANNON). The Rules Committee says they need the space OTA now occupies for other purposes. I move the adoption of the amendment, and I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. I call up the amendment relative to the pay of pages of the Senate and the House of Representatives.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 75 after line 9 insert the following new section:

SEC. 1110. Not withstanding any other provision of law, none of the funds in this Act shall be used to pay Pages of the Senate and House of Representatives at a gross annual maximum rate of compensation in excess of that in effect on June 30, 1975.

Mr. HOLLINGS. Mr. President, this would—I used the word "exempt"—but at least avoid the pages from being included in the comparability pay raise. Under the law, the executive branch of Government will submit to Congress in October a comparability pay raise which will account for the cost of living since the last increment was presented to this body.

Yesterday we conferred with the chairman of the House Legislative Subcommittee on Appropriations, Mr. CASEY, of Texas, and he suggested that this amendment be included.

I, in turn, have checked with the leadership on both sides; I have checked with the Sergeant at Arms, the Secretary for the majority and the Secretary for the minority, and there is a general feeling that the salary of the pages presently at a salary not to exceed $9,060 in the case of the Senate—is sufficient. There are 30 Senate pages with some 13 in the summertime at the rate of $500 per month for a 2-month period. That is a pretty good level of pay, and we do not want that just to go up automatically with any kind of incremental pay increase submitted by the executive branch later on in October.

We have a fine group of pages, all young leaders, serving the Senate excellently. However it would cause us some concern to see their salaries increase by 5 to 9 percent so that they would be receiving salaries in excess of people who are grown and who are supporting families. We wanted to limit that salary, and that is why we submitted this amendment.

Mr. SCHWEIKER. Mr. President, I support the amendment for the reasons the chairman stated.

I want to emphasize that this is merely setting a ceiling. It does not preempt a right from time to time to review the ceilings and raise them.

There is no intent to permanently freeze, but simply so that it shall not be a matter of automatic increase.

I want to make the RECORD show it does not preclude us from changing the ceiling, but just limits the automatic escalator from applying this year.

I yield back my time.

Mr. HOLLINGS. I yield back my time.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HOLLINGS. Mr. President, in reviewing the bill I have found a few minor technical typographical errors and I ask that these technical amendments be considered and approved en bloc.

The amendments are as follows:

On page 14, line 17: strike "S. Res." and insert "Senate Resolution"

On page 14, line 18: after "Congress" insert a comma and "agreed to June 12, 1975"

On page 15, line 17: after the period insert the following: "This section shall be effective July 1, 1975."

On page 18, line 9: strike the word "paragraph" and insert in lieu thereof "section"

On page 19, line 20: after the figure 60 delete the parenthesis and "1st Session" and insert after the comma "agreed to June 12, 1975"

On page 50, line 6: strike the word "or" and insert in lieu thereof "of"

On page 74, line 24: strike the word "Statues" and insert in lieu thereof "Statutes"

Mr. HOLLINGS. Mr. President, along the same line of the technical amendments, it has been determined, subsequent to the committee's reporting the bill, that an additional reduction of $70,000 can be made to the estimate for Library Buildings and Grounds, Structural, and mechanical care. Accordingly, I have included an amendment with the technical amendments to make that change.

The amendment follows:

On page 52, line 8: strike out the figure "$1,891,000" and insert in lieu thereof "$1,821,000"

Mr. HOLLINGS. One amendment has to do, for example, with the per diem. It was our hope that the bill would be approved so that it would commence at the beginning of the fiscal year, July 1. That, of course, is not the case, so the July 1 effective date has to be written in.

The others so listed have been checked with the minority.

I ask that they be considered and adopted en bloc.

Mr. SCHWEIKER. Mr. President, I support the request of the chairman of the committee and am in accord with that.

I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the technical amendments are agreed to en bloc.

Mr. HOLLINGS. Mr. President, I have no further amendments.

We can go to third reading. The yeas and nays have been ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

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

The bill was read the third time.

Mr. MUSKIE. Mr. President, pending before the Senate is the Legislative Branch Appropriations Act for 1976. This bill provides funding for the entire legislative branch of the Government, including the Senate, House of Representatives, the Office of Technology Assessment, the Library of Congress, the Government Printing Office, and the General Accounting Office. Commencing next year, this bill will also include appropriations for the Congressional Budget Office, which was created by the Congressional Budget and Impoundment Control Act to provide Congress for the first time with independent, bipartisan, and objective information on the economy, spending, taxes, and the budget.

It is worth noting that this bill, which provides for the cost of an entire branch of the Government, represents less than two-tenths of 1 percent of the entire cost of Government for the next year. The distinguished Senator from South Carolina, Senator HOLLINGS, chairman of the Legislative Appropriations Subcommittee, has done his usual craftsmanlike job of analyzing, criticizing, and holding the line on expenditures within the legislative branch. I am pleased to be able to report that the bill, as reported, is about $12 million under the budget target for this bill contemplated in the congressional budget resolution passed in May. The entire Appropriations Committee is to be commended for its work.

One function of this bill of special importance to the budget process is its provision for the General Accounting Office. Until the enactment of the Budget Reform Act, the General Accounting Office and the Library of Congress were literally the only sources available to the Congress within the Government for independent judgment on fiscal and economic matters. The role of the General Accounting Office was quite limited in this regard. That role was clarified in the Budget Act. The Budget Act gave the General Accounting Office clear responsibility for program review and analysis and clarified a number of its duties regarding technical features of budget procedures. An important provision of the budget act clarified the General Accounting Office responsibility for program review and evaluation. The act authorizes a new office of program review and evaluation in the office of the Comptroller General. That office is intended to assist Congress by monitoring Government programs to assure that they are carried out at the lowest possible cost and in the manner the Congress intended when it enacted them in the first place.

The Congressional Budget Office, on the other hand, was created by the Budget Act to perform all of the fiscal and economic analysis required by the budget committees and the Congress in the execution of their responsibilities under the Budget Act. Inevitably, some overlap will occur between the clarified responsibilities of the General Accounting Office and these new responsibilities assigned to the Congressional Budget Office. The committee report on the legislative appropriations bill reflects the sensitivity of the Appropriations Committee to this evolution of responsibilities between the CBO and the GAO.

I fully endorse the approach taken by the committee. As chairman of the Budget Committee, which has the statutory responsibility for overseeing the activities of the Congressional Budget Office, I have worked closely with Senator HOLLINGS on this question. I am aware of the diligence and attention with which he pursued this matter in the development of the Legislative Appropriation Act. I commend him for that effort and on the wisdom reflected in the solution arrived at in this legislation. Basically, as the report indicates, the committee takes the position in this bill that there should be no further increase in GAO staffing for program review and evaluation beyond that already reached until the implications of the Budget Act for both GAO and CBO can be completely assessed. This assessment will, of course, include not only the first appropriation for the Congressional Budget Office itself, which is anticipated this fall, but also experience gained by the Budget Committee, the Appropriations Committee, the General Accounting Office, and the Congressional Budget Office under the Budget Act.

I look forward to working on this question with Senator HOLLINGS; with the Comptroller General, Elmer Staats; and with Dr. Alice Rivlin, the Director of the Congressional Budget Office. It is already quite clear that the success of the budget process will require the complete cooperation and integration of the efforts of the General Accounting Office and the Congressional Budget Office. In that connection, I want to take this opportunity to commend the efforts of a distinguished public servant whose judgment and wisdom have been extraordinary, not only in the development of the Budget Act, but in its implementation. Most Members of this body are well acquainted with Mr. Sam Hughes, who is the Assistant Comptroller General for Special Programs at GAO. We have and will continue to rely on his judgments and wisdom for the success of the new budget process. The General Accounting Office has an important role to play in the new budget reform process, and I am confident that, under the guidance of Comptroller General Elmer Staats and with the aid of Sam Hughes, its contribution to budget reform will be fully realized.

Mr. HOLLINGS. Mr. President, just one word of thanks and recognition to our distinguished chairman, Mr. MCCLELLAN, who served with us on this subcommittee, and the Senator from North Dakota (Mr. YOUNG).

Mr. SCHWEIKER and I being younger members trying to check through and get this bill moving as expeditiously as we have—I think this is the second appropriations bill we have passed this year—have been assisted all along and have gotten the best guidance from Chairman MCCLELLAN and Senator YOUNG. I wanted to publicly acknowledge that.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. Will the Senator yield to me for a one-sentence statement, just half a minute?

Mr. HOLLINGS. Yes.

Mr. STENNIS. I thank the Senator from South Carolina and the ranking minority Member, as well as these two others he named. I know by experience how much work there is in this bill and how troublesome it is. It is a year-round job itself.

Mr. HOLLINGS. That is right.

Mr. STENNIS. We all owe these Senators a debt of gratitude, and I hope there is real gratitude for them.

Mr. HOLLINGS. I thank my distinguished friend from Mississippi, and I appreciate it very much.

Mr. SCHWEIKER. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill, having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Mississippi (Mr. EASTLAND), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. FANNIN), and the Senator from Nebraska (Mr. HRUSKA), are necessarily absent.

The result was announced—yeas 86, nays 6, as follows:

[Rollcall Vote No. 266 Leg.]

YEAS—86

Allen	Ford	Mansfield
Baker	Garn	Mathias
Bartlett	Glenn	McClellan
Bayh	Gravel	McClure
Beall	Griffin	McGee
Bellmon	Hansen	McGovern
Bentsen	Hart, Gary W.	McIntyre
Biden	Hart, Philip A.	Metcalf
Brock	Hartke	Mondale
Brooke	Haskell	Montoya
Bumpers	Hatfield	Morgan
Burdick	Hathaway	Moss
Byrd, Robert C.	Hollings	Muskie
Cannon	Huddleston	Nelson
Case	Humphrey	Nunn
Chiles	Inouye	Packwood
Church	Jackson	Pastore
Clark	Javits	Pearson
Cranston	Johnston	Pell
Culver	Kennedy	Percy
Dole	Laxalt	Randolph
Domenici	Long	Ribicoff
Eagleton	Leahy	Schweiker
Fong	Magnuson	Scott, Hugh

Scott, William L.	Stevens	Talmadge
Sparkman	Stevenson	Tower
Stafford	Stone	Tunney
Stennis	Symington	Weicker
	Taft	Young

NAYS—6

Byrd, Harry F., Jr.	Helms	Thurmond
Goldwater	Proxmire	
	Roth	

NOT VOTING—7

Abourezk	Eastland	Williams
Buckley	Fannin	
Curtis	Hruska	

So the bill (H.R. 6950) was passed.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6950.

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

Mr. HOLLINGS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. STONE) appointed Mr. HOLLINGS, Mr. MCCLELLAN, Mr. HUDDLESTON, Mr. SCHWEIKER, Mr. MATHIAS, and Mr. YOUNG conferees on the part of the Senate.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, I make this inquiry concerning the business of the contested New Hampshire election that we are on. I am asking if my interpretation of rule XXII, paragraph 2, is correct where, in stating when the cloture motion shall be brought to the Senate's attention, it states, "the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one," and so forth.

Am I to interpret that as meaning that if the motion for cloture were filed today, Wednesday, it cannot be acted on until Friday unless unanimous consent is granted?

The PRESIDING OFFICER. The Senator is correct.

Mr. GOLDWATER. I thank the Chair. I just want to make an announcement that I am going to object to any unanimous-consent request for the filing of a cloture motion today and having it acted on the next day. I think it is time we got back to the operation of the Senate under the rules, and not do it by unanimous consent such as has been going on.

Mr. ROBERT C. BYRD. Mr. President, may I say that no unanimous-consent request with respect to a vote on the motion to invoke cloture has been made, with the exception of setting the hour for the 1 hour under the rule to begin running.

Ordinarily, as the distinguished Senator from Arizona has pointed out, that 1 hour begins running 1 hour after the Senate meets on the second day after the motion to invoke cloture has been presented. So that is the only unanimous-consent request that has been made thus far in relation to these cloture motions, may I say to my distinguished friend. We have only made requests to set the beginning of the 1 hour at a later hour during the day than would have been the case under the ordinary operation of the rule.

Mr. GOLDWATER. I intended that to come under my objection, too: any unanimous-consent request concerning this matter.

What I want to end is this magazine loading of cloture motions to go on and on and on. I think this afternoon we will break the Senate's record, and I think day after day after day the Senate is looking sorrier and sorrier and sorrier.

Mr. ROBERT C. BYRD. Mr. President, I do not question the latter statement, but may I say that no unanimous consent is required to offer a cloture motion, as long as the business to which that motion relates is before the Senate. No unanimous consent request is required.

Mr. GRIFFIN. Mr. President, who has the floor?

Mr. GOLDWATER. Unanimous consent is required, though, to remove the 1 calendar day in between.

Mr. MANSFIELD. That has never been done.

Mr. ROBERT C. BYRD. That request has not been made.

Mr. GOLDWATER. It may not have been done, but I think this is the sixth cloture motion this afternoon that we are voting on. Somehow they got stuffed in the magazine, and I think the time has come to stop it.

Mr. MANSFIELD. There has always been a legislative day intervening.

Mr. GOLDWATER. Somehow we are going to stop it.

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

Mr. GOLDWATER. I yield.

Mr. GRIFFIN. I would like to correct the majority leader's statement that we have had a legislative day intervening. We have had calendar days intervening, because one of the things that has been going on is that the majority leadership has been asking and getting unanimous consent, instead of adjourning, to recess the Senate from day to day, and one of the reasons that has been going on, I suspect, is to prevent the ordinary operation of the rules.

For example, with respect to a resolution the Senator from Alabama introduced this morning, he sought to get unanimous consent for its immediate consideration. It was objected to. It goes over under the rule, and should come up tomorrow for consideration in the morning hour.

I think his resolution ought to be considered, because what it would do is send the New Hampshire election contest back to the people of New Hampshire.

I want to serve notice that because we think the resolution of the Senator from Alabama deserves consideration, if not as an amendment, because we have been blocked out——

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Senators will suspend, so that the pending business may be laid before the Senate.

Under the previous order, the Senate will now resume the consideration of Senate Resolution 166, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

The PRESIDING OFFICER. The pending question is on agreeing to the motion of the Senator from Michigan to postpone consideration of the resolution for 24 hours.

Mr. GOLDWATER. I will continue to yield to my colleague.

Mr. CANNON. Mr. President, who has the floor?

Mr. GOLDWATER. The Senator from Arizona has the floor.

Mr. MANSFIELD. The Senator from Arizona took his seat. Does he retain the floor if he takes his seat,

The PRESIDING OFFICER. The Chair has not recognized anyone under this order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. I yield to the Senator from Michigan, with the understanding that I may do so without losing my right to the floor.

Mr. GRIFFIN. I merely want to finish my statement that not only on my own account, but on account of others who have so requested, there will be objections now to recessing or to taking up other business when it is going to interfere with the regular operation of the Senate rules and block out the consideration of such resolutions as that which has been offered by the Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CANNON. I yield.

Mr. ROBERT C. BYRD. What the distinguished Senator from Michigan has now said is that the Senate will have to have a rollcall vote on a motion to recess rather than to adjourn. So all Senators are on notice that they can anticipate rollcall votes, because that motion can be made if a unanimous-consent request is objected to.

Mr. MANSFIELD. And it cannot be debated.

Mr. ROBERT C. BYRD. That is correct, it cannot be debated.

Mr. MANSFIELD. And it cannot be tabled.

Mr. ROBERT C. BYRD. That is correct, it cannot be tabled.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me again once more?

Mr. CANNON. Yes, I yield to the Senator.

Mr. ROBERT C. BYRD. I want to be sure that I clearly understand the intentions of the distinguished Republican whip.

Am I to understand that the Senate will not be granted unanimous consent to recess from day to day?

Mr. GRIFFIN. I suppose, if the distinguished majority whip wants to couple with his request the provision for the taking up of resolutions in the morning hour as would ordinarily be the case, that there would be no objection. But one of the results or the consequences of the procedure that has been followed here is to block out such matters.

Mr. ROBERT C. BYRD. That is correct.

Mr. GRIFFIN. In this case, it seems to me it is particularly offensive, because it is a resolution that deals with the subject of the New Hampshire election, and we want to have it considered.

Mr. ROBERT C. BYRD. As I understand it, we have voted on this question a number of times, and the Senator wants to vote on it again. There is absolutely no reason to couple that provision with the unanimous-consent request to recess. We can simply accomplish that by adjourning.

Mr. GRIFFIN. I say by unanimous consent, if the Senator wants to make sure that rights of Senators are not cut off for something, or some other reason for recessing, then that might be all right.

I say to the Senator from West Virginia that there is movement on this issue. The Senator from Alabama heretofore consistently in the committee and here in the Senate voted against all of those amendments to send this matter back to the State of New Hampshire. He has changed his mind now. I rather suspect there are some other Senators who might be on the verge of realizing that that is the proper way to handle this matter.

Mr. ROBERT C. BYRD. The Senators have a right to change their minds. I am not discussing that aspect of the matter. But I want to be sure that I understand the distinguished Republican whip.

Any unanimous consent to request without a coupling motion that would provide for consideration of a resolution offered under the rule would be objected to.

Mr. GRIFFIN. We will listen to each one of them as presented, but I just want to make the purpose and concern apparent in the event there are objections.

Mr. ROBERT C. BYRD. Very well.

Mr. CANNON. Mr. President, first I say to my distinguished colleague from Michigan that some people are trying to delay votes on some of the issues before the Senate. We have now been on the matter some 19 days, and we have had 26 rollcall votes through July 8, and we have still not been able to vote on any 1 of the 35 issues that the Senate Rules Committee reported unanimously to the Senate. So I find it rather strange for the distinguished minority whip to suggest that we are trying to delay action on this matter when the only thing we have been trying to do is to get a vote on the 35 issues that are posed here by the resolution.

I say to my colleague that I have offered on numerous occasions to agree to unanimous-consent agreements for time limitations on any of the issues, on any amount of time from 30 minutes on up, even though I think at one time we proposed in the neighborhood of 60 hours overall, and still we have not been able to get agreement on it.

Mr. ROBERT C. BYRD. And we have spent more than 60 hours now without having reached a resolution of a single issue.

Mr. CANNON. I think with 18 days it is obvious that we have spent over 60 hours, and a lot of time at the expense of a lot of other matters that are before the Senate.

I simply say that we ought to try to get to vote on some of these issues.

Mr. President, may I ask what is the pending business now before the Senate?

The PRESIDING OFFICER. (Mr. HANSEN). The pending business is the motion of the Senator from Michigan to postpone the pending resolution for 24 hours.

Mr. CANNON. That motion was filed at what time yesterday?

The PRESIDING OFFICER. The Presiding Officer does not have that information, but I understand it really does not matter anyway.

Mr. CANNON. I know it does not matter, but it may matter in my effort to try to move this procedure along.

