hold purposes, goods and services offered or furnished for a consideration.

(4) The term "interests of consumers" means any concerns of consumers involving the cost, quality, purity, safety, durability, performance, effectiveness, dependability, and availability and adequacy of choice of goods and services offered or furnished to consumers; and the adequacy and accuracy of information relating to consumer goods and services (including labeling, packaging, and advertising of contents, qualities, and terms of sale).

(5) The term "State" includes any State or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territories of the Pacific Islands.

EXEMPTIONS

SEC. 14. This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions (including related procurement) of the Departments of State and Defense (including the Departments of the Army, Navy, and Air Force) and the Energy Research and Development Administration, or to a labor dispute within the meaning of section 13 of the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 113) or of section 2 of the Labor Management Relations Act (29 U.S.C. 152), or to a labor agreement within the meaning of section 201 of the Labor Management Relations Act, 1947 (29 U.S.C. 171).

SEX DISCRIMINATION

SEC. 15. No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision will be enforced through agency provisions and rules similar to those already established, with respect to racial and other discrimination, under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or deny any other legal remedies available to a discriminatee.

APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1976, for the transitional period July 1, 1976, through September 30, 1976, for the fiscal year ending September 30, 1977, and for the fiscal year ending September 30, 1978.

EFFECTIVE DATE

SEC. 17. (a) This Act shall take effect ninety calendar days following the date on which this Act is approved.

(b) Any of the officers provided for in this Act may (notwithstanding subsection (a)) be appointed in the manner provided for in this Act at any time after the date of the enactment of this Act. Such officers shall be compensated from the date they first take office at the rates provided for in this Act.

SEPARABILITY

SEC. 18. If any provision of this Act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

SENATE—*Monday, November 3, 1975*

The Senate met at 12 meridian and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

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

O Thou who art ever the same yesterday, today, and forever, amid all the changes of this life help us to keep our faith in Thee sure and strong. When we cannot see the distant scene help us to live 1 day at a time in Thy grace. Grant to us clarity of thought and soundness of judgment amid the uncertainties of this world. Prepare us for the surprises of history and steady us in all conflicts and tempests. May we open our hearts to Thy spirit, our minds to Thy truth, our wills to Thy will, and hear the "still small voice" say, "This is the way, walk ye in it."

In the name of the Master we pray. 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., November 3, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, October 30, 1975, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

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

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

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

FEDERAL POWER COMMISSION

The second assistant legislative clerk read the nomination of James G. Watt, of Wyoming, to be a member of the Federal Power Commission.

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The second assistant legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration placed on the Secretary's desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

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

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

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

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

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

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, with the exception of unobjected-to items, be dispensed with, under rule VIII.

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

THE VICE PRESIDENT'S STATEMENT

Mr. HUGH SCOTT. Mr. President, I read the statement of the Vice President. I think it is typical of this man. It is a brave statement. It is a statement made out of consideration for others. It is a statement made to relieve the President from political pressures at a time when his mind needs to be on the performance of the duties of his office. My delegation is pledged to the President and the Vice President in the next election. We have made no attempt to release that

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

delegation. I regard my pledge as personal and will continue to adhere to it unless personally released by the Vice President. I do not regard what he says as a Sherman-like statement, but I hope it will relieve the pressures upon him.

Be that as it may, I continue to hold the Vice President in the highest regard and I continue to honor my pledge. For the time being, verbum sat sapienti.

Mr. MANSFIELD. Will the Senator yield?

Mr. HUGH SCOTT. I am glad to.

Mr. MANSFIELD. Mr. President, I think it is appropriate for someone on this side to speak about the announcement by the Vice President, the Presiding Officer of the Senate. I, too, am disappointed that he has withdrawn from the field. I think he has carried out his duties with circumspection, dignity, and integrity. I think it was a mistake for him to make the announcement he did, but it was made voluntarily. While I am disappointed, I appreciate what caused him to make such a statement. My admiration for him increases by that much more.

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

THE SUNDAY NIGHT SHAKEUP

Mr. ROBERT C. BYRD. Mr. President, I share the viewpoint that has just been expressed by my distinguished majority leader.

On another matter, but one that is perhaps not unrelated, the American people have seen a lot of their President on television in recent weeks. News conferences, proposals, and announcements have all been beamed into the homes of the people.

But what happens when the administration conducts the biggest shakeup of its existence?

No television. No formal announcements. Nothing. Instead the news leaks out on a Sunday night. The Secretary of Defense is fired. So, too, is the Director of the CIA. The Secretary of State decides to give up his post as head of the National Security Council. And all the American people get are bits and pieces throughout the night and next morning.

The manner in which the actions were handled does little for the credibility of the administration, and does little to serve the best interests of the citizens of our Nation.

As to the shakeup itself, I am disturbed, particularly with the firing of Secretary Schlesinger. Mr. Ford has removed the one man who articulated best the dangers of overemphasis on détente with the Russians. Differing points of view within the administration are vital if correct conclusions and sound decisions are to be made. The Secretary of Defense has been performing that useful and necessary function in raising questions about the wisdom of traveling what is more and more a one-way street, in which the United States gives and the Soviet Union takes.

There is no doubt that the real winner this weekend was Secretary Kissinger. President Ford, through his actions, showed the extent of his dependence on Dr. Kissinger.

The architect of détente, Secretary Kissinger, has performed valuable services for his Government, but he is not omniscient. I fear that his replacement as head of the National Security Council by his chief deputy is just what it seems to be—cosmetic.

If Secretary Kissinger is going to continue to use his position of power within the administration to stifle all dissent to his policies, then the country and the administration could suffer.