The PRESIDING OFFICER. I am informed the time was 3:50 p.m.

Mr. CANNON. Then we have been an hour and 50 minutes less than 24 hours, so really the accomplishment of the Senator from Michigan has been achieved.

A moment ago I referred to the time that we had spent on this matter. It is now, I am informed, through Tuesday, July 8, 69 hours and 22 minutes, with 25 rollcall votes, and 23 live quorums.

In order that we can expedite matters, Mr. President, and move this matter along and try to get to the substance of the issues that we are still trying to vote on, I move to table the motion of the Senator from Michigan.

Mr. HUGH SCOTT. Mr. President, will the Senator yield for me to make one comment in view of his reference to time?

Mr. CANNON. Yes, I will withhold and ask unanimous consent that I be permitted to yield to the Senator from Pennsylvania without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. HUGH SCOTT. I thank the Senator.

I have asked to be informed of the number of times cloture has been voted upon for three or more times.

There have been four instances of four consecutive cloture votes on a single measure, namely:

Civil Rights Act of 1968, which succeeded;

Senate rule XXII of 1971, which failed;

The Consumer Protection Act of 1974, which failed; and

The Export-Import Act of 1974, which failed.

As of now there have been four cloture votes on the New Hampshire election with the fifth due today and the sixth tomorrow.

There have been no instances of more than four cloture votes on a single issue. Today will be the first time.

There were, in addition, five instances of three consecutive cloture votes:

The Lockheed aircraft loan bill of 1971, which failed;

The EEOC Act of 1972, which succeeded;

The Consumer Protection Agency bill, which failed;

The antibusing bill of 1972, which failed; and

The debt limit bill of 1974, which failed.

As a matter of interest, there were only two cloture votes on the modification of Senate rule XXII in 1975.

Also, there have been three more instances of three cloture votes, although these votes were not consecutive ones:

The right-to-work bill in 1965–66, which failed;

The Rhodesian Chrome Act, 1973–74, which succeeded; and

The Legal Services Act, 1973–74, which succeeded.

In summary, in the 12 instances of three or more votes on a single issue, cloture was invoked only four times.

I add, also, that this creates a new and unusual situation.

Never in the Senate have more than four cloture votes been called for or voted upon, and this has been done under a sort of a custom whereby those who are in favor of cloture have been given what is deemed to be a reasonable chance to invoke it. Three times has usually been deemed reasonable. Four times in exceptional circumstances has been deemed reasonable.

Beyond this, it seems to me that the action of continually invoking cloture is an action to impose unusual, cruel, and inhumane punishment on some of the Senators; that it is from now on a sheerly political move and should be so designated.

I will rise from time to time to point out that there is no purpose for this except to find means of taking the election away from the people of New Hampshire, notwithstanding the overwhelming press support.

I hope we can come to some period when it will become evident to the Senate that cloture votes are no more than a form of harassment hereafter, that pending at the desk is the Allen motion, which should be voted on. Senator ALLEN has changed his mind after months of careful consideration, in his belief and his effort to make it possible for the Senate to determine the result of the election.

It seems to me that a continual attempt to invoke cloture under these circumstances is really no more than an unnecessary action on the part of the Senate. I hope we can reach a point at which we do not have to do it. Once the cloture votes are set aside, I hope the parties on each side will meet and discover other possibilities which exist, other means by which we may solve this problem: sending it back to New Hampshire, recounting all the votes, or a solu-

tion of the 35 issues. Other things can be done in this case. The Republicans are ready to do it.

We believe that the press of this country, with a unanimity rarely observed in this Nation, has condemned the Democratic Party for its attempt to defy the will of New Hampshire, for its avoidance of democratic principles, for its failure to recognize the sovereign rights of a sovereign State. Therefore, we strongly feel that this tactic is one which at some point or another needs to be terminated. Otherwise, I am afraid we are not going to get anywhere. If it is terminated, I believe we are going to get somewhere. I can see some daylight, and I can see some ways we can do it.

I thank the distinguished Senator from Nevada.

Mr. CANNON. I thank the Senator.

I may say that that was a rather long "briefly yielding." However, I yield briefly to the Senator from West Virginia.

Mr. HUGH SCOTT. Well, I do not talk very much.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Republican leader has outlined in great detail the various issues which, from time to time over the years, have occasioned cloture vote. He attempts to make quite a point of the fact that on no issue has there been more than four cloture votes.

I think we should keep in mind that the issue before the Senate today is a constitutional issue. It is a duty that is placed upon the Senate specifically by the Constitution. It differs in that regard from the other issues mentioned.

The Constitution does not say that the Senate shall pass a consumer protection act. It does not say that the Senate shall pass a civil rights act. But it does say that each House shall be the judge of the elections returns and qualifications of its own Members. This is an issue that stands upon a higher plane and imposes a higher duty upon the Senate—a very specific one, under the Constitution—than does any of the other issues on which cloture votes have been occasioned.

Mr. CANNON. If the Senator will permit me, I inquire as to whether or not there has been any other situation in history in which all the members of one party have voted unanimously on the same side, against cloture, to prevent the Senate from coming to grips with the problems then before the Senate. I know of none.

Mr. ROBERT C. BYRD. I know of none.

Mr. CANNON. Mr. President, I continue to yield to the Senator.

UNANIMOUS-CONSENT REQUEST THAT THE SENATE RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

Mr. HATFIELD. Mr. President, I object.

The PRESIDING OFFICER (Mr. LAXALT). Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, what is the number that has been given to the resolution submitted by the distinguished Senator from Alabama (Mr. ALLEN)?

The PRESIDING OFFICER. Senate Resolution 202.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the cloture vote today, the Senate proceed to vote on the resolution by Mr. ALLEN.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object—would there be a limit on time for debate?

Mr. ROBERT C. BYRD. I am in a very good mood today. [Laughter.]

I will go either way the Senate wishes, just so we can have a vote today. I want to accommodate the distinguished Republican whip.

Mr. GRIFFIN. The distinguished Senator from Alabama is in the Chamber. Whether he wants any time for debate is up to him.

Mr. ROBERT C. BYRD. The Senator from Alabama is agreeable. He always is in an agreeable mood.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the resolution by Mr. ALLEN.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

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

Mr. CANNON. I yield.

Mr. ALLEN. Might provision be made for 1 hour of debate with respect to the resolution?

Mr. ROBERT C. BYRD. I say, first, to the distinguished Senator from Arizona that there is no intention on the part of the leadership today to offer a cloture motion, which we could do, without unanimous consent, and which would require a cloture vote on Friday.

Mr. President, I ask unanimous consent that there be 1 hour of debate on the resolution by Mr. ALLEN, that the hour be equally divided between Mr. CANNON and Mr. ALLEN, and that the 1 hour begin running immediately upon the disposition of the cloture vote today.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object, will the Senator further stipulate that there will be an up and down vote on the resolution and that there will be no amendments, just a vote on the issue itself;

Mr. ROBERT C. BYRD. The Senator is very gracious, in that he offers the leadership an opportunity to have an up and down vote, rather than approach the matter through the tabling route.

I ask unanimous consent that no amendments be in order that no tabling motion be in order.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, in order that we might expedite the business of the Senate now at hand and try to arrive a moment closer to some of the 35 issues that have been pending before us 69 hours and 35 minutes, I move to lay on the table the motion of the Senator from Michigan.

I ask for the yeas and nays.

Mr. GRIFFIN addressed the Chair.

Mr. CANNON. I withhold that request.

Mr. GRIFFIN. Does the Senator want a rollcall vote? I am willing to have a voice vote.

Mr. CANNON. Mr. President, I withdraw my request for the yeas and nays, temporarily.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment by the Senator from Montana to the amendment of the Senator from Navada.

Mr. CANNON. Mr. President, do I correctly understand that the Mansfield amendment is in the second degree at the present time?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. And the prime amendment is that of the Senator from Nevada?

The PRESIDING OFFICER. That is correct.

Mr. CANNON. Mr. President, I withdraw my amendment.

SEVERAL SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, the situation now before the Senate, as I understand it, would permit the offering of an amendment from this side, which is an opportunity we have not had for a little while.

Yesterday, there was a determined effort to place before the Senate an alternative to the so-called Mansfield compromise, which I must say is not a compromise at all. It was discussed with the leadership on this side or anyone on

this side, and it is very difficult to know how one can compromise if one does not negotiate with the other side. But it was labeled as a compromise here on the floor and in some of the news stories.

We do have a suggestion. It seems to me to be an alternative and about the only thing that is fair and reasonable if we are not going to send this matter back to the people of New Hampshire. This Senator believes, and I think most of the people in the country and an overwhelming percentage of the people in New Hampshire believe, that the proper way to resolve this matter would be to have a new election. But if the determined position of the Senate is not to do that, then it seems to me that we ought to recognize that we have pretty well demonstrated in the Senate, over a 6-month period, that we do not seem to be able to deal with this matter on a nonpartisan, objective basis.

The Senator from Rhode Island (Mr. PELL), during the course of the committee deliberations, put forth an approach which, it seems to me, had a great deal of merit. He briefly outlined his views in connection with the report that was filed. His individual views state:

> I remain of the view that the actual counting of the New Hampshire ballots, and as much as possible of the procedural decision-making relative to the New Hampshire Senate election contest, should not be done by elected individuals, but should have been deleated to a neutral body chosen from a panel recommended by the American Arbitration Association or other impartial source and agreed upon by the contestants.
>
> Such a procedure would have permitted the Committee and the Senate to have fulfilled its clear Constitutional responsibility in regard to the election by reviewing the work of the impartial panel. I do not believe, however, that we, as Senators, were chosen by our constituents to spend 212 hours

Now, the number, of course, would be much, much larger—

> in the course of 46 days—

And the number of days now is much, much larger—

> on ballot-counting and procedural questions, to the detriment of our other responsibilities. Multiply the days and hours by eight—the number of members serving on the Committee—and the result is a tremendous amount of time and effort and expense.
>
> Although my motion to engage an independent panel did not prevail, I would hope that if another contest should arise in the future such a source might be followed.

And so on.

Senator PELL's idea was that each of the contestants would designate some distinguished judge, perhaps a retired judge, or someone who is a member of the American Arbitration Association, and the two of them agree on a third member of the panel. While he does not say so and in connection with some of its votes the committee did not seem to take the view, which it would be my view, that such a panel should be charged by the Senate with the obligation of applying New Hampshire law to the questions that come before them. The argument that is made that this could not be done because it would be a delegation of constitutional responsibility that the Senate has. I do not think that is necessarily a valid argument. The Senate does not have to delegate the final decision to such a panel. The panel can be instructed to count the ballots, and then come back with its recommendation which the Senate could either adopt or reject.

It seems to me that if such an objective, judicial type of panel were to perform that function, the weight of public opinion would move the Senate to adopt its recommendations unless there were obviously something wrong with it.

It seems to me that that is a plausible alternative. If, instead of throwing New Hampshire law out the window, which is what the so-called Mansfield compromise would do, then the appropriate compromise, if that is the word that we are going to use around here, might well be this approach which was first suggested by a Member on the other side of the aisle.

I realize that something similar to this was offered—earlier in the debate by the Senator from Alaska (Mr. STEVENS), and at that time the Senate voted it down. But I believe that it is worth reconsidering as an alternative to a new election, if we are looking for alternatives.

The Senator from Michigan believes that this would be the kind of solution that would be acceptable to the people of the country in the light of the very sorry demonstration which the Senate has made here during this extended period of time. I believe it is too bad, as I said yesterday, trying—we should be helping them, the people of this Nation—to recover their confidence in the processes of government in the wake of Watergate. I do not assert that this particular matter has any relationship to Watergate except insofar as the Senate's conduct undermines the confidence of the people in the processes of the Government.

At the appropriate time, I shall offer this amendment on behalf of Mr. SCOTT along the lines I have suggested.

Mr. DOLE. Will the Senator yield?

Mr. GRIFFIN. I yield for a question without losing my right to the floor, if I may get that permission.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. He yields without losing his right to the floor.

The PRESIDING OFFICER. That is correct.

Mr. DOLE. The Senator from Kansas asks a question that may or may not be covered by the amendment. In the event that the amendment were adopted, would the recount take place under the laws of the State of New Hampshire? Would that be implicit in the amendment, or would this tribunal or board or whatever be able to make its own rules; in fact, override the law of New Hampshire as was done in the Senate?

Mr. GRIFFIN. I would say that the particular wording I have in mind here would say that it would be the sense of the Senate that a three-member arbitration panel composed of members of the American Arbitration Association, one to be designated by Mr. Durkin, one to be designated by Mr. Wyman, and a third to be designated by the first two would recount and review all ballots and protests heretofore made by either party, applying New Hampshire law thereto, with the purpose of determining the winner of the election in New Hampshire on November 5, 1974, and making an appropriate recommendation to the Senate.

Mr. DOLE. So it is clear that New Hampshire law would apply.

Mr. GRIFFIN. Yes, it would be clear by the instruction of the Senate that such a panel would be expected to apply New Hampshire law.

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

Mr. GRIFFIN. I yield if I may do so without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Without the Senator from Michigan losing his right to the floor, I think the Senator has made a good suggestion, and I hope in due course of our deliberations he will advance what we can call the Pell approach.

I am convinced that this body is not going to come out of this affair in any great light at all unless we allow this matter to go back to the people of New Hampshire. As I have said on the floor previously, whether we are talking about 1 vote or 10 votes it does not matter, and if we allow this to become established as a precedent, would it not be possible to have a future Senate decide that a 1,000 or 10,000 or 1 million vote margin did not elect a person?

I have asked the Senator that question before so I know his answer, but I did want to keep within the bounds of propriety and pose a question, and it is already answered, and that solves the problem.

I think what is happening here—and I have said this on the floor before, and I say this with all charity to my friends on the other side of the aisle—we Republicans should actually be rejoicing because there is an election coming up in 1976. There are many Members of both sides of the aisle who are going to be up for reelection and, frankly, if I were a Democrat I would hate to have to go out and defend my participation in the establishment of the record that this Senate has been establishing.

I think the Philadelphia Inquirer editorial, while it has already been put in the RECORD, very much expresses what I have been feeling about this, and I would like to read it.

Mr. ROBERT C. BYRD. Mr. President, I will not ask for the regular order. The Senator from Michigan was supposed to yield only for a question. I am not going to ask for the regular order against my friend from Arizona.

Mr. GOLDWATER. I was just going to say I was going to ask the Senator if he had read this editorial in the last half hour. [Laughter.]

Mr. GRIFFIN. I was going to respond that if the Senator would read it I would answer the question because I was not sure what editorial he referred to.

I yield for that question.

Mr. GOLDWATER. I ask the Senator to pay particular attention to the editorial so that he can answer it.

LET NEW HAMPSHIRE DECIDE

"The world's greatest deliberative body," otherwise known as the United States Senate, is bogged down again. For six months now, it has been trying to decide—first through its Rules Committee, more recently on the Senate floor—who the junior senator from New Hampshire should be. Any progress toward a decision is indiscernible.

All this goes back to the elections last Nov. 5, when Republican Louis S. Wyman defeated Democrat John Durkin by 355 votes for the New Hampshire seat. A recount produced a 10-vote margin for Mr. Durkin. But then the state's bipartisan Ballot Law Committee examined disputed ballots and unanimously ruled that Mr. Wyman was the winner by two votes.

Thus Mr. Wyman, armed with a valid certificate of election from his state, was prepared to take his seat. But Mr. Durkin appealed to the Senate, which refused to seat Mr. Wyman pending an investigation. And there—eight months after the election—the matters rests today.

The Rules Committee, often deadlocked 4 to 4, has asked the full Senate to decide 27 disputed ballots and eight procedural matters. But after 12 days of debate amid Republican charges that the Democrats are using their majority to try to "steal" the election, the Senate hasn't even been able to agree to bring the questions to a vote.

The arguments over the disputed ballots are complex and are compounded by the fact that some of the ballots have now been destroyed. But the whole business was summed up well by Sen. Hugh Scott when he told his colleagues before their July Fourth recess that "this is such a hashed-up mess that it really ought to go back to New Hampshire."

That would be the tidiest and fastest way to settle the question and permit the Senate to get on with its other business. All the Senate needs do is declare the seat vacant and then let the people of New Hampshire make the decision in a new election.

The Republicans in the Senate have already demonstrated their unanimous support for such a solution. If the Democrats are not indeed trying to exploit their numerical advantage in the Senate, then why do they insist on deciding the question there instead of sending it back to New Hampshire's voters?

I repeat my question to my friend from Michigan, has he read that editorial in the last half hour?

Mr. GRIFFIN. I respond to the distinguished Senator from Arizona by saying I have not read it in the last half hour. But I had read it, and it is certainly consistent with what seems to be a wave of editorial opinion all over the country. In fact, every editorial of a major newspaper that has come to my attention in the last several weeks seems to be in line with the general thrust of that editorial, and with one which appears today in the Washington Star. I referred to it earlier when only one or two Senators were on the floor, and I think it is worth repeating.

The editorial is in today's Washington Star, entitled "A Ridiculous Senate Spectacle"—and when I finish, if I may do so without losing my right to the floor, I will ask the Senator from Arizona whether he has read this one.

A RIDICULOUS SENATE SPECTACLE

It should be obvious by now that if the New Hampshire election dispute is pursued to a conclusion in the U.S. Senate, the seat will be awarded on the basis of politics rather than fairness or objectivity. There is no way that 61 Democrats and 38 Republicans can put aside their partisanship on an issue that has become so inflamed.

Republicans, feeling with considerable justification that the Democrats are out to steal the seat, have dug in their heels. Democrats, while finally making some concessions to try to end the GOP filibuster, have not made a persuasive argument against the notion that they mean to have the seat by fair means or foul.

Is it any wonder that garbagemen get a higher rating than members of Congress in public opinion polls, when the self-styled "world's greatest deliberative body" engages in such a partisan spectacle? While the nation waits for legislative action on energy and other pressing problems, the Senate haggles full time over a political issue that it should have disposed of months ago. Moreover, it has for more than six months deprived New Hampshire of its right to be represented by two senators in the U.S. Senate.

The Democrats in the Senate are being uncommonly slavish to a constitutional provision that says the Senate shall be the final judge of the qualifications of its members. They insist that members would be shirking their duty if they don't decide the issue on the Senate floor.

There is nothing in that constitutional provision that says the Senate can't send a disputed election back to a state for a re-run.

I would interject that the Senate has done that twice before.

The editorial goes on:

The race in New Hampshire between Republican Louis Wyman and Democrat John Durkin was so close that the sensible thing would have been for the Senate to have declared the seat vacant last January and asked the state to conduct another election.

It's still the sensible thing to do.

Mr. President, if I may do so without losing my right to the floor, I would yield to the Senator from Arizona to ask him whether he has read that editorial.

Mr. GOLDWATER. I might reply to my distinguished whip that I had read that editorial just an hour or so ago, and I was prepared to put it in the RECORD, but I was informed that it had already been placed in the RECORD.

I would ask unanimous consent, Mr. President, that I might ask the distinguished whip another question relative to another editorial.

Mr. GRIFFIN. I would be glad to have the Senator do so.

Mr. GOLDWATER. Without his losing his right to the floor.

The PRESIDING OFFICER. That is understood.

Mr. GOLDWATER. Mr. President, during this colloquy the Senator from Michigan observed the fact that this should be obvious to all of us that editorially the press of this country is very much against this procedure. He said this country. Is the Senator from Michigan aware of a rather lengthy paper that appeared in the Economist on July 5 in London? Has he read that or heard of it, say, in the last hour?

Mr. GRIFFIN. If the Senator would identify it more fully perhaps I could answer the question.

Mr. GOLDWATER. I will do that without wasting the time of the Senate. I will not go clear through it, but this has been written in London, "The World-American Survey"—"Shenanigans in the Senate" is what is the title in London.

I realize that we should not allow any influence outside of our borders to affect what goes on on this floor, but I suggest that when our mother country, after whose legislature this body is more or less patterned, begins to take cognizance of the misdoings of one of its children, we had better pay attention.

I remind my friend from Michigan, the writer starts by saying:

The United States Senate is not without its pretensions. "The greatest deliberative body in the world" it likes to call itself, and, political differences notwithstanding, most Senators are agreed that they are fortunate indeed to belong to such an exclusive club. With few exceptions—a recent one was Mr. William Saxbe, who did not enjoy his seat from Ohio and happily left it to become first Attorney General and then ambassador to India—they can imagine no other job they would prefer to have. The Senate's superiority complex towards the House of Representatives is notorious, and frequently nurtured by the press and public; whereas ordinary Representatives in the House are often portrayed as inarticulate stumblebums, the 100 Senators are presumed to dedicate themselves to penetrating and lucid discussion of the highest matters of state.

Just now, alas, there are only 99 Senators, and therein lies the problem—and the current subject of a discussion that is not very statesmanlike. Last November, while Democrats were sweeping to a landslide victory in most parts of the country, the voters of New Hampshire divided almost evenly in selecting a successor to Mr. Norris Cotton, the Republican who had held one of the state's two Senate seats for 20 years. The first count of the 220,000 votes cast awarded victory, by a slim margin of 355 votes, to Mr. Louis Wyman, the Republican candidate, who had already served five terms in the House. But his Democratic opponent, Mr. John Durkin, a former state insurance commissioner, objected. A recount by the New Hampshire secretary of state showed him to be the winner by 10 votes. Mr. Wyman in turn appealed to the Ballot Law commission, which, after reviewing 400 disputed ballots, declared that there was actually a Republican edge of two votes. Before Mr. Wyman could be seated, however, Mr. Durkin appealed about the entire matter to the Senate itself.

The Constitution provides that "each house (of Congress) shall be the judge of the elections, returns, and qualifications of its own members", and that is a power which the Senate has always taken seriously. More than 25 times this century it has been called upon to resolve election challenges, usually based on charges of corrupt practices or election law violations, and once in the 1920s a Pennsylvania seat lay vacant for nearly three years while a disputed vote was reviewed. But those were simpler days when the Senate, very much a club, met for only a few months a year, and hardly anyone noticed when there was a vacancy. Today Congress has year-round sessions, and whether or not it plays a crucial role in the formulation of public policy—the point is much in dispute—it is highly visible. The public is often aware of, and remembers, how the Senators divide on hotly contested issues. One empty seat out of a hundred is an embarrassment to the Senate and a source of anger to some citizens of New Hampshire. The bicentennial consciousness being what it is, they have been heard to argue that they are being subjected to taxation without equal representation.

As it happened, the dispute between Mr. Wyman and Mr. Durkin came along just when the Senate was polishing up its image as a body of statesmen. Having gained a

reputation in recent years for talking endlessly—filibustering—while urgent problems festered, the Senators opened this year's session with a discussion of rule 22, which governs the procedures for cutting off debate. After devoting more than seven weeks to the subject, the Senators voted in March to permit cloture—the end of discussion—in the future by a vote of three-fifths of the entire membership (60 Senators) rather than two-thirds of those present and voting (potentially 67 Senators). Then it went about its other business, while the New Hampshire election dispute was referred to its committee on rules and administration.

The rules committee held hearings and debates—212 hours' worth, to be exact. But on 35 separate matters, including 27 individual disputed ballots and eight procedural issues, its eight members split evenly. Generally, voting on the side that favoured Mr. Durkin were four of the committee's Democrats, and on the side favourable to Mr. Wyman were the three Republicans and Mr. James Allen, a Democrat from Alabama who fancies himself a new "conscience of the Senate". Unable to solve the problem definitively, the committee asked the full Senate to resolve these disputes and then send it back to work counting ballots with more precise instructions. That was what Mr. Mike Mansfield, the majority leader, had in mind when he scheduled the New Hampshire election on the Senate calendar for mid-June. The timing, seemed ideal and, even better, limited, what with a Fourth-of-July holiday recess scheduled two weeks later and with 14 Senators planning to use that occasion for an official visit to the Soviet Union.

Then they come to a little heading, Party Games. If my friend from Michigan could give his attention to this subtitle, "Party Games," I am not going to ask any specific question about it because this pertains to the entire paper, but I would hope he might answer this question in addition to the other when I have finished.

PARTY GAMES

How should the New Hampshire Senate election be resolved? Somehow, after the floor debate began, agreement was not immediately forthcoming. It depended on how you looked at things, and how you looked at things depended on what party you happened to belong to. Republicans, citing the highest constitutional principles and an unwavering regard for the wishes of the voters, insisted that the only fair way to settle the matter would be to declare the seat vacant and send the whole issue back to the state for a new vote. Democrats, invoking the same statesmanlike concerns, said that would be shirking a constitutional responsibility to count the ballots already cast: "There has been an election, and all we have to do is figure out who won it." Each side piously disavowed any partisan motive. To hear the Republicans talk, it made no difference that New Hampshire is a traditionally Republican state with a Republican governor who would try to dominate the new election; the Democrats seemed hardly aware of their own majority of 61 senators (as against 38 Republicans) in any ultimate vote on how to count the existing ballots. (One midwestern Democrat was heard to remark, however, that his philosophy was that "we should count the ballots, debate the issues fully and fairly, and then vote to seat the Democrat".)

Now, I will stop and check if the Senator recalls reading that particular part of the London column.

Mr. GRIFFIN. I respond by saying that I have read it and certainly it is interesting, but most of all disturbing, I think, that such a distinguished press organ in Great Britain as the Economist would find it necessary to write about the greatest deliberative body in the world in such language as that. But it is a fact.

So, we are seeing this deterioration—I guess we would call it—of the image and the prestige of the Senate not only being noticed here in our country by our press, but by the press abroad, which is very, very unfortunate.

Mr. GOLDWATER. I would agree with the Senator. I ask unanimous consent that the Senator from Arizona be allowed to further question the Senator from Michigan because I have a few more statements to read from this editorial from London that I believe the Senate should hear, but particularly my party whip, who has a great responsibility in this proceeding.

Mr. GRIFFIN. I thank the Senator.

Mr. GOLDWATER. I ask unanimous consent that I might question him without his yielding his right to the floor.

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

Mr. GOLDWATER. This column brings up some other questions. It is kind of hard to read a little bit of it. Maybe it is such a bad subject to discuss, the ink has sort of rotted since it was put on the paper:

The decorous and dignified Senate deteriorated rather quickly. Republicans withdrew their consent for standing Senate committees to meet while the full body was in session (a standard procedure). Democrats repeatedly voted against proposals by the Republicans and by Mr. Allen to hold a new election if neither candidate was seated before August 1st. A Saturday session, convened by Mr. Mansfield as a sort of punishment for a group of bad boys, fell apart when the Senate was unable to muster a quorum and the Republicans would not agree to proceed without one. Most other business was suspended, and at one stage it was uncertain whether the Senators would vote to extend the national debt ceiling in time to permit the federal government to meet its payroll.

The Senate was at its rhetorical best. Mr. Hugh Scott, the Republican leader, contending that the Democrats were trying to steal an extra seat, said that "If this Senate can take a seat away from New Hampshire, it can take a seat away from Delaware, it can take a seat away from New York, a seat away from Alabama, and a seat away from any other state". Mr. Robert Byrd, the Democratic whip, remarked that "at this day no man on God's footstool can say who won that election". All the while, Mr. Durkin and Mr. Wyman sat at tables in the back of the Senate chamber, on the Democracic and Republican sides respectively—unable to speak, collecting no salary, but each coaching his supporters on. Several times the Democrats attempted to invoke the new cloture rule, but fell a few votes short, as Mr. Allen and three other southern Democrats opposed in principle to the cutting off of debate on any issue voted with the Republicans. Eventually Mr. Mansfield relented and let the Senate go on holiday and that junket to the Soviet Union, with the understanding that the New Hampshire Senate race would be the first item on the agenda when it returns on July 7th.

The House of Representatives, for its part, was not about to be outdone. The chairman of the elections subcommittee of the "lower body" announced that 3,916 disputed ballots for a House seat from the state of Maine would be flown to Washington in early July so that a challenge to that election could be considered. He did not say to what extent the House was planning to emulate the Senate.

Mr. Wyman's name came into the news in another connection this week, when it was revealed that Mrs. Ruth Farkas, the American ambassador to Luxemburg, had told a grand jury that he was the intermediary in her purchase of her ambassadorship with a $300,000 contribution to Mr. Richard Nixon's reelection campaign in 1972. Mr. Wyman dismissed the allegation as a political one intended to "besmirch my integrity".

I wonder if the Senator from Michigan recalls having read the latter part of that column.

Mr. GRIFFIN. I will respond to the Senator from Arizona by saying that I have.

Mr. GOLDWATER. Would the Senator feel a bit shocked to learn that ambassadorships are sold by Presidents of the United States, including Democratic ones?

Mr. GRIFFIN. Yes.

Mr. GOLDWATER. He would be shocked?

Mr. GRIFFIN. Certainly.

Mr. GOLDWATER. I do not have the time nor the inclination to go through the long list of ambassadors, that I can remember, good ambassadors, illustrious ambassadors, who obtained their posts not under Republican but under Democratic Presidents, and who had no other backing for the post than a lot of money.

Mr. GRIFFIN. I guess I would take issue with the use of the word "sold" used by the Senator.

Mr. GOLDWATER. I think that is proper.

I do want to thank my friend from Michigan for yielding to me. I know it has been a long question. I did not want to detain the Senate unduly, but I was so interested in his comments on the Pell suggestion. I think we ought to call it that because it is consistent with the gentleman's thinking, with his fairness, with his even-mindedness, that he would come up with a suggestion like this. I would only hope that his colleagues on the other side of the aisle would listen more to him.

Mr. GRIFFIN. I thank the Senator from Arizona.

Mr. President, I received in the mail the other day a letter from a citizen of New Hampshire. I do not know the gentleman at all. Perhaps he wrote to other Members of the Senate and other members of the committee. His name is Michael Dingman from Kensington, N.H., and he writes:

KENSINGTON, N.H.
June 30, 1975.

DEAR SENATOR GRIFFIN: Please take a few minutes to read the substance of the attached Boston Globe article regarding the New Hampshire Senate controversy.

In essence, it says that 3 out of 4 citizens of my State want to elect their own senator, regardless of political affiliation. However, New Hampshire voters also believe that once again, we are going to be "taken" by our big leaders in Washington. Simply stated, the American people do not trust business or government and this controversy has all the fuel necessary to reinforce that feeling.

The people of our country must be assured that *they* elect their government, not the reverse.

I am certain this is not a big issue for you, merely partisan politics. However, if we do not get down to restoring the faith of our fellow Americans in our leadership, there will be no future for partisan politics. As I see it, we have a great deal more at stake in your decision on this issue than you possibly realize.

Please choose some other issue for petty political fighting. This issue has only one answer. If you believe in the democratic system, give the people of New Hampshire a new election.

Sincerely yours,

MICHAEL DINGMAN.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article referred to in the letter as it appeared in the Boston Sunday Globe of June 29, 1975.

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

[From the Boston Sunday Globe, June 29, 1975]

SENATE DEADLOCK NO SURPRISE TO NEW HAMPSHIRE VOTERS

(By Jack W. Germond)

DURHAM, N.H.—If you ask Peter Barnes, who is 82, what he thinks about the way the Senate is handling the New Hampshire election controversy, he will get red in the face and give you a real earful.

"Those people in the Senate are a bunch of plain damned fools," he says. "We're entitled to another election if we want one and the way they're behaving is the most palpably outrageous thing I've ever seen."

But if you ask Peter Barnes if he and his friends spend much time talking about the controversy, he calms down, shrugs and replies: "As a matter of fact, we never even discuss it. What's the use. We can't do anything about it anyway."

This is a common attitude here as New Hampshire ends six months without a second senator because no one can decide whether Republican Louis C. Wyman or Democrat John Durkin won the election last November.

The voters are unhappy with the Senate's refusal to allow them to settle the question with another election. But they are not really excited about it because they seem to expect nothing more from Washington these days.

The Republican notion that the solution is another election has an obvious following that is not limited to Republicans here. A reporter questioned almost three dozen New Hampshire voters at random and found three of every four in favor of a new election. Half of them said they were Democrats.

In Manchester, Jeanette Boudreau, a factory worker, asked: "Why isn't that fair? The Democrats say it isn't fair but they want to take advantage because they've already got control. That's one-party government just like Russia."

An appliance salesman in Concord said: "I'm sick and tired of all that high-falutin' talk about examining all the ballots. It's obvious there's room for honest disagreement on some of them, and it's just as obvious that the Democrats are going to have their own way. There's no way to tell what some of those people (who cast disputed ballots) meant to do."

The complaints of Democratic partisanship in the Senate ignore the fact that the original certification of Durkin as the winner, based on a recount, was overturned by an obviously partisan Republican agency, the State Ballot Law Commission, here. And the fact that this has been lost in the shuffle is a kind of tribute to the effectiveness of the state's vociferous right-wing leaders, Gov. Meldrim Thomson and publisher William Loeb, whose Manchester Union Leader suggests almost daily that there are "61 thieves" in the Senate trying to do dirt to the Granite State.

Tom Gerber, editor of the Concord Monitor, has argued in favor of a decision in the Senate but concedes that "the drumbeat from Thomson and Loeb" probably has generated a majority position.

"There is nothing subtle about the Union Leader crusade. Daily there are front page reprints of articles from conservative publications warning of a Democratic "steal" or special reports that, for example, the Wisconsin Republican organization has passed a resolution calling for a new election.

Except for the politicians and the newspapers, however, the people are not very interested in the issue because it does not touch their lives in any way they can identify. And they clearly have little faith in the politicians in the Senate.

In Northwood an old man minding a store cackled at a reporter's question.

"You came all the way up here to ask me about something like that?" he chortled, beside himself at the folly of it.

"I don't think you've got enough to keep you busy. You know the answer as well as I do. The Democrats run things and that's the way it's going to turn out."

Outside Manchester, Jeanne Reese, a housewife, was more politic. "It's all just a charade," she said, "and I think you know that just as well as I do. They don't listen any more and they don't care what we want up here."

A Manchester businessman professed not to be influenced by Loeb's Union Leader.

"I read the Boston Globe, not this rag," he said, "but Loeb is right about one thing. Once they get to Washington they don't give a damn about the people who sent them there. With the shape this country is in it's criminal for the Senate to be spending all that time arguing about Louis Wyman and John Durkin. They should either make a decision up or down on those ballots or send the whole thing back here."

Mr. GRIFFIN. Now, 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:

On page 1, line 12, insert the following: after the word "Gilford" add the following, "but notwithstanding any other provision of this resolution, the contested seat in the United States Senate from the State of New Hampshire is hereby declared vacant as of July 11, 1975".

Mr. ROBERT C. BYRD and Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. GRIFFIN. 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.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

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

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The rollcall was resumed and concluded, and the following Senators answered to their names:

[Quorum No. 50 Leg.]

Allen	Hansen	Ribicoff
Baker	Hatfield	Sparkman
Brock	Helms	Symington
Byrd, Robert C.	Laxalt	Thurmond
Cranston	Mansfield	Weicker
Goldwater	McClure	
Griffin	Pell	

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk	Hart, Gary W.	Moss
Bartlett	Hart, Philip A.	Muskie
Bayh	Hartke	Nelson
Beall	Haskell	Nunn
Bellmon	Hathaway	Packwood
Bentsen	Hollings	Pastore
Biden	Hruska	Pearson
Brooke	Huddleston	Percy
Bumpers	Humphrey	Proxmire
Burdick	Inouye	Randolph
Byrd,	Jackson	Roth
Harry F., Jr.	Javits	Schweiker
Cannon	Johnston	Scott, Hugh
Case	Kennedy	Scott,
Chiles	Leahy	William L.
Church	Long	Stafford
Clark	Magnuson	Stennis
Culver	Mathias	Stevens
Curtis	McClellan	Stevenson
Dole	McGee	Stone
Domenici	McGovern	Taft
Fong	McIntyre	Tunney
Ford	Metcalf	Williams
Garn	Mondale	Young
Glenn	Montoya	
Gravel	Morgan	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion to lay on the table Mr. GRIFFIN's amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND) and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 267 Leg.]

YEAS—54

Abourezk	Chiles	Gravel
Bayh	Church	Hart, Gary W.
Bentsen	Clark	Hart, Philip A.
Biden	Cranston	Hartke
Bumpers	Culver	Haskell
Burdick	Eagleton	Hathaway
Byrd, Robert C.	Ford	Hollings
Cannon	Glenn	Huddleston

Humphrey	McGovern	Pell
Inouye	McIntyre	Proxmire
Jackson	Mondale	Randolph
Johnston	Montoya	Ribicoff
Kennedy	Morgan	Sparkman
Leahy	Moss	Stevenson
Long	Muskie	Stone
Magnuson	Nelson	Symington
Mansfield	Nunn	Tunney
McGee	Pastore	Williams

NAYS—41

Allen	Goldwater	Roth
Baker	Griffin	Schweiker
Bartlett	Hansen	Scott, Hugh
Beall	Hatfield	Scott, William L.
Bellmon	Helms	Stafford
Brock	Hruska	Stennis
Brooke	Javits	Stevens
Byrd, Harry F., Jr.	Laxalt	Taft
Case	Mathias	Thurmond
Curtis	McClellan	Tower
Dole	McClure	Weicker
Domenici	Metcalf	Young
Fong	Packwood	
Garn	Pearson	
	Percy	

NOT VOTING—4

Buckley	Fannin
Eastland	Talmadge

So the motion to lay on the table Mr. GRIFFIN's amendment was agreed to.