My views about the removal of Mr. Colby at CIA are less strongly held. George Bush is a good man, and the CIA may well benefit from new leadership. But this country can delude itself over détente only at peril of its future security.

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

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

NEW YORK CITY'S FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, New York Federal Reserve Bank President Paul Volcker, in congressional testimony, has said the debt to commercial banks totaled nearly $3 billion of New York City paper, not counting the $2 billion in Municipal Assistance Corporation bonds. The Municipal Assistance Corporation was formed just a few months ago designed to help New York City with its financial difficulties.

Mr. President, the major bondholders of New York paper are the New York City banks. Today I again urge the Senate Banking Committee when it reports on the Senate legislation dealing with New York City's financial problems that it present to the Senate precise information as to the amount of bonds held by each of the New York City banks. That is fundamental information which should be made available to the Senate.

When the New York banks seek to have their investment guaranteed by the Federal Government—by the American taxpayer—then it is only appropriate and, indeed, necessary that Congress and the American people know to what extent each of these banks is to benefit. So I hope the committee will have that information for the Senate.

Now, on the same problem, in regard to New York City, Eliot Janeway, the able economist and syndicated writer, had a thoughtful and interesting article in the Washington Star of yesterday, Sunday, November 2. Mr. Janeway says that:

> Bankruptcy for New York City is no longer a prediction or a theory. Two convergent developments have made bankruptcy a fact.
>
> The New York State Legislature has decreed the first development in establishing the Governor as receiver for the city. The financial marketplace reflects the second development. The financial equivalent of rigor mortis has set in for New York.
>
> Prophets who say disaster will be precipitated by a New York default suffer from poor timing. In reality, the disaster occurred when bankruptcy became official in the statutory sense and functional in the financial sense. Default creates a problem, the solution for which is bankruptcy. But bankruptcy is a condition in which default is automatic, and renegotiation necessary.

Mr. President, the article by Mr. Janeway is an excellent presentation of the situation facing both New York City and the Senate in considering new legislation which, I understand, will be presented to the Senate in several days. It is necessary to take into consideration the facts which Mr. Janeway has pointed out in his piece in yesterday's Washington Star.

Mr. President, I ask unanimous consent that the article by Mr. Janeway be included in the RECORD at this point.

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

NEW YORK FINANCIAL WOES MAKE STRANGE POLITICAL BEDFELLOWS

(By Eliot Janeway)

Demagoguing about default has become the name of the political game about New York. The reality behind the posturing is that New York City's bankruptcy has been established for months. Only the terms of trade between New York City and its harassed creditors remained to be settled.

All the political players are getting in on the action. Ford has been able to use the New York crisis to stage a comeback in the running debate over whether he is performing or is just another "no show."

The Democrats have been able to use the crisis to stage their own updated replay of the classic Republican scenario—snatching defeat from the jaws of victory. Ford, playing the heavy, clearly came out ahead of lightweight Democrats who were misplaying the pressure for bailout as a "bleeding heart" issue.

The lineup of the players on the "pro-New York" side of the issue would provoke chuckles reminiscent of the Keystone Cops if the financial strains weren't so serious.

Traditionally, the "do-good" liberal establishment has lined up against the banks as a matter of principle, and it hasn't fared badly as a result. But this crisis has frightened the limousine liberals into forging an alliance with the Cadillac conservatives. Anything ever said about politics making strange bedfellows certainly applies to the present spectacle of 1972's McGovernites sharing pillow talk with 1964's Goldwaterites.

Ironically, the "do-gooders" who are for a bailout are tub-thumping to the same beat as professional lobbyists who expect to be paid top dollar—leading their clients into losing campaigns.

The "do-gooders," however, aren't even getting reimbursed for their telephone calls to Democratic presidential candidates who are interested in lining up New York delegates.

The slogan of the New York do-gooders echoes that of the New York Mets: "You gotta believe." Unfortunately, the notion that nothing has changed in New York City is no longer believable. Bankruptcy for New York City is no longer a prediction or a theory. Two convergent developments have made bankruptcy a fact.

The New York State legislature has decreed the first development in establishing the governor as receiver for the city. The financial marketplace reflects the second development.

The financial equivalent of rigor mortis has set in for New York.

Prophets who say disaster will be precipitated by a New York default suffer from poor timing. In reality, the disaster occurred when bankruptcy became official in the statutory sense and functional in the financial sense. Default creates a problem, the solution for which is bankruptcy. But bankruptcy is a condition in which default is automatic, and renegotiation necessary.

If there is any single axiom about which liberals and conservatives agree, it is that bankruptcy puts an overriding priority on meeting the payroll before paying debt and interest on debt. This fact of life under bankruptcy respects neither geographical nor sociological boundaries, much less ideological ones.

Even in Switzerland, where banks are supposed to be in the saddle, meeting the payroll in a bankruptcy takes precedence over satisfying the creditors.

The iron law of bankruptcy makes even stranger bedfellows than the usual fanciful fictions of politics. By going all out for debt service as usual, Democratic liberals have invited Ford to steal their liberal thunder. Ford has grabbed a "can't lose" position by criticizing the New York bankers. The New York bank lobby of liberal Democrats has landed in a "can't win" position by advocating "payments as usual" to the banks as the alternative to default.

There's no way for the city to bargain for contracts from the unions and their pension funds short of coming to the bargaining table armed with an agreement with the banks for debt deferrals plus interest forgiveness. The unions can't be expected to go along with any renegotiation of claims while the banks are being paid as usual. Furthermore, New York hasn't a chance of scaring up enough money for both social service and debt service. The point about bankruptcy is that it relies on a holiday on debt service and pension-fund contributions to permit a bill to be paid.