Mr. CRANSTON. Mr. President, a number of efforts have been made on this side of the aisle to meet concerns that have been expressed in one way or another about the way this matter has been approached.

One of the first was when the Senator from West Virginia (Mr. ROBERT C. BYRD) in response to editorials and other news stories, made very plain that there was no intention, if it turned out that this election was decided in a way that seated Mr. Durkin, to change the committee ratios in any way that would result in the removing of any present members from those committees.

Yesterday another effort was made through the proposal by Senators MANSFIELD and LONG, which dealt with the major issue, that is the "skip-Louie" or "skip-John" ballots that involve more votes than any other issue. It took the Wyman contentions at face value, and met a demand that there be a search for "skip" ballots among the 180,000 ballots that are in the control of the committee.

If the allegations and affidavits submitted by Mr. Wyman and his supporters are correct, that one move would result in the seating of Mr. Wyman because several hundred "skip-John" Durkin ballots allegedly, according to those affidavits and allegations, were seen by those observing the count.

Under the Mansfield-Long proposal those ballots would be discounted, and John Durkin would lose those 200 or 300 votes.

However, Senator BROCK raised what seemed to be a legitimate objection to that proposal yesterday when he noted that the amendment offered by the Senators MANSFIELD and LONG included within it a denial of the Wyman demand that 10 specified precincts be recounted or looked at once again in New Hampshire.

In order to meet that objection, another effort now will be made to meet legitimate objections that have been raised in efforts to resolve this matter.

I am going to offer an amendment that would have the effect of moving four disputed multiple-skip ballots to Mr. Wyman and giving one to Mr. Durkin. It would mean, if approved, a net exchange of three votes in favor of Mr. Wyman.

I send this amendment to the desk and ask for its immediate consideration.

AMENDMENT NO. 678

The PRESIDING OFFICER (Mr. PEARSON). The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 1, line 7, insert "(A)" after "(1)" and below line 12 add the following:

"(B) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the four more-than-single-square-skip-Wyman ballots and on the one skip-Durkin ballot listed in section 2 of this Resolution, it is the sense of the Senate and the Senate hereby determines that the four ballots listed in clauses (20) through (23) of section 2 of this Resolution as more-than-single-square-skip-Wyman ballots shall be counted for Wyman and the ballot listed in clause (24) of section 2 of this Resolution as a skip-Durkin ballot shall be counted for Durkin."

Mr. CRANSTON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 677

Mr. MANSFIELD. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

At the end of the material proposed to be added by the amendment of Mr. CRANSTON add the following new paragraphs:

"(C) Notwithstanding the direction to vote separately on the issues posed in subsections (6) and (7) of this section and the direction to vote separately on the eight single-square-skip-Wyman ballots listed in section 2 of this resolution, it is the sense of the Senate and the Senate hereby determines that (i) the eight ballots listed in clauses (12) through (19) of section 2 of this resolution as single-square-skip-Wyman ballots shall not be counted for any candidate and (ii) every other single-square-skip-candidate ballot among all of the ballots in the custody of the Senate shall be found and separated and shall likewise not be counted for any candidate. For the purpose of this paragraph, a 'single-square-skip-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the U.S. Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot.

"(D) In order to execute the determination made in paragraph (C) of this subsection, (i) the Comptroller General of the United States is hereby directed to assign such investigators employed by the General Accounting Office, and such other professional employees of such Office, as are necessary to find and separate, from among all of the ballots in the custody of the Senate, any single-square-skip-candidate ballot and such investigators and any professional employees so assigned shall forthwith undertake to carry out expeditiously such functions and no other, and (ii) Dr. Floyd M. Riddick shall affix to any ballot so found and separated an attachment indicating that such ballot is not to be counted for any candidate and shall place any such ballot so designated in the box containing the ballots voted upon by the Committee on Rules and Administration on which such Committee did not cast a tie vote: *Provided*, That in the course of the execution of the procedure directed to be carried out in this sentence the ballots in the contested election for a seat in the United States Senate from the Sate of New Hampshire shall remain at all times in the continuous custody of the Senate under the supervision of the Sergeant at Arms of the Senate and access to the proceedings, and any information arising therefrom, directed to be carried out in this paragraph shall be restricted to such investigators and other professional employees assigned by the Comptroller General pursuant to this sentence and to Dr. Floyd M. Riddick. For the purpose of this paragraph, a 'single-square-ski-candidate ballot' shall mean a ballot (i) which is marked for voting (as distinguished from counting) only with either a cross or a check in one party circle and either a cross or a check in each candidate square in the column below the party circle so marked but on which there is no cross, check, or any other mark in the candidate square on the United States Senate line in such column, and (ii) on which there is no other mark or writing for voting in any other place on the ballot."

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. MANSFIELD. 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 Senator from Connecticut.

Mr. WEICKER. Mr. President, as I understand the procedures for this afternoon, at 4 o'clock there will be a live quorum preparatory to the cloture vote, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WEICKER. Mr. President, I would only comment very briefly in relation to the amendments proposed by the Senator from California and the Senator from Montana. If this is right now it should have been right last week, it should have been right several months ago.

That is the entire difficulty with trying to wheel and deal as among ourselves on the New Hampshire election. We can compromise, we can go ahead and settle differences when it comes to various and sundry issues, but when it comes to preserving the integrity of the election process, I do not think this is the place to start standing inflexible and——

Mr. LONG. Will the Senator yield?

Mr. WEICKER. Not right now, but I shall yield in a few minutes.

Mr. President, I would like to comment, if I might, on the matter of cloture before us because I do not think we should be permitted to allow such a historic occasion to go by unnoticed.

I say historic because this will be the first time in the history of this body that such a rapid-fire series of cloture votes came to pass in the number that

have occurred here. Specifically, we are now about to enter upon the fifth cloture vote.

Keep in mind, I say historic because never before relative to any other issue have so many "rapid-fire" cloture votes taken place. Not in the cause of housing, ever. Not in the cause of civil rights, ever. Not in the cause of health legislation, ever. Not in the cause of transportation or job opportunities, ever.

A first for the U.S. Senate. Five rapid fire cloture votes in the name of political greed, pure and simple.

Amazing that we have never gone through this procedure for all the great causes that have arisen in the land during the course of our 200 years, and especially those that demand solution today.

The cutoff came, usually, at three votes. Sometimes it went to four, but usually stretching a point at three, and I would say the norm is probably two attempts to invoke cloture. But in this particular instance when it is the political ox that is being gored, by whatever side, then we go ahead and go through the exercise of cloture upon cloture upon cloture.

I find this to be an extraordinary commentary on our priorities here in the U.S. Senate.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 166, relating to the determination of the contested election for a seat in the United States Senate from the State of New Hampshire.

Mike Mansfield, Lee Metcalf, William Proxmire, Robert C. Byrd, Vance Hartke, Wendell H. Ford, John Glenn, Richard (Dick) Stone, Alan Cranston, James Abourezk, John V. Tunney, Joseph R. Biden, Jr., Walter D. Huddleston, Jennings Randolph, William D. Hathaway, Gaylord Nelson, Dale Bumpers.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[Quorum No. 51 Leg.]

Abourezk	Byrd, Harry F., Jr.	Eagleton
Allen	Byrd, Robert C.	Fong
Baker	Cannon	Ford
Bartlett	Case	Garn
Bayh	Chiles	Glenn
Beall	Church	Goldwater
Bellmon	Clark	Gravel
Bentsen	Cranston	Griffin
Biden	Culver	Hansen
Brock	Curtis	Hart, Gary W.
Brooke	Dole	Hart, Philip A.
Bumpers	Domenici	Hartke
Burdick	Eastland	Haskell
Hatfield	McGovern	Scott, Hugh
Hathaway	McIntyre	Scott, William L.
Helms	Metcalf	Sparkman
Hollings	Mondale	Stafford
Hruska	Montoya	Stennis
Huddleston	Morgan	Stevens
Humphrey	Moss	Stevenson
Inouye	Muskie	Stone
Jackson	Nelson	Symington
Javits	Nunn	Taft
Johnston	Packwood	Talmadge
Kennedy	Pastore	Thurmond
Laxalt	Pearson	Tower
Leahy	Pell	Tunney
Long	Percy	Weicker
Magnuson	Proxmire	Williams
Mansfield	Randolph	Young
Mathias	Ribicoff	
McClure	Roth	
McGee	Schweiker	

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. (Mr. PEARSON). The question is, Is it the sense of the Senate that debate on the resolution (S. Res. 166) relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Missouri (Mr. EASTLAND) and the Senator from Arkansas (Mr. MCCLELLAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The yeas and nays resulted—yeas 57, nays 38, as follows:

[Rollcall Vote No. 268 Leg.]

YEAS—57

Abourezk	Hart, Philip A.	Montoya
Bayh	Hartke	Morgan
Bentsen	Haskell	Moss
Biden	Hathaway	Muskie
Bumpers	Hollings	Nelson
Burdick	Huddleston	Nunn
Byrd, Harry F., Jr.	Humphrey	Pastore
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Proxmire
Chiles	Johnston	Randolph
Church	Kennedy	Ribicoff
Clark	Leahy	Sparkman
Cranston	Long	Stevenson
Culver	Magnuson	Stone
Eagleton	Mansfield	Symington
Ford	McGee	Talmadge
Glenn	McGovern	Tunney
Gravel	McIntyre	Williams
Hart, Gary W.	Metcalf	
	Mondale	

NAYS—38

Allen	Goldwater	Roth
Baker	Griffin	Schweiker
Bartlett	Hansen	Scott, Hugh
Beall	Hatfield	Scott, William L.
Bellmon	Helms	Stafford
Brock	Hruska	Stennis
Brooke	Javits	Stevens
Case	Laxalt	Taft
Curtis	Mathias	Thurmond
Dole	McClure	Tower
Domenici	Packwood	Weicker
Fong	Pearson	Young
Garn	Percy	

NOT VOTING—4

Buckley	Fannin	McClellan
Eastland		

The PRESIDING OFFICER. On this vote there are 57 yeas and 38 nays. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the cloture motion is rejected.

Mr. CANNON and Mr. WEICKER addressed the Chair.

SENATE RESOLUTION 202—TO DECLARE A VACANCY IN THE OFFICE OF U.S. SENATOR FOR STATE OF NEW HAMPSHIRE FOR TERM COMMENCING JANUARY 3, 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now turn to the consideration of Senate Resolution 202, with a time limitation of 1 hour to be equally divided.

The resolution will be stated by title.

The legislative clerk read as follows:

A Resolution (S. Res. 202) to declare a vacancy in the office of United States Senator for the State of New Hampshire for the term commencing January 3, 1975.

The PRESIDING OFFICER. The Chair advises that the unanimous-consent agreement of time is 1 hour on this matter to be equally divided between the Senator from Nevada (Mr. CANNON) and the Senator from Alabama (Mr. ALLEN), and under the order no amendments or motions to table are in order.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

Mr. PASTORE. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CANNON. Mr. President, first, I say to the distinguished Senator from Connecticut, who pointed out earlier that the Senate had established and was establishing a record for the number of cloture votes on a particular issue, that the Senate has established another record. It is the first time in history that any political party has remained unified in voting so many times against cloture, to avoid voting on issues on a particular subject.

Second, concern was evidenced yesterday about the fact that in the form of the original Mansfield amendment, it would settle the issue of——

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

Mr. CANNON. There was objection yesterday to the fact that the original Mansfield amendment as presented would settle the issue of whether or not we go back and recount the 10 precincts set forth in section No. 1 of the resolution, which I pointed out on numerous occasions were waived, after investigation, by Mr. Wyman before the ballot law commission.

I point out now to my colleagues, for their benefit, in connection with that concern, that if the Cranston-Mansfield amendment, as now before the Senate, is approved, at that time I will offer a motion to table lines 7 through 12 of section 1, which would eliminate the question of those 10 precincts as a part of the so-called "skip-ballot" issue.

Further, with reference to the "skip-ballot" issue, I simply point out to my

colleagues that there has been a great effort on the part of some people to try to reach an agreement and accommodation of this matter, so that we can vote on the issues—not to settle the issue in a certain way, but so that we can vote on the issues that are before the Senate. I find, in reviewing the RECORD, that 10 of my colleagues on the minority side of the aisle have suggested during the course of this debate this type of procedure. I simply point that out. The RECORD is replete with discussion of the Senate approving action which would provide that a search be made to retrieve all ballots in the skipped-candidate category, which is what the Mansfield-Cranston amendment would do, limiting it to a single skip.

Senator WILLIAM L. SCOTT said on June 16:

Would it not be reasonable to have a search made of all of the ballots to see how many skip ballots there were for both of the candidates and to apply to the same rule . . .?

That is exactly what is proposed here, to retrieve all single skips and to apply the same rule to them.

Senator HATFIELD said on June 16:

I would reject all of the skipped ballots, in a discussion of the issue of the skip.

Senator GRIFFIN said on June 16:

It seems to me we have to go back into all the ballots, take out all the skip-type ballots for either party and count them by using the same rule.

That is exactly what the Mansfield amendment proposes.

Senator BEALL said on June 16:

. . . The Senate should go out and get these ballots in and see that they are treated in the same way.

Again, an endorsement of the Mansfield proposition.

Senator HUGH SCOTT said on June 16:

But we have the affidavit of the former Governor of N.H. that there are hundreds of such ballots "skip-Louie" and skip-John not counted.

Senator HUGH SCOTT said on June 16:

We know we can go back and get them. We can do it in a morning's transaction, and then we would go back and we would look at the "skip-Louie" ballots so-called.

Senator GARN said on June 16—I am sorry that I do not see him in the Chamber to listen to this:

In all fairness and equity, it would not make much difference which way they ruled, whether they are going to throw them out or not, if we had all the skip-Louie and all the skip-Durkin ballots before us.

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

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

Mr. CANNON. I will yield in a moment. I should like to finish my statement:

Go ahead and let the committee count them any way they want or throw them out if they would seek out all the Durkin-Wyman ballots.

That was Senator GARN's statement, and that is precisely what is proposed in the Cranston-Mansfield amendment.

Senator GRIFFIN said on June 17:

It seems inconceivable that the Senate would adopt such a position, particularly in light of undisputed evidence in the record that "hundreds" of similar skip-type ballots were counted for Mr. Durkin.

Surely, if it decides not to count the skip-type ballots for Mr. Wyman before us, the Senate will also order that all 180,000 paper ballots be canvassed to separate and retrieve all other skip-type ballots that have heretofore been counted.

Senator DOMENICI said on June 18:

Go back and find out how many skip-Durkin ballots there are and apply the same intent rule to those.

Senator STEVENS said on June 20:

What is the harm of looking? What is the harm of going back and counting them all?

Senator WEICKER said on June 23:

I stated before what I have recommended to the Senate is that the "skip-candidate" ballots in the possession of the committee be retrieved, and that a uniform procedure be applied to all of them.

Again, that is precisely what is proposed in the Cranston-Mansfield amendment. Senator BROCK said on June 23:

My original temptation was to amend his resolution to require a search of all ballots and to throw out all skip-candidate ballots be they for Durkin or for Wyman.

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

Mr. CANNON. I promised to yield to the Senator from South Dakota.

VOLUNTARY CONTRIBUTIONS OF SERVICES TO THE AMERICAN INDIAN POLICY REVIEW COMMISSION

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2073.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield such time as may be necessary.

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

Mr. BROCK. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. I do not object.

There being no objection, the Senate proceeded to consider the bill (S. 2073) to authorize the American Indian Policy Review Commission to accept voluntary contributions of services and for other purposes, which was read the first time by title and the second time at length.

Mr. ABOUREZK. Mr. President, I shall take just 30 seconds.

This is simply a housekeeping measure, to be added to the American Indian Policy Review Commission measure, to entitle the Commission to have the mailing privilege and to accept volunteer services from the Government and from private sources.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2073) was ordered to be engrossed for a third reading, read a third time, and passed, as follows:

S. 2073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the joint resolution entitled "A Joint Resolution to provide for the establishment of the American Indian Policy Review Commission," approved January 2, 1975, Pub. L. 93-580 (88 Stat. 1912), is amended by adding at the end thereof the following new subsections:

"(e) The Commission is authorized to accept and use donations of money, property (whether real or personal), and uncompensated services from any person whether public or private for the purpose of carrying out the provisions of this Act.

"(f) Matter mailed by the Commission may be mailed under the frank of any Member of Congress who is serving as the chairman of the Commission.".

SEC. 2. Section 6(b) of such Act (88 Stat. 1914) is amended to read as follows:

"(b)(1) In carrying out its functions under this resolution, the Commission is authorized to utilize the services, information, facilities, and personnel of the executive departments and agencies of the Government with or without reimbursement, and the head of any such department or agency is authorized to provide the Commission such services, facilities, information, and personnel to the Commission.

"(2) The Commission is authorized to procure the temporary or intermittent services of experts or consultants or organizations thereof by contract at rates of compensation not in excess of the daily equivalent of the highest per annum rate of compensation that may be paid to employees of the Senate generally.".

SEC. 3. Section 6 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) A person who provides voluntary and uncompensated services to the Commission shall not by reason of such service be deemed to be an employee of the United States. Any such person may be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their service to the Commission upon the approval of the chairman.

DETERMINATION OF SENATE ELECTION IN NEW HAMPSHIRE

The Senate continued with the consideration of the resolution—Senate Resolution 166—relating to the determination of the contested election for a seat in the U.S. Senate from the State of New Hampshire.

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

Mr. CANNON. I yield.

Mr. LONG. Mr. President, I regret to hear a statement that I think the Senator from Connecticut will regret, when the Senator said something about political greed on behalf of those offering an amendment to treat all these ballots the same.

I stood here and put into the RECORD some time ago the position of Mr. Durkin, whereupon Mr. Wyman gave me a brief to explain his side about the "skip" ballots. Having said that, I talked to my Democratic colleagues and said I thought Mr. Wyman was making a better argument.

I read all the cases, and I was creating quite a bit of dissension among the Democrats by saying there is a better case for counting the "skip" ballots than for not counting them. I said, "If you are going to count the 'skip' ballots, you

should proceed to count all the 'skip' ballots the same way, and throw all out if you are going to throw any of them out."

I walked into the Chamber and found Mr. BROCK offering an amendment that provided for counting the "skip" ballots, and I voted for it. I was dismayed to see that so many people who would vote against cloture would not vote for Mr. BROCK'S amendment. Mr. EASTLAND would not vote for it. Mr. STENNIS would not vote for it. Mr. MCCLELLAN would not vote for it. They would not vote for it, even though they will not vote for cloture. It was defeated by a vote far greater than anything I expected.

So if the Senate would not go that way, the only thing this Senator thought could be done within reason was to count them the other way, to say if the voter skipped one slot on the ballot, you would not count that vote for either one.

I then proceeded to insist that we should go back to the 180,000 ballots and pick out every ballot where, according to the affidavits that Mr. Wyman and his people have, there are a bunch of "skip-Durkin" ballots.

All right, go back and go through them and take them out. So my Democratic colleages were persuaded, over a period of time to go with that. After I voted first to let Mr. Wyman have it his way, I found that we could not get enough votes to do it that way. Even those voting against cloture, not enough of them would vote to do business that way. I said, as far as I am concerned, I would be willing to abide by the Senate's judgment and do it the other way. We will just treat them all alike and go back and pull out the whole 180,000. Here was Mr. Scott proposing to do it that way; here was Mr. GRIFFIN proposing to do it that way. As far as I am concerned, I would almost be willing just to flip a coin and let whoever calls it right be the Senator. But it ought to be resolved one way or the other and we ought to have them try to count these ballots by some ground rules before this question is resolved.

But, no, there is still going to be a filibuster.

I have tried to do business the way Mr. GRIFFIN wants to do busines; I have tried to do business the way Mr. SCOTT wants to do busines. But there is still going to be a filibuster. I guess the only way we can avoid a filibuster is just to let our friends on the Republican side either send it back to New Hampshire, which has been voted down now several times, or else figure out some way to agree to their compromise, which must necessarily mean their man is going to be seated.

If they will not agree to this, let them tell us what they will agree to, which they will not tell us. If they want to send it back to New Hampshire, that has been voted down six times. They ought to show enough imagination to suggest something else.

We have tried several ways. One, count "skip" ballots. That failed by an overwhelming vote. We said, when that failed, if we are not going to count the "skip" ballots, go back to the whole 180,000 and see if Mr. Wyman's affidavits are correct. If that is so, he will be the Senator. Now they do not think their affidavits are correct so they do not want to do business that way.

It seems to me, Mr. President, if on some basis, they do not want to go along with this, they ought to say what, in the spirit of compromise, they are willing to do.

I wanted to do it Mr. Wyman's way. The Senate did not want to do it that way. So on our side of the aisle, we could not get a vote for cloture. I said, then let us do it this other way. A number of Senators opposing cloture said it sounds fair.

It sounds fair until the leadership on our side of the aisle is willing to agree to it.

If Senators will not do business this way, I think the burden is on them either to make us a proposition or quit filibustering.

Mr. CANNON. Mr. President, I say to my colleague, I certainly agree with him on that general proposition. I find difficulty with this proposal that has been offered by Mr. MANSFIELD and Senator CRANSTON because it immediately awards all of the multi-skip ballots to the person who had the X or the check up in the circle. The New Hampshire law—we have heard a lot about it, but they have not said an awful lot about the New Hampshire law that says it is up to the body counting the ballots to try to determine the intent of the voters. It says the legislature can prescribe how the person shall vote, but they cannot prescribe how the ballots shall be counted. The duty on this body is to try to determine what that voter intended.

You cannot tell me that in ballot 262, where the man put an X up at the top and went down and put an X in every other one except 3, had an X in Mr. Wyman's square at one time and then went back and erased it—you cannot tell me there is any plainer intent of the voter in the world than that erasure mark on that ballot with the original X showing through. That ballot would be given to Mr. Wyman under this proposition. I find difficulty with that. I think the Senate ought to look to all of them and try to determine the intent of those voters. But certainly, the intent of that voter is absolutely crystal clear. But under the Mansfield-Cranston proposition and that of the Senator from Louisiana, that ballot would be awarded to Mr. Wyman, because it is a multi-skip ballot.

I am reluctantly willing to go along on this proposal. As I said earlier, if the Mansfield-Cranston proposition, the amendment now before us, is approved, I intend to move to table lines 7 through 12 of section 1 of the original resolution, to get out of that one particular issue the Senate would be considering any other side issue. On just the simple issue, we will award those four multi-skip ballots to Louis Wyman, we will award the one multi-skip ballot to John Durkin—the single "skips" will be thrown out—and have the GAO go through and retrieve every single "skip" and throw them out and apply to those the rules of the ballot law commission.

Mr. President, on the subject matter at hand, Senate Resolution 202, I do not think I need to say anything more. We have voted on this same issue in one form or another six times so far. This will make the seventh. I think that the Senate has pretty well expressed its will.

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

Mr. GRIFFIN. Will the Senator from Nevada yield for a question?

Mr. CANNON. Yes.

Mr. GRIFFIN. Just as a matter of clarification, really, I wish to know if the amendment offered by Mr. MANSFIELD today, as on yesterday, provides for no observers of the 2 candidates?

Mr. CANNON. Yes, it provides for—I think it does. I have not read it very carefully with that thought in mind, but I am told that it provides for no observers by the candidate.

This is a mechanical process.

Mr. GRIFFIN. I wonder—everything else that we have done, especially when it was a matter of going back and checking ballots and so forth, was always done with the candidates themselves present or with their representatives present, just as observers. Is there any particular reason why that has been eliminated?

Mr. CANNON. The Senator would have to ask the authors of the amendment, not me. I have been told that we have already found that where we have observers of each side there, they cannot agree on the time of day. They can look at the clock up there and if there were one of Mr. Wyman's observers there and one of Mr. Durkin's there, they would not agree that it is now 13 minutes to 5 by that clock. One would say it is 12 and the other 12½.

Mr. GRIFFIN. I sort of found that to be true of the Committee on Rules, too.

Mr. CANNON. That was their position before the Committee on Rules. They were advocating their respective clients' positions.

This procedure spells out, as I understand it, a very precise set of circumstances, a set of ballots to be retrieved to apply the mechanical count to.

Mr. GRIFFIN. If that is the case, and I realize that is the intention, why would there be any concern about having observers from both sides just to be there? It does not matter whether they agree or not. It is just a matter of their watching the procedure.

Mr. CANNON. I suggest that the Senator had better wait to address those questions to the authors of the amendment rather than to myself.

I reserve the remainder of my time.

Mr. ALLEN. Mr. President, I yield myself 10 minutes.

Mr. President, I do not anticipate that this resolution will be agreed to. At the time it was offered this morning by the Senator from Alabama, the parliamentary situation with respect to Senate Resolution 166 was such that there was no way to offer an amendment to Senate Resolution 166 embodying this principle of declaring a vacancy in the office of United States Senator from the State of New Hampshire, and sending the issue back to the people of New Hampshire. Later, the Senator from Nevada withdrew his amendment, resulting in the falling of the Mansfield amendment, and

it did become subject to amendment. The Senator from Michigan offered an amendment which would have declared a vacancy as of July 11.

At the time the Senator from Alabama offered this resolution——

Mr. HELMS. Mr. President, may the Senate be in order? I cannot hear the Senator.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will be in order.

The Senator may proceed.

Mr. ALLEN. At the time the Senator from Alabama offered this resolution then it was not possible to amend Senate Resolution 166. The Senator from Alabama offered the amendment as a declaration of independence on his part from the legal fiction that the Senate under article I, section 5 of the Constitution must declare a winner in this election contest. That is obviously not true because the Senate does have the power to send the election back to New Hampshire by the declaring of a vacancy.

The Senator from Alabama in the Rules Committee and on the floor of the Senate has tried to decide these questions on a matter of principle and not on a partisan basis or not on the basis of political expediency, feeling that the certificate of election that was issued to Mr. Wyman by the duly constituted authorities in the State of New Hampshire should have been honored by the U.S. Senate. The Senator from Alabama voted to seat Mr. Wyman provisionally subject to action by the Senate on the hearing of the contest.

In retrospect, I still feel that that is the action that the Senate should have taken because during the past 6 months at least the State of New Hampshire would have had two U.S. Senators. But it does not seem they are going to have two Senators any time soon.

So, Mr. President, as I see this matter, the U.S. Senate should make a good faith effort to decide this issue, and decide it with reasonable certainty. We have been discussing the matter for almost 6 months now, and we are not much farther toward a solution than we were on January 14 when the matter first came before the Senate.

I do not believe that at the end of our deliberations, whichever one of the candidates is seated, the Senate will be able to say with any degree of certainty that that person, whichever one he might be, actually received more votes than did his opponent.

Now, Mr. President, the issue that tipped the scales in the mind of the Senator from Alabama as to what course he should pursue by sending this matter back to the voters of New Hampshire was the so-called compromise offered by the distinguished majority leader and the distinguished Senator from Louisiana (Mr. LONG).

Mr. LONG said just a moment ago that he felt that these "skip" ballots should have been counted, and he voted that way. Yet the compromise throws out all the "skip" ballots.

So, as I see this compromise—and it is a compromise only on the part of those who have been voting for cloture, I might say—as I see this so-called compromise, it is certainly illogical, it is cynical, and it is a grotesque effort to indicate that there is some degree of compromise here.

But actually that is not true. It throws New Hampshire law out of the window. It disregards New Hampshire law, and it makes a decision as to who shall be the Senator from New Hampshire based not on who got the most votes but on which of the candidates received the fewer of the skip-candidate-type ballots.

I do not believe that a decision based on that line of reasoning would stand the scrutiny of history. I do not believe that is a decision that the Senate wants to make, to have this election contest determined on the basis of which candidate received not the most votes but the fewer votes of a given type.

Mr. President, there is not too much unanimity, it would seem, as to the wisdom of the approach of the Mansfield compromise. The rug was jerked out from under it twice yesterday and today, once by the Senator from Alabama when he withdrew his amendment in the first degree, and the Mansfield amendment fell.

Then the distinguished Senator from Nevada (Mr. CANNON) had an amendment in and there were two Mansfield amendments added to that; one, an amendment in the second degree, and the other, a perfecting amendment, and the Senator from Nevada withdrew his amendment, and the Mansfield amendment fell again.

Well now, this amendment that they have put in as the Mansfield compromise, all that is is a division, it is a dismembered Mansfield amendment is what it is.

I might say the way they put the amendment in, they cut it half in two, and for the basic amendment it was giving Mr. Wyman four of the more than one "skip ballots," and Mr. Durkin one; but, significantly, the amendment to that amendment is withholding eight of the "skip-Wyman" type ballots, and that issue would be voted on first.

So actually this effort now is more cynical than the other because it makes the first decision to be to throw out eight ballots that the law of New Hampshire says should be counted. What sort of decision is that on the part of the U.S. Senate to initially knock out as the first vote that would come eight votes that the law of New Hampshire says should be counted for Mr. Wyman? That would be our first step if the Mansfield-Cranston route is pursued.

You will note, of course, that the one was standing here and one over there, and they got recognition simultaneously so that no other amendments could be offered. You are locked in, and you have to vote first to knock out the first eight Wyman votes, and then if that is adopted, you would have a decision on the four votes for the "skip-Wyman" votes and one "skip-Durkin" vote.

So, Mr. President, this cynical approach is what finally determined the Senator from Alabama that the Senate cannot come to a certain decision in this matter and that the matter should be referred to the people of the sovereign State of New Hampshire.

Who is afraid of the people of New Hampshire? Why should they not make this decision? The Senator from Alabama is sufficiently a believer in State's rights, the right of the people of the State to choose their own officers, and weigh that, weigh the choice of the people of New Hampshire making the decision, weigh that against the guidelines and the blueprint that has been set here for deciding this issue contrary to the law of the State of New Hampshire, throwing New Hampshire law out the window where New Hampshire law would say these eight ballots should be counted for Mr. Wyman, and where the Senate says they should not be counted for Mr. Wyman, and all other single "skip" ballots should be thrown out also.

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

Mr. ALLEN. For 1 minute, yes.

Mr. LONG. May I say to my distinguished friend that I voted to say that you would construe the law so that the "skip" ballots would be counted for both sides.

Mr. ALLEN. I know that that is just the law. The Senator recognized that was the law. How he could now espouse an amendment that would disregard that law and throw the ballots out when they ought to be counted is something I cannot understand.

Mr. LONG. How can the Senator quarrel with the Senator from Louisiana, having voted to say, "All right, you will count the 'skip-ballots' the way the Senator from Alabama would like to count them," and when the Senate votes that down overwhelmingly it means, so far as that Barr decision is concerned, I would think that that means, they do not quite agree with that. It does not fit on all fours, and it does not make much sense for them to count it that way, so it would look like the Senate would count it the other way.

Mr. ALLEN. I appreciate the Senator's position.

Mr. LONG. If you are going to count them the other way, then you should go through the whole 180,000 ballots. So far as I am concerned, I want to settle it any way that is fair.

Mr. ALLEN. I know that the Senator is fair.

The PRESIDING OFFICER (Mr. CULVER). The Senator's time has expired.

Mr. ALLEN. One further thing I would like to point out, the Senator from Nevada read from the CONGRESSIONAL RECORD something about some 10 or 12 speakers on this issue as to going back and getting all of these "skip-candidate" ballots and bringing them in and applying the same rule.

I noted that they did not produce anything said by the Senator from Alabama on this subject because the Senator from Alabama has felt from the very start what we ought to do. One of his amendments which was tabled, I might say, provided just for going out and getting 11 of these "skip-candidate" ballots to offset the "skip-candidate" ballots that were before the committee and then applying the same rule as to those ballots,

feeling that under New Hampshire law all of the ballots would have been counted. But he noted with a great deal of interest that the Senator from Nevada did not have any quotations from the Senator from Alabama even though the Senator from Alabama has spoken on this subject a number of times.

Mr. CANNON. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. CANNON. I just simply say, I was trying to point out to my colleagues on the other side of the aisle who had spoken.

Mr. ALLEN. I give the Senator permission to produce any of my remarks on that subject.

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

Mr. CANNON. If the Senator is ready, I am prepared to yield back the time.

Mr. ALLEN. No, there are others who wish to speak.

How much time does the Senator from Connecticut desire?

Mr. WEICKER. Two minutes.

Mr. ALLEN. I yield the Senator 5 minutes or such portion as he should use.

Mr. WEICKER. I thank the distinguished Senator from Alabama, and I rise in support of his amendment.

I want to say to the distinguished Senator from Louisiana, as much as I admire his eloquence, his precision leaves something to be desired.

My comments relative to political greed were directed at the fifth cloture motion, it had nothing to do with the Mansfield amendment, and I will repeat the fact that this has been a very unusual activity of the Senate to engage in, a fifth cloture motion.

I might add, since we are expecting one tomorrow, No. 6 is on the horizon.

All the rules have been changed for this game, that is the difficulty, not just the number of cloture votes taken. But in the sense of not seating Mr. Wyman without prejudice to Mr. Durkin, again the rules have been thrown out the window.

Go right down the list, there has been a rather unusual handling of this matter. It is for that reason that the Nation as a whole feels that the decision is far better arrived at in New Hampshire than on the Senate floor.

Now, to compliment the distinguished Senator from Louisiana, he was shocked when his very logical approach to the matter was overwhelmingly turned down by the Senate, and well he might be, because logic has not prevailed at all in the arguments on this floor when it comes to New Hampshire.

What I am saying is, and what others have said on both sides of the aisle, I might add, that rather than have this situation wallow in a mire of partisanship and illogic and throwing out of the rules, let us arrive at a decision which is clearly in tune with these times, which is to let the people of New Hampshire decide.

I repeat what I said earlier, I just cannot let a moment like this go by in silence. The people of the country should know the U.S. Senate is doing something it has never done before. When we finally vote a sixth cloture motion tomorrow, that will be the first time in the history of this body that such an activity has taken place.

I could understand going to these extremes on behalf of our fellow Americans that are in need, in housing, in health, in civil rights, or whatever. But can I see us going to these extremes in a political quest? The answer is no.

I do not care whether we call it political greed, I do not care whether we call it avarice, I do not care whether we call it ambitious yearning. Call it whatever we will, all reason has left this floor; all reason has left this floor and all decorum has left this floor.

Mr. CANNON. Will the Senator yield?

Mr. WEICKER. All ascribing to tradition has left the floor, and for one Senate seat.

What I say is that if we are going to go through these extraordinary efforts, for God's sake, let us do it in some magnificent cause, not in a display of outright partisanship.

We can all be off the hook—nobody will have won, nobody will have lost. We will just have exercised good sense by sending it back to New Hampshire.

Mr. CANNON. Will the Senator yield?

Mr. WEICKER. Yes, indeed.

Mr. CANNON. Would the Senator not agree that there are a number of issues posed by the resolution that could and ought to be voted on by the Senate? And we cannot come to a solitary vote. I would agree to vote on them in any single order. I do not care which one. Go to one of the ballots. Go to one of the ballots and let the Senate speak on it.

We voted 4 to 4 and the committee voted 8 to 0, report it up here, let the Senate decide—and we cannot vote on it.

If we would even vote on some of these issues like we are doing something, and then if the Senator and his colleagues want to filibuster one particular issue, that is a different thing. But this is filibustering even coming to a vote on any one of those issues, the 35 issues. Some of them are just as clear as some of my colleagues on the Senator's side of the aisle have come and said, there could not be any question about how that ballot ought to be considered, when they saw how they were marked.

Mr. WEICKER. First of all, I would remind the distinguished Senator from Nevada, we have probably discussed every single issue contained in the resolution and, indeed, in one manner or another we have voted on them, and this has transpired during the past several weeks the debate has continued.

What I am saying here is that we cannot wheel and deal a solution to this problem. That is exactly what the difficulty is when it comes to the image of the Senate, or House, or politicians in general, in the mind of the American people.

We are talking about the election process. This is not the highway trust fund, Cambodia, this is not a matter of the SST. This is the integrity of the election process.

It seems to me, in order to preserve that integrity, these matters are best resolved by the people of New Hampshire, Democrats, Republicans, Independents alike. That is why any of these compromises arrived at, in fact, they are not compromising the position of either Mr. Durkin or Mr. Wyman, they are compromising the election process, and that is what the American people do not want any more of.

Rather, they want decisions which will enhance, elevate, the integrity of what goes on in politics in this Nation.

Mr. HATFIELD. Will the Senator yield?

Mr. WEICKER. Yes, I yield to the Senator.

Mr. HATFIELD. I wonder if the chairman would yield for a question.

Mr. CANNON. Certainly.

Mr. HATFIELD. I would like to make sure I heard the chairman correctly when I believe the chairman just stated he would be willing to go to a vote on any of the issues, any single issue, in any order?

Mr. CANNON. If I said that, I meant to say, any one of those vote issues, of the vote issues.

I think we already had a ruling from the Chair that the other matters would have to come in regular order.

Mr. HATFIELD. Will the Senator yield for a further question?

Mr. CANNON. Surely.

Mr. HATFIELD. Would the chairman be willing to move to issue No. 1 on the question of the precincts?

Mr. CANNON. I tried to get a vote on issue No. 1 for days.

Mr. HATFIELD. I thought the Senator had indicated earlier to the floor he planned to table, or move to strike and table that?

Mr. CANNON. Oh, the Senator has misunderstood what I said.

What I said was that if the Mansfield and the Cranston amendment is approved, and that is the pending amendment now on which the yeas and nays are ordered, both of them, they carry with it issue No. 1. It is part of it.