The irony of Gov. Carey's position in the crisis goes back to his feat in getting elected as present-day reincarnation of the New Deal coalition. Whereas Roosevelt met the banking crisis of his time with cheerful plausibility by threatening "to drive the money changers out of the Temple," Carey's advisers have saddled him with the unbearable political and fiscal burden of elevating the Wall Street bankers to top-drawer political claimants on New York's empty treasury.

Mr. HARRY F. BYRD, JR. 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. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

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

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes with statements therein limited to 3 minutes.

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. HARRY F. BYRD, JR. I ask unanimous consent that the order for the quorum call be rescinded.

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

DEFENSE SECRETARY JAMES R. SCHLESINGER

Mr. THURMOND. Mr. President, I have known all of the Defense Secretaries who have served during my 21 years in the Senate. In my judgment, none has been more able, dedicated, and knowledgeable than Secretary James R. Schlesinger. He has understood the need for military preparedness and the dangers posed by a lack of preparedness. He fully understood the Soviet threat and his recommendations on policy were aimed at meeting that challenge. He has served our country exceedingly well, not only as Secretary of Defense but in other high posts such as Director of the Central Intelligence Agency and head of the Atomic Energy Commission.

It is, indeed, regrettable that this man's vision and knowledge about our overall policy of defense and world affairs is being lost to the administration and the Nation. His appearances before Congress showed clearly he was firm in his convictions and sound in his judgment on defense matters. The defense policies he has promulgated and enunciated were timely and vital to our national security. His views threw a harsh light on détente, and his tough position on issues being discussed at the Strategic Arms Limitation Talks had my full support.

In my judgment, the country needs a Secretary of Defense who understands strategic international pressures and espouses the defense posture necessary to protect our national interests around the world. Dr. Schlesinger comprehends these matters thoroughly and has acted to preserve a defense posture second to none.

Mr. President, it was with deep regret that I learned Sunday of the departure of this loyal and able voice from President Ford's Cabinet. I have expressed to the President in a telegram this morning my disappointment over this development.

PRIVILEGE OF THE FLOOR—H.R. 9005

Mr. HARRY F. BYRD, JR. I ask unanimous consent that Peter Hughes, of my staff, be granted the privilege of the floor during the consideration of H.R. 9005.

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

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

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

The secod assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. 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.

AMENDMENT OF PEACE CORPS ACT

Mr. HUMPHREY. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 6334.

The ACTING PRESIDENT pro tempore laid before the Senate the message from the House of Representatives announcing its action on amendments of the Senate to H.R. 6334, as follows:

Resolved, That the House agree to the amendment of the Senate numbered 3 to the bill (H.R. 6334) entitled "An Act to amend further the Peace Corps Act".

Resolved, That the House disagree to the amendments of the Senate numbered 1, 2, and 4, to the aforesaid bill.

Resolved, That the House agree to the amendment of the Senate to the title of the aforesaid bill.

Mr. HUMPHREY. Mr. President, this legislation passed the Senate on October 9, 1975, with two major amendments dealing with the Peace Corps' readjustment allowance and the VISTA volunteers' stipend.

The House-passed bill had increased the maximum amount of the Peace Corps readjustment allowance for regulars volunteers from $75 per month to $125 per month. In so doing, the House chose to lump together the authorization of appropriations needed to grant a readjustment allowance increase and the general authorization of appropriations to carry out the Peace Corps program.

The Senate-passed version approved the increase, but separated the authorization of appropriations—$7.642 million for fiscal year 1976 and $2.158 million for the 3-month transition budget period—for it from the authorization for the general Peace Corps program. The reasons for this separate treatment were to prohibit the use for program expenses of additional sums which may be appropriated for a readjustment allowance increase should the Director decide not to grant volunteers any increase; and to prohibit the use of program funds to finance an increase—thereby bringing about a reduction of overall volunteer and trainee strength—should additional funds to provide for a readjustment allowance increase not be appropriated.

To accomplish these purposes, the Senate-passed bill provided that the increase in the readjustment allowance would be effective only to the extent of, and in the amount of, funds specifically provided, preferably through earmarking, in appropriations acts.

The Senate version also provided for an increase in the maximum amount of the VISTA volunteers' stipend—from the present $50 to $75 per month. The VISTA stipend, established in the Economic Opportunity Act of 1964, is the counterpart of the Peace Corps readjustment allowance. The Foreign Relations Committee recommended that the

Senate accept this amendment after receiving two letters from eight members, including the chairman and ranking minority member of the Committee on Labor and Public Welfare, which has jurisdiction over the domestic volunteer programs of the ACTION Agency, indicating there is no jurisdictional objection, and urging the Foreign Relations Committee to approve this provision.

As with the Peace Corps readjustment allowance increase, the amendment to the law authorizing an increase in the VISTA stipend would be effective only upon enactment of an appropriation specifically earmarked for the purpose of providing a stipend increase over the present $50 a month level. Such sums as are necessary to meet the costs of providing for such an increase would be authorized to be appropriated. The estimated first full-year cost is $1,778,000 for fiscal year 1976 and $426,300 for the 3-month transition budget.

The House, on October 28, 1975, accepted the Senate amendment with respect to the VISTA stipend and disagreed with the Senate version concerning the readjustment allowance.

In view of the fact that Congress can exercise its oversight authority during the annual authorization process to insure that the readjustment allowance increase is not misused or granted at the expense of Peace Corps programs, I believe that the House version represents a reasonable compromise. However, in its parliamentary process, the House inadvertently—and I repeat, the House inadvertently—omitted the provision increasing the Peace Corps' readjustment allowance. Consequently, I believe that the following motions are necessary to rectify this oversight and to reach a final compromise.

Mr. President, I move that the Senate: First, recede from its amendments Nos. 1 and 2; and second, further insist on its amendment No. 4.

The motion was agreed to.

PRIVILEGE OF THE FLOOR—H.R. 9005

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Norvill Jones and Richard Moose of the staff of the Foreign Relations Committee, Daniel Spiegel of my staff, and Michael Glennon of the Office of the Legislative Counsel, be allowed to remain on the floor during the consideration of H.R. 9005.

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

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. BUMPERS) laid before the Senate the nomination of Gerald B. Tjoflat, of Florida, to be U.S. Circuit Judge for the Fifth Circuit, which was referred to the Committee on the Judiciary.

AUTHORIZATION OF FOREIGN ASSISTANCE PROGRAMS FOR 1976 AND 1977—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. BUMPERS) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I sent to the Congress on May 15 draft legislation to authorize foreign assistance programs for fiscal years 1976 and 1977, and for the transition period July 1, 1976, through September 30, 1976. At that time, because of uncertainties caused by changing events, particularly in the Middle East and Indochina, I was unable to propose specific amounts for security assistance programs. I said I would return to the Congress with specific proposals for these programs as soon as possible.

The review of security assistance programs now has been completed and my revisions to the draft legislation are being transmitted today. My initial legislative proposal was printed in the House of Representatives as House Document No. 94–158 and was introduced in the Senate as S. 1816. The revisions transmitted with this message will supersede sections 10, 11, 12, 15, 16, 17 and 18 of that proposal.

The world is different and far more complex than the world we knew in the 1950's. So are the problems confronting it. However, the United States Government still has a primary responsibility to take the lead in creating conditions which will insure justice, international cooperation and enduring peace. The program of security assistance I am transmitting today will contribute significantly toward meeting this responsibility.

PEACE IN THE MIDDLE EAST

Nothing so underscores how essential the American peacekeeping role is than our current efforts in the Middle East. Since the October 1973 War, our Middle East policy has been based on the following three principles:

—First, a firm resolution to work for a just and lasting settlement of the Arab-Israeli conflict taking into account the legitimate interests of all states and peoples in the area, including the Palestinians.

—Second, a commitment to the improvement of our relations with all the states of the Middle East on a bilateral basis, maintaining our support for Israel's security while strengthening our relations with the Arab countries.

—Third, continued dedication to avoiding great power confrontation in the Middle East.

The October 1973 War was the fourth, and most devastating, round of hostilities between Arab and Israeli forces. Moreover, the impact of this last collision between opposing forces was not confined to the Middle East. The spectre of armed confrontation between the United States and the Soviet Union hung over the crisis. Disruption of the economies of Western Europe, Japan and other nations was an important by-product of the conflict. In addition, the likelihood existed that the period immediately after October 1973 would merely represent a pause between the fourth and fifth rounds of conflict.

The quest for peace in the area was of the highest priority. Our most immediate objective was to encourage the disengagement of the contending military forces. Disengagement was accomplished in 1974. This year, we dedicated ourselves to the goal of withdrawal in the Sinai—and an agreement was negotiated as a result of the efforts of Secretary of State Kissinger. We believe that the step-by-step approach to negotiations offers the best prospects for establishing an enduring peace in the region. We expect to proceed on an incremental basis to the next stage of negotiation within the near future.

I believe the hope for a lasting solution to the Arab-Israeli dispute is stronger today than at any time in the previous quarter century. A new era also is opening in our relations with Arabs and Israelis. This security assistance program will give substance to these new relationships and help preserve the momentum toward peace.

My proposals have three basic purposes:

—First, to provide Israel with the assistance needed to maintain security and to persevere in the negotiating process.

—Second, to give tangible expression to our new and fruitful relations with the Arab nations most directly involved and to encourage those which are seriously prepared to work for peace.

—Third, to encourage the peaceful development of the area, thereby reducing the incentives to violence and conflict.

The Security Assistance Program I am transmitting to Congress is heavily weighted with requirements to sustain the peace in the Middle East. Fully 70 percent of the program for fiscal year 1976 is to be concentrated in this region. It proposes:

—For Israel, $740 million in security supporting assistance and $1,500 million in military credits. Israel's ability to defend herself and to relieve some of the burdens of her defense reduces the prospect of new conflict in the Middle East.

—For Egypt, $750 million in supporting assistance. Egypt has made the bold decision to move from confrontation to negotiation as a means of resolving the Arab-Israeli dispute. Its leaders also must cope with serious economic problems whose resolution the United States is in a position to assist.

—For Jordan, $100 million in military assistance grants, $78 million in se-

curity supporting assistance, and $75 million in military credit sales. This assistance will strengthen Jordan's ability to hold to the course of moderation it has consistently followed.

—For Syria, $90 million in security supporting assistance. This assistance will enable our development cooperation with Syria to go forward, furthering our efforts to reestablish more normal bilateral relations.

—In addition, I am recommending a Special Requirements Fund this fiscal year of $50 million. The fund is to be used to reinforce the peace process in the area and, in particular, to defray the costs of stationing American civilian technicians in the Sinai area.

All of this aid will contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace.

EAST ASIA

The collapse of friendly governments in Indochina has necessitated a thorough review of the situation and of our policies and objectives throughout East Asia. The program I am proposing therefore recognizes the new realities as well as our enduring responsibilities as a leading participant in the affairs of the Asia Pacific region. For the first time, military sales credits exceed grants in our proposals for security assistance to Asian countries. These proposals include Foreign Military Sales credits in the amount of $80 million for the Republic of China, $126 million for Korea, and $37 million for Thailand, with smaller but no less significant amounts for Indonesia, Malaysia, and the Philippines. Grant assistance programs include $19 million for Indonesia, $74 million for Korea, $20 million for the Philippines, and $28 million for Thailand. This funding pattern reflects the improved economic circumstances of several of our allies, their decreasing dependence on grant aid, and a greater ability to pay for defense purchases on a deferred basis.