Senator CRANSTON yesterday raised objection to tying that in, that issue in with this so-called skip-Louie issue, and I said, to try to alleviate his concerns, that I would be willing, if the Mansfield-Cranston amendment is approved, to at that time move to table lines 7 through 12 of section 1, which is issue No. 1.

Now, if the Mansfield-Cranston amendment were not pending right now, I would agree to a vote on issue No. 1 in 5 minutes, with 2½ minutes to a side.

I have said all along I would agree to a time limit on issue No. 1, and I would agree to any reasonable time limit on it.

Mr. HATFIELD. Will the Senator yield further?

Mr. CANNON. Certainly.

The PRESIDING OFFICER (Mr. PEARSON). The time has expired, the time allotted to the Senator from Alabama.

Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time on this issue and get a vote on the issue.

Mr. HATFIELD. Could I make an inquiry as to how much time——

Mr. ALLEN. Has all time of the Senator from Alabama expired?

Mr. CANNON. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 10 minutes remaining, and the Senator from Alabama also has 10 minutes.

Mr. ALLEN. I thank the Senator.

Mr. CANNON. I yield 1 minute for a further inquiry.

Mr. HATFIELD. I would like to further pursue this for just a moment. If I understand the chairman correctly, then, if we were not locked in to this particular pending motion as presently worded, the Senator and chairman of the committee would be willing to move to issue No. 1; namely, the precincts, contested precincts, the question of the precincts?

Mr. CANNON. I would agree if the sponsors—I do not know whether they will—if the sponsors of the amendments that are pending would withdraw them. I would be willing to agree to move to issue No. 1 with a 30-minute time limit. I have been trying to get a vote on issue No. 1 for 15 days now. I am at the point where I would agree to vote on anything, if the Senate would just let us vote. I did not say how I would agree to vote, but I would agree to vote if we could just get to vote on some of these issues.

Mr. HATFIELD. I believe the Senator has already made the point. We have already had a number of rollcall votes. I would agree with the chairman, and I want to say to the chairman, I would like to get to the issues, too. But, I believe the chairman has already indicated very clearly that the issues are pretty well enmeshed and confused as far as being able to extrapolate an issue out and let an issue stand on its own feet and be debated on the merit of that single issue.

Mr. CANNON. The Senator is correct, particularly with reference to issue No. 1. The sole reason is because issue No. 1 is the first issue pending. Some vehicle had to be used to try to get a resolution. That is what it has been used for. I have said at least 10 times and maybe more—I can check the RECORD—that I would agree to any kind of a reasonable time limit on these respective issues and vote on them. I would agree on a reasonable time limit on any of the vote issues and vote on them.

Mr. HATFIELD. Let me say to the Senator I would be very happy to give whatever assistance I might be able to lend in supporting the chairman in reaching the objective of having us consider issue No. 1 solely as a single issue, debate the merits of that particular issue, and have a vote on that issue.

Mr. CANNON. May I suggest to my colleague that he check with some of his colleagues, then, and maybe we can work out a unanimous-consent agreement. I would be willing to work out an agreement on every one with a time limit.

Mr. HATFIELD. I am not sure it would carry with a unanimous consent, but I certainly can say to the Senator that we would undertake in good faith to have an understanding of reaching a conclusion on that issue in a very reasonable period of time. We have certain people on our side who are going to object to any unanimous-consent agreements on time on any of these issues.

Mr. MANSFIELD. Will the Senator yield?

Mr. HATFIELD. Yes.

Mr. MANSFIELD. Why? We have not faced up to one issue yet. If you are going to keep on objecting and objecting—and I am not talking of the Senator from Oregon who is most reasonable—I think we will have to adopt a new attitude and undertake a new tack. I am putting the Senate on notice that if we do not reach an agreement to enable us to vote on the issues—we have not voted on 1 of the 27 or 35—action will be taken which may not be agreed to by a good many Senators. This has gone on long enough, 15 days or 16 days.

How many votes have there been, may I ask the distinguished chairman of the committee, in how many days and on how many issues?

Mr. CANNON. As of July 9, as of this date, we have had—now it is more—25 rollcall votes, 23 live quorums, 5 cloture votes, 6 of those rollcall votes to declare a vacancy and return the case to New Hampshire, and we have spent over 69 hours.

Mr. MANSFIELD. What we tried to do in the beginning was to reach an agreement which I thought was a reasonable one, which would take up 2 weeks, provided we could get television. We tried to get television all of the first week but we could not work it out with the companies. They said they would have to have much more light and they did not have enough time. They had all kinds of excuses.

Then we raised the question of 70 hours. Well, television is out as far as this issue is concerned, though I hope it is not out as far as the Senate's future is concerned. Seventy hours is out. I think we have been most patient. I think we have been most considerate. Senators can laugh all they want about the compromises which have been offered, but they were offered in good faith and with good heart. This thing is going to be faced up to shortly, or we will have to adopt other forms of procedure.

Mr. BROCK. Will the majority leader yield?

Mr. HATFIELD. May I respond?

Mr. MANSFIELD. The Senator has the floor.

Mr. HATFIELD. I would like to respond in this way: I cannot find fault with any effort the majority leader has made in an attempt to get this resolved. I believe the record will show that. I would also say I think there is more than one way to reach an agreement than just a unanimous consent. I am saying to the majority leader and to our chairman that if we can some way extrapolate this first issue, and let is be debated within a reasonable period of time, then we can reach a vote on that issue. I am persuaded that the people on this side of the aisle, the minority, even those who may not agree to a unanimous consent procedure, will agree to other procedures by which we can achieve the same objective. That may be only a technicality, but in many instances this Senate moves on technicalities.

All I am saying is that we are willing to get to that issue, No. 1, debate it on its merit, and get a vote. But it is now enmeshed, as the chairman has recognized. I believe the best approach is to take each issue and get to a vote on it.

Mr. MANSFIELD. For how long will we do that? How much time will we spend on each of the 35 issues?

Mr. HATFIELD. I would say to the majority leader that in my opinion—and I cannot speak for other than myself but I would certainly lend any kind of assistance that I could to reaching some kind of gentleman's agreement—we could discuss this matter perhaps with an hour to each side and get to a vote, or a half-hour to each side and get to a vote.

Mr. MANSFIELD. Would the Senator and his associates consider the possibility of a time agreement not to exceed 20 hours at the conclusion of the vote on the Allen resolution so that we can wrap this matter up one way or the other?

Mr. HATFIELD. No; I would have to reply in the negative, based on my own conversations with other Senators. The Senator now is asking for a total time agreement. I am suggesting that we get to the first issue, as the chairman was talking about, and vote on the first issue.

Mr. MANSFIELD. I was suggesting 20 hours in addition to the 70 hours which will have been consumed on this matter up to this time without a vote on a single one of the 28 or 35 issues involved.

Mr. HATFIELD. I would say to the majority leader I think that proposal would be entertained after we agree or can reach an agreement on voting on issue No. 1.

Mr. MANSFIELD. I see in the Chamber the distinguished Senator from Connecticut, the distinguished Senator from Idaho (Mr. McCLURE), and there may have been others with whom the Democratic leadership met in the Republican cloakroom just prior to the start of the debate on the pending business 70 hours ago. At that time, it appeared that we might, under certain conditions, be able to finish it within a 2-week period. The Senator from Oregon was in the meeting and so was the Senator from Nevada. Here we are on our third week, I believe, with no end in sight. The Senate just cannot and will not go on in this fashion. That is all I have to say.

Mr. HATFIELD. Will the Senator yield 3 minutes?

Mr. CANNON. Mr. President, I do not know how much time I have left. We have been using my time without me being involved.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. CANNON. I reserve the remainder of my time.

Mr. HATFIELD. May I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes.

Mr. ALLEN. Does the Senator from Oregon want some time?

Mr. HATFIELD. Will the Senator yield 3 minutes?

Mr. ALLEN. Yes; I yield 3 minutes. I will yield the remainder of my time. I am through talking. I have 10 minutes. I yield my 10 minutes to the Senator from Oregon.

Mr. HATFIELD. I thank the Senator.

Mr. President, I would like to comment on two or three items.

No. 1, I would like to follow through for just a moment on the subject on which the majority leader and I have engaged in colloquy.

I wish to again emphasize the point that I am anxious, and I am sure that the majority of my colleagues on the minority side are anxious, to resolve this issue. I do not know of a soul whom I have talked to, or heard speak or express himself, who has expressed anything other than a desire to move ahead and obtain a resolution of this problem.

I think, having said that, I ought to spell out the point that we are not going to resolve it at any cost. I do not believe we have to adopt political expediency or any other kind of compromise that gets to the basic principles involved here in order to get rid of the issue; and I think we have to bear that in mind.

As I indicated yesterday, and I think it is worth briefly repeating at this time, that the forefathers of this country thought they were resolving the slavery issue by ducking the principle and compromising—two things, ducking and compromising—and they did not resolve it. I do not think the minority side is going to be put into any position of having participated in compromise or any other action that will have violated basic principles, and that is the purpose upon which we have been debating this issue.

Now let me reply, if I can, to the comments made by the chairman of the committee a moment ago, because I really feel that it is required to clear the record.

I think the record should show that, unlike what the chairman advised when he said that the 10 precinct questions had been waived by the Wyman forces in New Hampshire and before the ballot law commission hearing, that this is simply not true. It is not borne out by the facts before the committee at all.

The case is simply one in which the ballot law commission refused to rule on certain issues, and the record will show that the attorneys for Mr. Wyman reserved their rights and did not abandon their protest in that situation. The record will show that the ballot law commission did indicate that a number of these matters, which they did not feel capable of ruling on, or felt that they were not required to rule upon, would be passed through to the Senate. That is the fact of the case.

I think the record ought to show also what else was said when there was a quotation made of my statement. I would like to read my full statement, or at least enough of it to give a more accurate representation of what was said; and I think Senators will find the record is replete with this evidence throughout the committee hearings as well as in the debate here on the floor.

The chairman said, quoting me, from the debate on June 16, that I "would reject all of the skip ballots."

That implies, in effect, that I would throw them out. That is not the case.

The case is that the Senator from Virginia (Mr. WILLIAM L. SCOTT) and I were engaged in a colloquy, in which the record shows Mr. SCOTT had indicated the same rule should apply to all skip ballots, and I responded as follows:

> I would respond to the Senator that if I had my preference as to what I think would be the most just and equitable, I would go back to the basic New Hampshire law.

That is what the minority position has been throughout all of this debate. Let me repeat, the issue, as far as the minority is concerned, is not Louie Wyman; it is the issue of whether we are going to subscribe to law, basic New Hampshire law.

Then the record shows I went on to say:

> This is the law upon which this election was held. I would reject all of the skipped ballots.

Now it is in context. That is not an issue that I would even consider, because the skip ballots are clearly a matter of New Hampshire law, and are to be counted.

Then the record shows I went on to say:

> Then if we are not going to follow New Hampshire law on that basis under that precedent of New Hampshire law and if we are setting up, in effect, a new criteria, let that new criteria be applied to all the ballots that were cast in the November 1974 election in New Hampshire.

And then:

> I think it is proper to defend every single voter of New Hampshire who went out to the polls, and to defend his right to have his vote cast under the same rules.

Mr. President, if that were the only statement made on this subject, that would be one thing. But it was stated throughout the committee hearings. The committee said, "We know what the New Hampshire process is," and we even quoted Mr. Durkin, who said he wanted us to skip one-holers, but then, when asked the question, he said, "My case would be weakened if it were two-holer, and it would collapse in my lap if it were a three-holer."

Yet the committee then went on to count a four-skip ballot, a four-holer.

I think that is set forth very clearly both in the committee hearings and in the debate here on the Senate floor.

I would hope we should consider consistency to be a virtue in politics, though certainly there was a great range of inconsistencies expressed. We heard today from the chairman that the new proposal is that we are to go back and search out from the 180,000 ballots all the skip ballots.

I am sure Senators will remember on this floor—and let me say this was also argued in the committee—that there was a question of ballot security. When it was asked that we go back to the key issue and consider counting all those ballots, the chairman of the committee raised the question of ballot security. Somehow there was a great cold snap up there in New Hampshire and the door was frozen shut. He argued that there was not good security on those ballots, therefore, we were endangering the rights of the people of New Hampshire if we went back and tried to recount all of the ballots.

Now where is this great issue of ballot security? Somehow it melted along with the spring snows of New Hampshire that held those doors shut.

There were various proposals of various kinds before the committee, and each time they were either voted down by the majority or the issue ended in a tie vote.

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

Mr. HATFIELD. I am in a time limitation situation. I would be happy to yield, but until I have a chance to answer all these matters, I will not yield.

Mr. President, I think we have reached the point where people are very much aware of the basic issues at hand. The majority has today challenged the committee procedurally by saying we have not yet reached the point of a vote on a single issue. I cannot deny that, but that does, it seems to me, also imply that we have not been debating the issues. We have been debating the issues. I think it is very clear that there are some basic issues here that will be represented by the various parts of the resolution when we get to the vote on them, and so I do not think it has been a matter of dilatory tactics as a way to avoid the issues. We have used ways and methods to debate these issues which are protecting the rights of the minority.

I was also interested in the chairman's comments about that this is the first time in the history of the Senate that a party has exercised such discipline as to have all of its members voting this number of times on a question of——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATFIELD. I lost my best line.

The PRESIDING OFFICER. The Senator from Nevada has 1 additional minute.

Mr. CANNON. Mr. President, I would simply say, as to the first issue, that I placed in the RECORD not once but at least three times the exact statement of the lawyers for Mr. Wyman before the ballot law commission when they waived, on December 4, 1974, at pages 21 and 24—for the benefit of my colleague, who, I am sure, has already read it—and on December 20, 1974, on pages 111, 112, and 126. That constituted a complete waiver with respect to all 10 of those transactions.

But I have changed my position about going back at all. I have always been opposed to going back beyond the 3,500, but the Senator from Louisiana has convinced me that if anyone was going to try to do something to those ballots, they would not try to do it in this kind of complicated way; they would do it in a very simple way, rather than on this skip type of issue. Otherwise, I would not be willing to go beyond those 3,500 that were before the ballot law commission.

The PRESIDING OFFICER. The Senator's time has expired.

The question now recurs on agreeing to the resolution of the Senator from Alabama. On this question, 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 Mississippi (Mr. EASTLAND) and the Senator from Montana (Mr. METCALF) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 42, nays 53, as follows:

[Rollcall Vote No. 269 Leg.]

YEAS—42

Allen	Goldwater	Roth
Baker	Griffin	Schweiker
Bartlett	Hansen	Scott, Hugh
Beall	Hatfield	Scott, William L.
Bellmon	Helms	Stafford
Brock	Hruska	Stennis
Brooke	Javits	Stevens
Byrd, Harry F., Jr.	Laxalt	Taft
Case	Mathias	Talmadge
Curtis	McClellan	Thurmond
Dole	McClure	Tower
Domenici	Nunn	Weicker
Fong	Packwood	Young
Garn	Pearson	
	Percy	

NAYS—53

Abourezk	Hart, Philip A.	Mondale
Bayh	Hartke	Montoya
Bentsen	Haskell	Morgan
Biden	Hathaway	Moss
Bumpers	Hollings	Muskie
Burdick	Huddleston	Nelson
Byrd, Robert C.	Humphrey	Pastore
Cannon	Inouye	Pell
Chiles	Jackson	Proxmire
Church	Johnston	Randolph
Clark	Kennedy	Ribicoff
Cranston	Leahy	Sparkman
Culver	Long	Stevenson
Eagleton	Magnuson	Stone
Ford	Mansfield	Symington
Glenn	McGee	Tunney
Gravel	McGovern	Williams
Hart, Gary W.	McIntyre	

NOT VOTING—4

Buckley	Fannin	Metcalf
Eastland		

So the resolution (Senate Resolution No. 202) was not agreed to.

S. 2066—UNANIMOUS-CONSENT REQUEST

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from further consideration of S. 2066, a bill to amend the Federal Non-Nuclear Research and Development Act of 1975; that the bill be referred to the Committee on Interior and Insular Affairs.

I further ask unanimous consent that if and when S. 2066 is favorably reported to the Senate by the Committee on Interior and Insular Affairs, it be referred to the Committee on Banking, Housing and Urban Affairs for a period not to exceed 30 days.

Mr. GRIFFIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

ORDER FOR MESSAGE ON H.R. 49 TO BE HELD AT THE DESK TEMPORARILY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message on H.R. 49 be held at the desk temporarily, until further action.

Mr. HANSEN. Mr. President, reserving the right to object—and I do not intend to object—my understanding is that the Senate is working on proposed legislation and is trying to work out an arrangement with the Committee on Armed Services which would deal with the petroleum reserves. I anticipate that it is intended that those two committees can come up with a solution that would obviate the necessity of acting upon this bill. Is that correct?

Mr. MANSFIELD. The Senator is correct. This is just temporary.

Mr. HANSEN. I have no objection.

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

ORDER FOR SENATE RESOLUTION 173 TO BE PLACED ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the other side.

I ask unanimous consent that Senate Resolution 173, a resolution coming over under the rule, be placed on the calendar.

Mr. JAVITS. Mr. President, what is Senate Resolution 173?

Mr. ROBERT C. BYRD. It is a resolution to discharge the Committee on Rules and Administration from further consideration of credentials relating to the New Hampshire senatorial contest.

Mr. GRIFFIN. What is the request?

Mr. ROBERT C. BYRD. That it go on the calendar.

Mr. HUGH SCOTT. Simply to put it on the calendar, and for no other purpose?

Mr. ROBERT C. BYRD. Yes.

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

UNANIMOUS-CONSENT AGREEMENT—S. 1849

Mr. MANSFIELD. Mr. President, first let me say that in a colloquy with the ranking members of the Committee on Interior and Insular Affairs before the July recess—I am referring to the distinguished Senator from Arizona (Mr. FANNIN)—it was informally agreed that we would take up Calendar No. 215, S. 1849, the Energy Allocation Act extension on Thursday or Friday of this week. Since that time, I have been informed that Senator FANNIN is in Rochester, Minn.; that he will not be back until this weekend; but that he is willing to allow the Senate to consider—and I see the next ranking Member, the distinguished Senator from Wyoming (Mr. HANSEN) on the floor—a time allocation of 8 hours on S. 1849, with 1 hour on all amendments and one-half hour on amendments to amendments, motions, appeals, and the like, under the regular procedure. This would not be taken up until early next week, at which time Senator FANNIN will be back and in good shape, we all hope and pray and expect. I make that request at this time under the regular order, in the usual form.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the resolution coming over under the rule has been placed on the calendar, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 o'clock tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR MORGAN AND SENATOR GRIFFIN TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order, Mr. MORGAN be recognized for not to exceed 15 minutes, and that after Mr. MORGAN is recognized, Mr. GRIFFIN be recognized for not to exceed 15 minutes.