EUROPE

The program that I am proposing for Europe is focussed primarily on two countries with whom the United States shares extraordinary mutual defense interests: Greece and Turkey. For Greece, I am proposing more than $50 million in MAP and $110 million in FMS credits. Over the same period, Turkey would receive $75 million in MAP and $130 million in FMS credits. These amounts take into consideration urgent needs for defense articles and services on the part of these two important NATO allies. Implementation of the respective programs would allow the United States to resume its traditional cooperative role following the unfortunate disruptions occasioned by the Cyprus crisis. In this traditional role, the United States can work more effectively to alleviate regional tensions and rectify recent misunderstandings which have had an adverse impact on the interests of all our European allies.

AFRICA AND LATIN AMERICA

In these two geographic areas where there were widespread special development problems, I am proposing security assistance programs with emphasis on training as a common denominator. While the training programs are not individually costly, the fact that they are distributed among many countries should contribute to the strengthening of our regional relations well beyond the military sector. The only significant MAP proposal in either area involves a $12 million program for Ethiopia, where we have been committed to an armed forces modernization program of reasonable dimensions. No other grant aid funds are envisioned elsewhere in Africa. MAP proposals throughout Latin America are confined to small sums, mainly for vehicles, communications equipment and spare parts. FMS credits for Latin America are proposed in amounts commensurate with the relative sizes of the recipients' armed forces, their repayment ability and overall development needs. In Africa, the only significant FMS credit proposals are $10 million for Ethiopia and $19 million for Zaire.

SECURITY SUPPORTING ASSISTANCE

Aside from the special programs for the Middle East states which I have described previously, my proposals for security supporting assistance include $35 million for Cyprus, including $10 million for the United Nations Forces there, $55 million for Portugal, $65 million for Greece, and $23 million for Zaire. Other small programs and administrative expenses will total $33 million. In all instances, these programs reflect enlightened self-interest for the United States and a carefully documented need.

CONCLUSION

While the extraordinary recent developments in Indochina and the Middle East have necessitated a re-examination of our policies and changes in the focus of our security assistance programs, there can be no doubt that bilateral and multilateral cooperation in the defense sector remains a vital and necessary component of American foreign policy. The proposals that I am now able to make after this reappraisal are addressed specifically to a new global situation and to the extraordinary challenges and opportunities confronting us in the international sphere. Just as it would be a grievous mistake to base our current and future security assistance programs on the precepts of the past, it would be an even greater error to ignore our enduring responsibilities as a major world power by failing to exploit these opportunities. After twenty-five years of seemingly irreconcilable differences, two parties to the Middle East dispute at last have taken a decisive stride toward settling their differences, in joint reliance on our good offices and continuing support. In the strategic Eastern Mediterranean, two of our long-standing NATO allies look to us for a tangible sign of renewed support and traditional friendship. In East Asia, friends and allies are anxiously awaiting evidence that the United States intends to maintain its stabilizing role in Pacific affairs.

DEVELOPMENT ASSISTANCE

I am also pleased to note the progress made by the Congress on H.R. 9005, the International Development and Food Assistance Act of 1975, which authorizes funds for our development and disaster assistance programs. Although we have minor differences with the Congress on the formulation of this legislation, I expect these to be resolved in the legislative process. The 244–155 vote in the House clearly indicates that the Congress and the executive branch jointly endorse the current reorientation of our bilateral development assistance program focusing on basic human problems in the poor countries.

We must reaffirm our humanitarian commitment to some 800 million people in the Third and Fourth World, who live in poverty, facing the daily reality of hunger and malnutrition without access to adequate health and education services and with limited productive employment. Improving the quality of life for one-third of mankind living in conditions of despair has become a universal political demand, a technical possibility, and a moral imperative.

Our foreign assistance programs, both development and security, are essential for achieving world peace and for supporting an expanding international economy which benefits all nations. Our national security and economic well-being in a world more interdependent than ever before in the history of mankind warrant the fullest support of the American people and the Congress for our foreign assistance programs.

In regard to the impact of these proposals on overall federal budget levels, I fully recognize the proposed amounts are substantial. I should emphasize, however, that total fiscal year 1976 expenditures for all types of foreign aid including economic and military will still be roughly ten percent below the amounts originally contained in my January budget because of the withdrawal of the request for Indochina funding.

I am confident the Congress shares my desire to see the United States continue to manifest to all nations its determination to play a role in the search for a more secure international environment which is worthy of its greatness as a nation.

GERALD R. FORD.

THE WHITE HOUSE, *October 30, 1975.*

U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. BUMPERS) laid before the Senate the following message from the President of the United States which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to send to the Congress the 29th annual report on United States participation in the work of the United Nations.

This report, which covers the Calendar Year 1974, shows how U.S. national interests were affected by the work of the United Nations, its specialized agencies and its special programs. It shows the many ways in which the United States utilized the United Nations to promote

world peace, economic progress and social justice. It also shows that at times a majority, unfortunately, took decisions on important political and economic issues without taking into consideration the views of some of the nations most importantly involved.

During 1974, the Third Law of the Sea Conference in Caracas, the World Population Conference in Bucharest, and the World Food Conference in Rome all focused attention on worldwide problems that can be solved only by international cooperation. The United States made constructive contributions to all these conferences.

The report gives special attention to U.N. efforts designed with U.S. support:

—to keep the peace on Cyprus, in the Middle East and elsewhere;
—to strengthen international arms control and disarmament programs;
—to find a solution to the problem of world food shortages and maldistribution;
—to control population growth;
—to relieve the victims of natural and other disasters;
—to promote international economic and social development;
—to develop more effective procedures to protect human rights; and
—to improve the functioning of the United Nations itself.

Not all the work of the United Nations is cited in this report. Many UN activities of great importance to the United States do not make headlines. This is particularly true of the regular economic, social and service types of activities which account for the employment of more than 90 percent of total U.N. personnel and the expenditure of more than 90 percent of the funds made available by governments to the United Nations. For example, the World Weather Watch of the World Meteorological Organization, the worldwide smallpox eradication program of the World Health Organization, the work of the International Civil Aviation Organization and the work of the International Atomic Energy Agency—particularly its application of safeguards to nuclear fuel and the by-products of nuclear plants—all contribute to the safety, health and well-being of American citizens and those of other nations throughout the world.

Nevertheless, some of the actions taken by the United Nations in 1974 threaten to distort this positive thrust and make cooperation within the organization more difficult. There was, for example, a clash of interests between the industrialized nations and developing nations. This was particularly evident in the sixth special session of the General Assembly when the majority of developing countries insisted on the adoption of a program of action for a "new international economic order" despite the serious reservations of the industrialized nations about its acceptability and even its workability. Other divisive actions included the invitation by the 29th General Assembly to the Palestine Liberation Organization to participate as an observer in the work of the organization, the discriminatory treatment accorded Israel by UNESCO and the improper suspension of South Africa from participation in the General Assembly. However, by the end of the year there were signs of a growing awareness of the dangers from confrontation and of a willingness to explore the possibilities of conciliation and compromise.

In this 30th anniversary year of the United Nations, the underlying purposes and principles of the Organization remain as valid as when they were first set forth in Article I of the U.N. Charter:

—to maintain international peace and security;
—to develop friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples;
—to achieve international cooperation in solving international problems of an economic, social, cultural or humanitarian character;
—to promote respect for human rights; and
—to harmonize the actions of nations.

Despite difficulties, I believe there has been progress toward achieving these purposes. The United States is seeking to promote cooperation among U.N. members and to discourage confrontation. In our increasingly interdependent world there is no practical alternative to cooperation, and if the United Nations continues on a course of confrontation this can only result in the serious weakening of that body. The United States, for its part, will stand firm in support of the principles embodied in the United Nations Charter.

GERALD R. FORD.

THE WHITE HOUSE, *November 3, 1975.*

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of October 30, 1975, a message from the House of Representatives was received on October 31, 1975, stating that the House has agreed to the concurrent resolution (S. Con. Res. 71) to correct the enrollment of S. 1542.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also stated that the Speaker had signed the following enrolled bill and joint resolution:

S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; and

S.J. Res. 134. A joint resolution to extend the authority for the direct purchase of United States obligations by Federal Reserve Banks.

The enrolled bill and joint resolution were signed on October 31, 1975, by the Acting President pro tempore (Mr. METCALF).

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 8603) to amend title 39, United States Code, with respect to the organizational and financial matters of the U.S. Postal Service and the Postal Rate Commission, and for other purposes, in which it requests the concurrence of the Senate.

The message also annouced that the House has passed the bill (S. 1281) to improve public understanding of the role of depository institutions in home financing, with amendments in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF THE RESERVE FORCES POLICY BOARD

A letter from the Deputy Secretary of Defense transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to authorize appropriations of the Department of Commerce to be available until expended or for periods in excess of one year (with accompanying papers); to the Committee on Commerce.

REPORT OF THE BOARD FOR INTERNATIONAL BROADCASTING

A letter from the Chairman of the Board for International Broadcasting transmitting, pursuant to law, the report of the Board for the period July 1, 1974 through June 30, 1975 (with an accompanying report); to the Committee on Foreign Relations.

ORDERS OF THE IMMIGRATION AND NATURALIZATION SERVICE

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered concerning visa petitions (with accompanying papers); to the Committee on the Judiciary.

REPORT ON THE PUBLIC HEALTH SERVICE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, the 1973–74 report on the Public Health Service (with an accompanying report); to the Committee on Labor and Public Welfare.

AMENDMENT OF EXECUTIVE ORDER

A communication from the President of the United States notifying, pursuant to law, the Senate of his intention to amend Executive Order 11844 of March 24, 1975, by withdrawing the designations of the Khmer Republic and Vietnam (South) as beneficiary developing countries for purposes of the Generalized System of Preferences; to the Committee on Finance.

FINANCIAL PROBLEMS ASSOCIATED WITH DEVELOPMENT OF TRANSPORTATION SYSTEMS FOR ARCTIC GAS

A letter from the Assistant Secretary of the Interior transmitting a study of the financial

problems associated with development of transportation systems for Arctic Gas (with accompanying papers); jointly, by unanimous consent, to the Committee on Commerce and the Committee on Interior and Insular Affairs.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a communication from the U.S. Department of the Interior, relating to a study of the Financial Problems Associated with Development of Transportation Systems for Arctic Gas, be referred jointly to the Committee on Commerce and the Committee on Interior and Insular Affairs.

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

PETITIONS

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

A resolution adopted by the Western States Republican Conference in opposition to automatic increases for elected officials; to the Committee on Post Office and Civil Service.

A telegram from the Navajo Tribal Council relating to the passage of S. 1337; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MANSFIELD, from the Committee on Appropriations, with amendments:

H.R. 10029. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94-442).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. SPARKMAN, from the Committee on Foreign Relations, without reservation:

Ex. I, 93-2. Protocol to the Treaty with the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow on July 3, 1974 (Exec. Rept. 94-14).