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

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for routine morning business of not to exceed 15 minutes after the consummation of the two orders previously entered.

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

Mr. ROBERT C. BYRD. I ask unanimous consent that statements under that period be limited to 5 minutes each.

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

ORDER FOR DEBATE ON CLOTURE MOTION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, at the conclusion of routine morning business, the 1 hour on rule XXII, the motion to invoke cloture, begin to run.

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

Mr. HUGH SCOTT. Will the Senator from West Virginia indicate to me what time that means when we proceed again with the act of futility or supererogation known as the cloture amendment?

Mr. ROBERT C. BYRD. May I say that it is within the distinguished Senator's power, certainly within the power of those on the other side of the aisle, to make it not an exercise in futility.

To answer his question, the 1 hour would begin running at about 11:45, in the event Mr. GRIFFIN takes his 15 minutes and in the event the 15 minutes for morning business runs its course.

Mr. HATFIELD. Will this be equally divided?

Mr. ROBERT C. BYRD. I ask unanimous consent that the time for the 1 hour under the cloture rule be equally divided between Mr. CANNON and Mr. HATFIELD.

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

Mr. ROBERT C. BYRD. Mr. President, there is no disposition to have any other rollcall votes tonight. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senate will be in order. The Senators conversing will take their seats or retire to the cloakroom.

The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, the request of the distinguished Presiding Officer has not been adhered to, so I do not wish to proceed until that request by the Presiding Officer is obeyed.

The PRESIDING OFFICER. Will those few remaining Senators who are still conversing kindly withdraw?

The Senator from West Virginia is now recognized.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

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

The PRESIDING OFFICER. The nominations will be stated.

LEGAL SERVICES CORPORATION

The legislative clerk proceeded to read sundry nominations in the Legal Services Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF STATE

The legislative clerk proceeded to read nominations in the Department of State.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

U.S. ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

The legislative clerk proceeded to read sundry nominations in the U.S. Advisory Commission on International Educational and Cultural Affairs.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Foreign Service.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

Mr. JAVITS. Mr. President, I ask unanimous consent that the President be notified.

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

Mr. JAVITS. Mr. President, I wish to say that the confirmation today of the nominations to the Legal Services Corporation marks a real milestone in the progress of our country. Though this is a recent program, it has been an absolute revelation in what it has meant to the poor, the breaking of the syndrome of poverty, and so on. We have had a very hard time with this. It has been almost 2 years before this Corporation could get underway. It is now, hopefully, underway with the Board confirmed.

While many of us, including myself, have had a lot to do with the Legal Services Corporation in its final stages, in order to get the last two nominees confirmed and to unravel what was really a can of worms with respect to these nominations, bedeviling what was already a sadly deferred situation, Senator CRANSTON of California has rendered us all a distinct service by, in a sense, just taking it upon himself to put all the pieces together, calling upon any of us that he thought could help, including myself, to help, and, finally, swallowing very hard at the last two nominees and concurring because he knew it was the way to get the job done. I think we would all be remiss if I did not, as I know the facts so intimately, call these facts to the attention of the Senate.

Mr. HELMS. Will the Senator yield?

Mr. JAVITS. Of course.

Mr. HELMS. Will he tell the Senator from North Carolina why the Senator from California felt disposed to swallow real hard with respect to the nominee from North Carolina?

Mr. JAVITS. I can. He felt that the board should have a mix, including women and including nonlawyers. As these were the last two nominations left, he had hoped that that would be the nature of those appointments. There was no aversion to the individuals. On the contrary, he considered the character of those finally nominated here, one of whom was our own ex-colleague, Marlow Cook, to be so high that it was a great influence in causing him to, as I say, swallow hard. But he had a very strong conviction about the mix of the board, which he had to forego.

Mr. HELMS. Will the Senator from New York and the Senator from California be willing to acknowledge that both of the last two nominees are excellent men. Is that correct?

Mr. CRANSTON. If the Senator will yield to me for a moment, I want first to thank the Senator from New York for his generous words and even more for his wonderful cooperation in this whole long struggle in which we have been engaged. We have had the help of many Senators from both sides of the aisle in the committee and on the floor. It is great that we have finally reached the point where the Legal Services Corporation can start to do the work it was created to do, very important work in our society.

On the matter of the final nominations, I am delighted that, in the absence of having as nominees a nonattorney, a woman, and a member of the client community, we have such worthy people nominated as Mr. Broughton of North Carolina and Marlow Cook with whom we served in this body. They will serve with great distinction, and I have expressed no reservations about either of them or any other nominees for the Board when the committee has favorably reported. They will all do their work well, I am convinced.

I just hope sometime in the future we will see a nonattorney, a woman, and a person from the client community on the Board, more than one.

Mr. HELMS. As I gather, the Senator did not swallow too hard just considering their names?

Mr. CRANSTON. Concerning Mr. Broughton I did not have to swallow hard at all so far as his own capacities are concerned. They are fine, and whatever role Senator HELMS played in bringing his name forward was a real service to the country.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CRANSTON. Yes, I yield.

Mr. ROBERT C. BYRD. May I add to the statement made by the very distinguished Senator from New York on behalf of the effort made by Mr. CRANSTON, I think for the last 2 or 3 days I have been pushed and pressed and put upon in a very nice way by the distinguished Senator from California and the Senator from New York to proceed as expeditiously as I possibly can with the consideration of these nominations, and so I would say that the fact that these nominations are being brought up today at this late hour is because of the efforts of the Senator from California and of the Senator from New York.

As a matter of fact, I had a motion, I was half-way through, it was my motion to adjourn when the Senator from California almost fell over the chair to my right here getting to me in time to stop me.

So I think he is to be congratulated, whatever his feelings may be at the moment.

Mr. CRANSTON. I thank my good friend from West Virginia. I am glad I did not push too hard, and I am glad I did not knock him down.

Mr. ROBERT C. BYRD. I am glad he did not fall over the chair.

CONFIRMATION OF LEGAL SERVICES CORPORATION BOARD OF DIRECTORS NOMINEES

Mr. CRANSTON. Mr. President, I am elated indeed that we have come to the end of what has been a long and rather difficult process of establishing the Legal Services Corporation. On Monday, the President submitted to the Senate nominations for the remaining two positions on the Board of Directors: the Honorable Marlow Cook, former Senator from Kentucky, and J. Melville Broughton, Jr., Esquire, of North Carolina. Concurrently, the President withdrew the nomination of William B. Knecht of California in consideration of the unanimous vote of the committee—on June 12—to postpone indefinitely consideration of his nomination. Senator Cook's nomination was submitted in place of Mr. Knecht's.

Over the course of the last 6 weeks or so the committee has voted to report favorably 9 of the President's nominations for the 11 Board positions.

Mr. President, in my opening statement at yesterday's final confirmation hearings, I noted that all indications were that Senator Cook and Mr. Broughton would be, and should be, promptly confirmed. So, without in any way reflecting on the qualifications of Senator Cook and Mr. Broughton, or their sensitivity to the needs of the client community and the other groups not represented among the pending 11 nominees for membership on the Board of Directors, and with the full expectation that they would be promptly confirmed, I reiterated my strong conviction about the importance of having women, nonattorneys, and representatives of the client community on the Board of Directors.

In my opening statement at the confirmation hearing of May 14, I stated and I quote:

> Mr. Chairman, that brings me to what I see as one principal deficiency in the overall slate of nominees. That is the lack of a person who can legitimately be said to be a representative of the client community. I think that this is a major deficiency. I also believe that there is an underrepersentation of minority groups and women among the nominees.
>
> The withdrawal of the nomination of Edith Green, therefore, affords the President and the Senate an opportunity to redress this imbalance. I very much hope that the President will take into account these areas of underrepresentation and will submit the name of a non-attorney individual who will be seen as a true representative of the poverty community; I think this individual should be a woman and, if possible, be from a minority group.

Mr. President, as I indicated in my colloquy just now with Senator JAVITS and Senator HELMS, I continue to believe that it is important to have representatives of these groups on the Board. Thus, I proposed that the members of the Labor and Public Welfare Committee express themselves in this regard, in connection with the committee's favorable consideration of the remaining two nominations.

Mr. President, the committee yesterday did adopt a resolution expressing these concerns, and I ask unanimous consent, Mr. President, that the resolution of July 8, 1975, adopted by the Committee on Labor and Public Welfare, be printed in the RECORD.

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

RESOLUTION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Resolved, That the Committee on Labor and Public Welfare, in voting to report favorably the last two of eleven nominations by the President to the Board of Directors of the Legal Services Corporation (nine nominees already having been favorably reported by the Committee), does hereby express its concern, without in any way reflecting on the qualifications of any of the eleven nominees already favorably considered, that the Board will now apparently be constituted solely of lawyers and solely of males and no members of the client community; and does hereby express its belief that the Committee has a responsibility to advise as well as consent in nominations submitted by the President and does therefore hereby express it strong belief that future nominations should take account of the need for inclusion on the Board of non-lawyers, women, and members of the client community.

LEGAL SERVICES CORPORATION

Mr. TUNNEY. Mr. President, I am pleased to vote to confirm the nominations to the Board of Directors of the Legal Services Corporation, and would hope that full funding of the Corporation can be secured promptly.

In my view, this Nation took a big step forward in the mid-sixties by creating the legal services program in the Office of Economic Opportunity. For the first time, millions of citizens at the low end of the economic spectrum became legally enfranchised.

Unfortunately, the early seventies saw the systematic devastation of that important program, and had it not been for the vigilant effort of scores of legal services attorneys, segments of the private bar, public representatives, and many dedicated client groups, the program would have been lost.

We all vividly remember the tortuous battle to enact the present legislation which establishes the Corporation whose directors we confirm today. The legislation is a bare minimum, but with strong leadership it can be enormously important. I believe the nominees we have confirmed today have the capability to exert that leadership, and pledge my efforts to aid them in every way I can.

Let me highlight a few tasks which I believe to be of utmost importance here.

First and foremost, independence of the program.

In section 1001 of the act we included the following key provisions:

> (5) to preserve its strength, the legal services program must be kept free from the influence of or use by it of political pressures; and
>
> (6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

Further, in section 1006(b)(3) the act states:

> The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

The spirit of these provisions is intended to insure vigorous, forthright, and personal representation of the highest caliber, independent of political or outside influence, in keeping with the traditions and principles of the American bar. It is my hope that the Board, the officers and the attorneys of the Corporation will remain mindful of the intent of Congress that success will be found in the vigorous representation of their clients' interests.

Second, adequate funding. The legislation authorizes $100 million annually. The delays in the nomination process have interfered with the orderly appropriations process for this fiscal year. Nonetheless, I believe that full funding can and must be secured before the August recess. Few questions that even more funds than now authorized could be usefully absorbed. Should the data indicate this as the program gets underway, I would hope that next year more money can be made available.

Third, broad interpretation of the mandate in the legislation. As chairman of the Senate Judiciary Subcommittee on Representation of Citizen Interests—now merged with the Subcommittee on Constitutional Rights—I spent the past 2 years investigating the adequacy of legal representation for average Americans. Our hearings and studies made clear that most Americans—at least 70 percent of the population—have no effective access to legal counsel. Indeed, a recent American Bar Association study shows that two-thirds of the population has never or seldom ever used a lawyer in their lives. This is despite the fact that most people encounter "legal" problems like the need to draft or probate wills, real estate transactions, divorce, traffic violations, and so forth.

In this respect, I was very pleased to note that this legislation provides for a 2-year study of new low-cost ways to deliver legal services. I would urge that this study be broadly focused, and include a look at all of the mass delivery techniques—prepaid and group legal service plans, legal clinics, paralegal assistants, standardization—now being tried, as well as altogether new techniques. In ddition, the Board should be encouraged to collect data and experiment with techniques that could make needed services more available to all citizens.

Fourth, most people recognize that the income limits in the legislation are unrealistically low. Time and again, the Citizen Interests Subcommittee heard about all the low-income people who were "caught in the cracks"—too rich to qualify for legal services and too poor to afford a lawyer at market rates. The legal profession should loosen its own restrictions on lawyer competition in order to lower the costs of legal services. But the Congress will also have to reassess the severe limits in this legislation.

This legislation highlights many of the changes that must take place if our promise of "equal justice for all" is to become more than empty rhetoric. Last week, an important meeting took place at the impressive new facilities of the Stanford Law School in Palo Alto, Calif. Entitled "Law in a Changing Society II," it was the second meeting of the prestigious American Assembly to focus on the changes in our society and their necessary impact on and challenge to the legal profession.

The hundred participants of that meeting agreed to a "final report" or consensus statement which embodies a number of important themes and directions for the legal system and the legal profession. Some of them are specifically directed at the legal services program we set in motion today, and others look more generally at the legal care system in this country.

Mr. President, I ask unanimous consent to have printed the document I have just referred to in the RECORD.

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

FINAL REPORT

This American Assembly on Law and a Changing Society has met on the eve of the two-hundredth anniversary of the founding of this Nation. Since its birth our society has experienced profound demographic, economic, technological and social changes, and, with varying success, the basic legal structures and institutions have responded and adapted to those changes.

This Assembly meets as well some seven years after an American Assembly with the same title and on the same themes. That Assembly opened its final report with the assertion: "Our changing society now faces challenge to public order and to the realization of American ideals greater than any since the Civil War—the cluster of problems known as the urban crisis."

We are impressed with the conclusions of that earlier group on those issues we have considered. We recognize, however, that the problems they addressed are still with us and that new problems have arisen. We reaffirm their principles and urge a rededication to the implementation of their recommendations.

Today we face developments in practically every aspect of our lives portending changes within the next quarter century as great as any we have experienced.

Illustrations of such changes are:

Changes of birthrate, family size, population migration, ethnicity and age of population;

Diminution of availability of raw materials and energy which will make more difficult the expansion of the economy;

Instant, pervasive communications which simultaneously expand our information frontiers yet test our ability to understand and utilize the information conveyed to us, and which encroach upon our privacy yet also open possibilities of more equitable distribution of knowledge;

Changes in basic social attitudes toward the work ethic; toward equality of opportunity, treatment and result; toward sex and the role and status of women; and toward and by minorities who have lacked effective communication and access, for whatever reason, including language, to the systems of government, control, resources and power;

Continued decay of the cities;

Concentration of ethnic and racial minorities in impoverished areas;

Increase in quantity and intensity of expectations of fairness and justice.

None of these developments is necessarily of a different order from those we have experienced throughout our existence as a nation. What is different about our current condition are several factors:

Our ability to perceive the advent of these changes before they are fully upon us;

Our recognition, on the basis of prior experience with change, of the importance of early intervention;

The pervasiveness of momentous change in practically every sphere of our lives; and

The rate at which these changes develop and affect us.

Because of these differences from the past, system and structures must be made sufficiently flexible to change with the changing environment, augmenting desirable aspects while assuring that traditional values, like freedom and equality, are preserved.

LEGAL INSTITUTIONS AND CHANGE

Our constitutional framework has permitted great change but we have not yet created procedures to anticipate and deal with rapid change. Such a system is not only desirable; it is imperative; and it is feasible Our institutions must be made to preserve desirable values and to provide us with the mechanisms to cope with change on a sustained rather than an ad hoc basis.

To the extent that planning mechanisms exist, they should be redirected so that they are both required and given the capacity to consider the impact of impending changes upon our legal institutions and structures and to make appropriate recommendations to our law-making bodies. Where no such mechanisms exist, they should be created, as, for example, a National Council of Social Advisors, performing functions in the social area similar to those performed by the Council of Economic Advisors in the economic area. Such an agency should receive substantial and effective research support, affording it access to comprehensive information and providing it with methodological techniques from various disciplines.

Of prime importance as a national goal is the development of democratic and representative procedures by which we can order our national requirements and aspirations—our priorities.

Every effort should be made to reduce unwarranted regulation of human affairs by government. Planning should be broad-gauged, comprehending the various significant facets of society. Support of planning should not necessarily imply expanded or continued concentration of regulatory control at the national level. Within broad national policy guidelines, responsibility for the development and implementation should be placed at the most feasible level permitting effective citizen participation.

Mass solutions to major social problems of the future seem inevitable, but there is danger of tyranny in mass solutions. A national policy goal should be to provide every possible protection of minority rights, and to strengthen the values of individuality, dissent, privacy and effective individual decision-making. These minority rights include the unique character and origins of the legal rights of Native Americans, as well as those deriving from the difference of language and ethnicity of other groups.

In addition, the juvenile and adult criminal justice systems require continued reexamination and improvement in order to protect not only the individuals accused of crime, but also the victims of crime and the public as a whole. Special consideration is particularly essential with regard to: the range of punishable offenses; the absence of guidelines for the exercise of discretion by officials at every level, including police, prosecutors, defense attorneys, judges, probation and parole officers and correction officials; the purposes and effects of sentencing; incarceration; and the treatment of ex-offenders. Resources sufficient to accomplish necessary improvements must be made available.

An equally fundamental national goal is the provision of genuine access for all persons to effective education, adequate nutrition, decent housing, proper medical care—and, now, effective legal services.

So, too, there is need to assure an adequate income for all individuals. Methods like the use of the government as the employer of last resort and a negative income tax should be intensively considered and explored.

The size and power of some private corporations and labor unions means that they, as well as governmental agencies, have profound influence on the public interest. Means must be found to insure the further accountability of private as well as public institutions.

LAW AND THE PUBLIC INTEREST

Essential to the solution of future problems is the assurance of fair representation in the decisionmaking process—vindication of the "public interest" in the public and private sectors—and representation of persons and causes who have previously not been effectively represented. These principles have been established and generally accepted. We must complete their implementation.

"Public interest law" is an important recent development. While there may be ambiguity of definition and scope, a serious void in our legal institutions is being filled by the activities of lawyers who engage in representation of groups and interests that would otherwise be unrepresented or underrepresented. Such public interest law activities are major responsibilities of the legal profession. Adequate support measures should be adopted, including:

1. Encouragement of public interest lawyers to engage in a broad range of activities, including litigation, research, presentation of matters and lobbying before administrative agencies and other decision-making bodies, and public education and information activities;

2. Removal or lessening of unreasonably restrictive procedural and jurisdictional obstacles to the practice of public interest law by all lawyers;

3. Revision of the Internal Revenue Code to eliminate impediments to the funding of public interest law;

4. Encourage increased funding of public interest legal services by lawyers, bar associations and other individuals and organizations concerned with social justice;

5. Enactment of legislation permitting courts and administrative agencies to award attorney's and expert witness' fees to parties who vindicate significant public interests in court or administrative proceedings;

6. Endorsement and continuation of the work of the American Bar Association-sponsored Council on Public Interest Law so that the concept of public interest law may be fully accepted nad made a permanent part of the legal process.