By Mr. HUMPHREY (for Mr. SPARKMAN), from the Committee on Foreign Relations:

Lessel Roy Papp, of Illinois, to be U.S. Director of the Asian Development Bank, with the rank of Ambassador.

(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.)

POLITICAL CONTRIBUTIONS OF MR. AND MRS. LESSEL ROY PAPP 1971-75

1. We have only made JE contributions of over $100.00 in our lives:

1972 Committee to Reelect Senator Percy	$100.00
1972 Sam Young for Congress Committee	200.00
1972 Committee to Reelect President Nixon	500.00
1973 Percy Exploratory Committee	200.00
1974 Bradley Glass for Illinois State Senate Committee	100.00
1974 Daniel Pierce for Illinois Representative Committee	25.00
1974 Brian Duff for Illinois Representative Committee	25.00
1974 Lola Flamm for Cook County Clerk Committee	75.00
1975 Evanston Republican Organization	50.50

2. To the best of my knowledge the above list includes all political contributions made by my wife and me for the last 4 years.

3. To the best of my knowledge my son (age 21), my daughter (age 18) and my only sister, who is single, made no political contributions. I have no other living relatives.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that he presented to the President of the United States the following enrolled bills and joint resolution:

On October 31, 1975:

S. 584. An act to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; and

S.J. Res. 134. A joint resolution to extend the authority for the direct purchase of United States obligations by Federal Reserve Banks.

On November 3, 1975:

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. INOUYE:

S. 2599. A bill for the relief of Mr. Faatoaga Laufou; and

S. 2600. A bill for the relief of KeLi Wang. Referred to the Committee on the Judiciary.

By Mr. CASE:

S. 2601. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 in order to provide certain additional requirements in establishing standards pursuant to such act. Referred to the Committee on Commerce.

By Mr. CURTIS:

S. 2602. A bill to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform Act of 1969. Referred to the Committee on Finance.

By Mr. MONDALE:

S. 2603. A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes, and for other purposes. Referred to the Committee on Labor and Public Welfare.

S. 2604. A bill entitled the "Adoption Information Exchange Act of 1975." Referred to the Committee on Labor and Public Welfare.

By Mr. CRANSTON:

S. 2605. A bill for the relief of Si Kon Won, his wife, Wha Jo Won, and their children, Myung Kun Won and Myung Ae Won. Referred to the Committee on the Judiciary.

By Mr. HATHAWAY:

S. 2606. A bill to provide for the establishment of a National Center for Statistical Analysis of Highway Operations. Referred to the Committee on Public Works.

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

S. 2607. A bill to amend the Trading With The Enemy Act to repeal the embargo on United States trade with North and South Vietnam. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CASE:

S. 2601. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 in order to provide certain additional requirements in establishing standards pursuant to such Act. Referred to the Committee on Commerce.

NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT STANDARD

Mr. CASE. Mr. President, I introduce today a bill to make the setting of motor vehicle standards more responsive to national needs.

This bill is necessary because DOT has occasionally overlooked the very significant social and economic consequences of their proposed standards. Congress must, therefore insist that DOT function in a responsible manner by assuring that each standard is warranted on safety grounds.

This relatively brief amendment to the National Traffic and Motor Vehicle Safety Act of 1966 requires the Secretary of DOT to state clearly the safety bases of any proposed standard. DOT would be required to determine explicitly the scope of the safety problem addressed by the standard and the probable effectiveness of the standard in redressing the problem. The assumptions used by DOT in making there safety determination must also be made public under this amendment. The amendment will permit DOT, the public, and the Congress the opportunity to assess the merits of each standard and the relative importance of various standards. This bill will not hinder the Department from fulfilling its safety mission—and will help protect the public from arbitrary administrative action.

I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 2601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(f) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392(f)) is amended by striking out "and" at the end of clause (3), striking out the period at the end of clause (4) and inserting in lieu thereof a semicolon and the word "and", and after such clause (4) inserting the following.

"(5) determine the annual number of fatalities, injuries, and other accidents causing property damage which have resulted from the problem area which the standard would assist in correcting; estimate the expected annual reduction in fatalities, injuries, and other such accidents which would result from the imposition of such standard; and publish along with such proposed standard the data, calculations, assumptions and conclusions used in arriving at such determinations and estimates.".

By Mr. CURTIS:

S. 2602. A bill to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform

Act of 1969. Referred to the Committee on Finance.

Mr. CURTIS. Mr. President, I am today introducing legislation to extend for 2 years a transitional rule under which certain charitable remainder trusts may be amended or modified to conform to the strict requirements of the Tax Reform Act of 1969.

The Tax Reform Act of 1969 radically changed the forms for deferred gifts to charitable institutions. After 1969, for a charitable contribution of a remainder in property—other than a farm or residence—to be tax deductible, the transfer had to be a charitable remainder "unitrust," a charitable remainder "annuity trust" or a "pooled income fund." With the enactment of these complex provisions, Congress reversed over 50 years history by requiring these unusual types of trusts to be used in the place of the prior, more simpler format. Today, the failure of a decedent's will expressly to provide for the proper form for a charitable remainder bequest means the estate tax charitable deduction is not allowable and the charitable remainder trust itself is not exempt from income tax. Of deep concern to our Nation's schools, hospitals, and other charitable beneficiaries is the fact that the disallowance of the estate tax charitable deduction reduces the value of property eventually passing to it since the charity's remainder interest normally bears the estate tax.