Maintenance of effective public interest law activities should not, however, obscure the obligation of lawyers and the organized bar to assure that legal services are available for all.

This bi-centennial is an opportune time to review the functions of governmental operations. Reviews of the functioning of the Federal Government since the reports of the first and second Hoover Commissions in 1949 and 1955 have been restricted and only partially implemented. Since that time, government programs have substantially expanded and the federal budget has tripled; there has been a continuous growth of demand for government services. In the light of the need to gear government to the needs of the future, a new commission should be created to review the planning, organization, direction and administration of government agencies and to make recommendations designed to improve performance and eliminate waste, and to review, as did the Federalist papers in that earlier time, the nature and inter-relationships of the three branches and various levels of our government.

The growth and power of administrative agencies has been noted by many. Administrative policies, rules and processes have proliferated and extend to many aspects of our lives. The time has come to undertake a comprehensive review and overhaul of administrative procedures to bring about greater responsiveness and accountability. Additional objectives of that overhaul should include removal of unwarranted regulation of human affairs by government, reduction of costs of meaningful participation in administrative proceedings by all interested persons, and assuring that administrative decisions are fairer, thereby decreasing the volume of judicial review.

In any such overhaul, specific attention should be paid to making the administrative process more open and simple, requiring that major administrative decisions be accompanied by an articulation of reasons, subject to judicial review of the fairness and reasonableness of the decision, and affording interested persons access to relevant information within the agency so that they may have an opportunity to develop an adequate record for agency decisions. In particular, administrative agencies should be required to formulate, publish and periodically review guidelines for the exercise of discretion.

In a democracy, the legislature stands as the primary law-making body. And the best purposes of a democracy are served when legislative bodies have the capacity to entertain and evaluate all significant, diverse viewpoints. At all levels of government there must be an intensification of efforts to augment the effectiveness of the capacity and decision-making processes of legislative bodies.

1. Professional, technical support and evaluative services should be provided in fuller measure;

2. Legislators should receive compensation commensurate with the necessary time commitments;

3. A major review of actual and potential conflicts of interests of legislators at all levels should be undertaken including their representation or intervention on behalf of constituents before executive administrative agencies;

4. A comprehensive overhaul of laws governing campaign financing and expenditures at all levels of government.

Where they do not exist, law revision commissions should be created to work complementarily to legislative bodies. Such commissions should see as their primary functions the elimination of obsolete, duplicative and contradictory laws and making laws as simple and uniform as possible.

The example of "impact statements" with respect to proposed actions which will affect the environment should be replicated with respect to the impact of rule-making and legislative action, so that the law-making bodies will deliberately consider the consequences of proposed enactments upon the legal system and the ability of citizens to vindicate their rights under the enactments.

Above all, we urge that legislative bodies function more aggressively in their representational law-making capacities. Too often, legislative passivity or inaction has led to law-making by the other branches of government.

LEGAL REPRESENTATION OF THE CITIZENRY

The ability of many American citizens to obtain legal assistance is severely hampered by the cost of those services and by the lack of information about the competence and types of practice of individual lawyers. Actual and proposed innovations in structures and methods of delivery of such services offer significant promise of ameliorating the current problems. These efforts should be continued and augmented.

1. Procedures should be established to assure continuing competence of lawyers;

2. Certification of specialization should be encouraged both to assure specialized competence and to aid the public in locating an appropriately skilled lawyer at a reasonable cost;

3. The initiation and development of group legal services and pre-paid legal insurance programs should be encouraged;

4. Lawyer referral services, with identification of areas of special competence of attorneys on referral panels, should be encouraged, improved and expanded so that all persons seeking access to a lawyer can find one;

5. Use of paraprofessionals should be encouraged to reduce the price of legal services to the public;

6. Publicly financed ombudsmen for the representation of individuals and groups with grievances about official conduct and decisions should be appointed;

7. Consideration should be given to the adoption of a system of governmental subsidy of the costs of legal services in inverse relationship to the ability of the client to pay so that all citizens, regardless of income, may have access to legal services;

8. Consideration should be given to permit the tax deduction of legal expenses, including lawyer's fees, similar to medical and dental expenses.

As litigious as we may have been in the past, it is likely that we are becoming even more so. Increased expectations among greater numbers than ever before, growing awareness of the role of the courts, as well as other social and economic factors, may produce greatly increased use of the legal system for the resolution of disputes. Serious attention should be accorded by legislative and professional groups to the kinds of institutional mechanisms that might be created, at least on an experimental basis, to process fairly and expeditiously disputes among our people and with their government.

1. Experience with small claims courts has differed. Some have fulfilled their original purpose of providing a simple, expeditious forum for the resolution of disputes involving relatively small sums of money; others have apparently turned into collections agencies. Current reviews of such courts, as well as additional studies, should be fully supported and their conclusions carefully considered to assure that the original purpose of such courts is fulfilled.

2. Experiments should be tried in the creation of other types of local or neighborhood courts. Such courts should be designed to dispense with formalities to the maximum extent. Devices which might be dispensed with are pleadings, discovery, extensive appeal rights, and some or perhaps all participation by lawyers. Such a court might consider controversies involving significantly higher amounts than those within the present jurisdictional limits of small claims courts, using judicially-trained presiding officers, with the availability of process and injunctive relief.

3. Informal techniques of dispute-resolution, including arbitration, mediation and conciliation, should be institutionalized. In developing these informal techniques, the use of nonlawyers to provide dispute-resolving assistance in a variety of categories should be permitted.

4. The legislative and executive branches should supply sufficient judges—carefully selected on merit and adequately compensated—as well as supporting personnel and equipment to permit courts to deal expeditiously with growing caseloads and to maintain their strength and independence. Courts should improve their administration and better utilize the available resources.

The organized bar should engage in a comprehensive review and revision of the professional rules and practices which appear to inhibit the free flow of information about the ability, cost and type of legal services or may maintain the price of legal services at an artifically high level.

The most dramatic way of reducing the cost of legal services is to reduce the need for those services. For example, in this post-industrial society dominated by service delivery rather than the manufacture of goods, the system of tort liability as now structured is hard pressed to meet the tasks of controlling the quality of services delivered by professions and equitably compensating victims of malpractice for their injuries. New systems, possibly of peer review with non-professional membership, and compensation plans to make victims whole should be considered.

We commend the recognition, first in the Legal Services Program of the Office of Economic Opportunity and now in the Legal Services Corporation Act, of both the need of the poor and their right to legal services. But the problems have not been solved: the needs of the poor are not being met in sufficient quantity or quality. Those needs should be met wherever the poor are found—in the depressed areas of the cities, in rural areas, in the prisons, in mental institutions, on Indian reservations.

1. The organization of the Legal Services Corporation should be completed immediately;

2. The Board should be encouraged, while fulfilling its mandated duty to provide legal services to the poor, to collect data and to experiment with techniques which may be applied to make legal services more available to all citizens;

3. Congress should make available to the indigent the same range of legal services available to those who can pay for them; sharply increased Congressional funding of legal services is imperative if equal justice for the indigent is to become a reality;

4. Categorical restrictions on the provision of legal services in existing federal legislation should be removed;

5. The Corporation should continue the full range of functions previously carried out by independent back-up centers.

THE ROLE AND RESPONSIBILITY OF THE LEGAL PROFESSION

Our legal system depends upon the legal profession for implementation. Lawyers and the organized bar have a special obligation for the proper functioning of that system, for its improvement and for assuring that its benefits are extended equitably to all citizens. Each of the recommendations previously set forth carries with it the implicit corollary that lawyers should undertake its accomplishment in appropriate forums and through appropriate mechanisms. If, for example, the public interest demands, as it does, that legal services be provided for the poor or that certain business of the bar be

eliminated through changes and simplification in substantive and procedural law, the legal profession has the primary responsibility to see to it that these objectives are carried out.

Our principal system of adjudication is the adversary system. In that system, the truth, in the sense of relevant facts accurately determined, is vitally important for the rational administration of justice. Too often our adversary techniques conceal or distort the truth rather than promote its discovery. The legal profession should consider and explore appropriate modifications of adversary procedures for the purpose of better determining the truth, and should formulate ethical prescriptions embracing a higher professional duty to seek the truth.

Lawyers are administrators of justice as well as advocates of clients. Lawyers and those training for the practice of law have an affirmative responsibility to nurture justice and truth.

There are special difficulties with defining the professional responsibilities of the "public lawyer," e.g., prosecutors, attorneys general, those representing public boards, and public interest lawyers. These are important questions which have been too long ignored. The bar and other interested and affected groups should undertake a serious inquiry into the proper definition of these responsibilities.

EDUCATION

Legal education in the United States varies little from law school to law school. Yet the relationship between current legal education and that which would be best for the training of lawyers of the future needs additional study. A thorough, overall study of legal education, including the post-graduate education of bench and bar, should be undertaken by an independent panel.

If they are to fulfill their function of educating future lawyers to contribute to the solutions of the problems here presented, law schools should give greater emphasis to problems of cost, quality and delivery of legal services, to developing better systems of public legal health and justice, and to the broader responsibilities of lawyers to the society as a whole.

In legal education, the standards for approval of law schools and the qualifications for admission to the bar should permit experimentation with approaches to legal education, such as a broad variety of types of training of lawyers and of preparation for limited specialization in shorter periods of time. Substantial additional financial resources are needed to support adequately legal education of desired quality and innovative development. Title XI of the Higher Education Act, which authorizes funding for clinical legal education, should be implemented by appropriation.

Law schools should be encouraged to continue special programs to stimulate the entry of members of minority groups into the profession. The Council on Legal Education Opportunity should be supported and its efforts expanded. New forms of educational and financial assistance for minority students should be considered and developed.

Energetic efforts to recruit women and members of minority groups for the faculty and staff of law schools and throughout the entire justice system should be continued.

Examination should be made of the effectiveness of bar admission criteria in general as well as their impact upon minority groups.

In proposing and enforcing bar admissions criteria, examining authorities should fully recognize the mobility of law students and of lawyers across state lines, while maintaining standards that assure a standard of quality of legal service. Subjects on bar examinations should not be too parochial in scope.

Serious consideration should be given to the inclusion of nonlawyer members with voice and vote on governing boards and commissions of the organized bar, including those dealing with admission and discipline.

The bar should assist in providing education of the public in the role of law in society, not only for adult citizens but also as a regular part of the curriculum in elementary and secondary schools, not to indoctrinate but to create an understanding of how and why our institutions function and fail to function. Such education should include the Constitutional, legal and other mechanisms which make the society function, methods of problem solving and dispute resolution, basic rules of practical law, mechanisms available for assistance including use of lawyers, and the roles lawyers can and do play in society. Access to our legal system can be increased as a consequence of teaching of the techniques of participation and representation. We commend the efforts of educators and the bar to introduce these concepts of law at levels of education below that of the law school. Such an ambitious educational program requires substantial financial support. We urge that adequate resources be made available, either through new funding or reallocation of existing funds, to train the requisite teachers and disseminate appropriate materials.

Our recommendations do not purport to cover all the major problems of today and tomorrow. We do not mean by our omission to imply a relative ranking. Our agenda and time have not permitted consideration, for example, of international problems, the impact of new communication technology on the law, distribution and redistribution of wealth in the United States, and around the globe, and any detailed examination of the criimnal justice system. Each of these topics and many others merit an American Assembly of their own.

LEGISLATIVE SESSION

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

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 11 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. MORGAN and Mr. GRIFFIN will be recognized in that order, each for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business, the Senate will proceed under rule XXII to take up the motion to invoke cloture. After 1 hour has transpired, the automatic quorum call will ensue, and upon the establishment of a quorum, the Senate will proceed with the automatic rollcall vote on a motion to invoke cloture. That rollcall vote will occur somewhere in the neighborhood of 12:45 or 1 o'clock depending upon whether or not the special orders are fully consumed and on whether or not the period for the transaction of routine morning business runs its full course under the order.

What happens after the rollcall vote on the motion to invoke cloture is not yet clear.

I want at this time to state that the workload ahead is heavy and, for this reason, the necessity of Saturday sessions during this month of July is becoming increasingly apparent. There will be no Saturday session this week, however, in view of the agreement that was reached on the energy bill just a little while ago.

However, Senators will, perhaps, want to carefully consider their schedules throughout the remainder of the month of July and will act in accordance with the necessity for having Saturday sessions, especially in view of the fact that the August holiday is required under the law, and if the Senate is to transact the enormous amount of business that is ahead it will require long daily sessions and Saturday sessions. So I hope that Senators will be fully alerted now to the Saturday session aspect of the Senate's work.

Now, the following measures will be ready for action during the month of July. They will not necessarily be called up in the order stated, and the list is not, by any means, complete by virtue of just the following measures being stated:

The New Hampshire dispute on which future cloture votes at some point during the month of July may be anticipated.

The clean air amendment.

Apprepriation bills and, among these I would include especially the Transportation appropriation bill, Treasury and Post Office appropriation bill, the HUD appropriation bill, the HEW appropriation bill, the State-Justice-Commerce appropriation bill, among others.

The energy allocation extension, S. 1849, which now will be called up during the early part of next week.

The fuel efficiency standards for automobiles, S. 1883.

The Outer-Continental Shelf Act.

The Elk Hills legislation.

Coal leasing and coal conversion legislation.

ERDA.

The Energy Production Board.

The reregulation of natural gas, S. 692.

Senate Resolution 160, which has to do with Diego Garcia.

S. 349, a bill to amend the Federal Trade Act.

S. 670, a bill to regulate commerce and prohibit unfair or deceptive acts or practices in commerce.

S. 644, a bill to amend the Consumer Product Safety Act.

H.R. 4222, an act to amend the National School Lunch Act and Child Nutrition Act.

S. 963, a bill to amend the Federal Food, Drug, and Cosmetic Act.

Extension of the Voting Rights Act, which is H.R. 6219.

Various conference reports.

May I emphasize that this list is not all inclusive necessarily.

The leadership would hope to have the understanding of all Senators as the Senate tackles this difficult schedule which it is imperative that we follow, with early and late sessions expected daily, and with rollcall votes to occur daily, including Saturdays, when the Senate meets on Saturdays.

Keep in mind that, call it whatever we will, we know that the media and the people are going to call it an August recess or an August holiday. So whatever it is called, it is the same thing.

We have a lot of work to do and in anticipation of the responsibility that is ours to complete this work I think each Senator will want to consider his own personal schedule in accordance therewith.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:10 p.m., the Senate adjourned until tomorrow, Thursday, July 10, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 9, 1975:

LEGAL SERVICES CORPORATION

The following-named persons to be Members of the Board of Directors of the Legal Services Corporation for the terms indicated:

For a term of 2 years commencing upon the date of the first meeting of the board:

Marshall Jordan Breger, of Texas.
Marlow W. Cook, of Kentucky.
William J. Janklow, of South Dakota.
Rodolfo Montejano, of California.
Smauel D. Thurman, of Utah.

For a term of 3 years commencing upon the date of the first meeting of the board:

J. Melville Broughton, Jr., of North Carolina.
Roger C. Cramton, of New York.
Robert J. Kutak, of Nebraska.
Revius O. Ortique, Jr., of Louisiana.
Glee S. Smith, Jr., of Kansas.
Glenn C. Stophel, of Tennessee.

DEPARTMENT OF STATE

John H. Holdridge, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

James D. Theberge, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Nicaragua.

U.S. ADVISORY COMMISSION ON INTERNATIONAL EDUCATIONAL AND CULTURAL AFFAIRS

The following-named persons to be members of the U.S. Advisory Commission on International Educational and Cultural Affairs for terms expiring May 11, 1977:

Eva T. H. Brann, of Maryland.
Richard T. Burress, of the District of Columbia.
Wiliam French Smith, of California.

James A. S. Leach, of Iowa, to be a member of the U.S. Advisory Commission on International Educational and Cultural Affairs for a term expiring May 11, 1978.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE FOREIGN SERVICE

Foreign Service nominations beginning Louis Schwartz, Jr., to be a Foreign Service officer of class 3, a consular officer, and a secretary in the diplomatic service of the United States of America, and ending Doris E. Wilmeth, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 2, 1975.

HOUSE OF REPRESENTATIVES—*Wednesday, July 9, 1975*

The House met at 12 o'clock noon.

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

Happy are they who act justly and do right at all times.—Psalms 106: 3. (N.E.B.)

Eternal Spirit, from whom all blessings flow, be Thou with us through the hours of this day as we labor for the welfare of our beloved Republic. Prosper us in our endeavors, support us in our needs, guide us in our difficulties and sustain us in our efforts to promote peace at home and abroad.

We pray for our country and for the people living in our land. Save them from calamity and chaos, from differences which divert them and from divisions which can destroy them. By Thy Spirit make this our Nation one in purpose and one in good will as together we seek for liberty and justice for all. May everyone of us be religious enough to exalt our Nation in truth and righteousness: to the glory of Thy holy name. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

S. 1462. An act to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 677. An act to establish a Strategic Energy Reserve Office in the Federal Energy Administration, to create a strategic energy reserve system to minimize the impact of interruptions or reductions of energy imports, and for other purposes.

OUR GRAIN SUPPLY AND FARMERS ARE UNPROTECTED FROM FOREIGN EXPLOITATION

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

Mr. WEAVER. Mr. Speaker, our grain supply and our farmers are unprotected from foreign exploitation. Six private grain corporations, several of which are foreign dominated, now handle our grain exports to foreign countries. In 1972, the Russians stole our entire grain reserves, and now the Russians are coming once again. They are in the market today. They are dealing in secret for our grain reserves. We could double, triple, ask any price for our grains if, as under my bill, H.R. 6546, we would have one Government agency to handle the sales to the Russians. Why should we spend billions arming ourselves against the Russians and then give them at low prices our most valued resource, our own food supply?

INVITATION TO SIP SOLAR TEA

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

Mr. OTTINGER. Mr. Speaker, I would like to announce that tomorrow Congressman GUDE and I will introduce two bills dealing with solar energy. The first, the solar energy low-interest loan bill, will provide loans through the Small Business Administration to individual homebuilders and companies for the purchase and installation of solar heating and solar cooling equipment. The other bill, the Conservation and Solar Energy Federal Building Act of 1975, will require that in any building financed with Federal funds the best practical measures be taken for the conservation of energy and the use of solar energy. Identical legislation is being introduced simultaneously in the Senate by Senators NELSON and HART.

In conjunction with the introduction of these bills we have arranged an exhibit of operational solar energy systems, and models of buildings which will incorporate solar energy in their basic design. This exhibit will be held tomorrow, June 10, on the south front of the Capitol from noon until 2 o'clock. Here is an opportunity to observe firsthand that solar energy can be successfully used today both for the heating and cooling of buildings. All Members and their staffs are invited to come up and sip solar-heated coffee and tea with us.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS PRESIDENT'S CAMPAIGN STRATEGY IS ALREADY CLEAR

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