In Public Law 93-483, Congress recognized that these stringent rules could work particular hardship with respect to wills and trusts drawn before the Tax Reform Act of 1969 and, accordingly, enacted section 2055(e)(3) of the Internal Revenue Code. Under this transitional rule, which applies only to decedents dying after December 31, 1969, and with respect to wills and trusts drawn before September 21, 1974, an otherwise nonqualified charitable remainder trust, if amended before December 31, 1975, to meet the 1969 act standards, will be treated as having met those standards as of the date of the decedent's death. Thus, the estate tax charitable deduction and the other tax benefits accorded to qualified charitable remainder trusts will be available.

The legislation I propose today, Mr. President, will merely extend for 2 years to December 31, 1977, the date by which wills and trusts otherwise covered by the existing transitional rule must be amended. It will make no other changes in existing law. Two factors prompt me to propose this legislation. First, although Public Law 93-484 was signed by President Ford on October 26, 1974, implementing regulations have not yet been published. I am informed that many public charities believe that this absence of final regulations has resulted in delays in reformation actions and a deferral of the receipt of charitable bequests. Thus, a further extension of the transitional rule seems appropriate.

A second and more general reason for this legislation is that, as time passes, additional unqualified wills and trusts are being discovered. Unless reformation of these existing wills and trusts continues to be possible, funds flowing to our schools, hospitals, and other charitable organizations could be decreased notwithstanding a donor's clearly expressed intent to make such bequests.

Mr. President, I hope this important legislation will be acted upon promptly by the Congress.

By Mr. MONDALE:

S. 2603. A bill to amend the Vocational Education Act of 1963 to assure equal educational opportunities in vocational education programs for individuals of both sexes, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am pleased to have the privilege today of introducing in the Senate the Women's Vocational Education Amendments of 1975.

This legislation would provide a new, much-needed emphasis on women's roles within the vocational education system, and would aim to eliminate existing barriers to the full participation of both sexes in vocational education programs.

I am proud that the Congress has strengthened its commitment to vocational education in recent years. But although we have been working hard to provide youths and adults with adequate job training through our schools, it is becoming painfully apparent that a large segment of the population has in too many cases been denied the full benefit of this increased emphasis.

While in recent years women have comprised over half of the vocational education enrollees, a large majority of them have been confined to programs which are not designed to develop marketable skills, and to "women's fields" which often lead to low-paying, dead end jobs.

We know that women currently constitute a major portion of the work force. We also know that women are working to fill serious economic needs. According to a 1974 Labor Department survey, nearly two-thirds of working women are single, divorced, widowed, separated, or have husbands who make less than $7,000 per year. Just a year before that, however, the median salary for full-time female employees was $6,335 per year, in contrast to $11,186 per year for full-time male workers. One of the reasons for this major discrepancy in earnings is that women remain clustered in fewer and lower paying occupations than men. Yet vocational education has not always adequately encouraged women to prepare for and enter higher paying, traditionally male dominated fields.

Evidence of this ambivalence toward the increased training needs of women, as well as toward the full participation of women in all phases of vocational education is abundant and convincing. For example:

First. According to Pamela Roby, associate professor of sociology at the University of California at Santa Cruz, 49 percent of the 6.4 million women and girls enrolled in public vocational programs in 1972 across the Nation were being trained in home economics. Another 28 percent were being trained in office practices. Very few were being prepared for the better paying trades, for industrial and health occupations other than nursing, or for technical jobs.

Second. A recent Office of Civil Rights survey of area vocational schools identified 17 single-sex vocational education institutions despite the title IX requirements to the contrary.

Third. A 1974 General Accounting Office report on vocational education noted that several States have practices that could discourage women from preparing for nontraditional roles. Catalogs for vocational programs, for instance, used the exclusive pronoun "he" for nearly all subjects, and used the exclusive pronoun "she" when describing secretarial and nursing courses.

Fourth. GAO further reported that sometimes classes were physically located in a manner which could encourage sex role stereotyping by grouping traditionally "feminine" courses in one building, and "male" courses in another.

Fifth. At high administrative and advisory council levels, women appear in only token numbers. In a random sample of 400 area vocational school directors, men comprised 93 percent of the directors. Also no woman is currently employed as a State director of vocational education or as a State supervisor outside of the field of business, distribution, health and home economics.

Congress has repeatedly affirmed its commitment to providing equal educational opportunity to women—first in 1972 through title IX of the education amendments, and more recently through the Women's Educational Equity Act, which I introduced in the Senate. As vital as this legislation is to educational equality in general, the continuing underrepresentation of women in the vocational education system requires an immediate, special focus.

The aim of the legislation I am introducing today is to advance the full participation of both sexes in vocational education in a variety of areas including administration—both at the national and State levels—counseling, curriculum development and materials, as well as research and training, to mention only a few.

The bill I am introducing today is the product of several months of analysis and work by a group of interested persons and experts in vocational education. It consists of a series of amendments to the Vocational Education Act, including creation of a new section authorizing special assistance to programs which show promise of addressing the problems of sex discrimination in vocational education.

In coming weeks the Subcommittee on Education will begin its intensive review of this and other expiring legislation. I am hopeful that the principles embodied in the bill introduced today can be reflected in the omnibus education bill which will be developed by the subcommittee and the full Labor and Public Welfare Committee in coming months. 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. 2603

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 "Women's Vocational Education Amendments of 1975".

SEC. 2. Section 101 of the Vocational Education Act of 1963 is amended by inserting before the word "and" the second time it appears in such section a comma and the following: "to develop and carry out programs of vocational education within each State so as to overcome sex discrimination and sex stereotyping in all occupations (including the occupation of homemaking), and thereby furnish equal education opportunities in vocational education to persons of both sexes".

SEC. 3. (a) Section 104(a)(1) of the Vocational Education Act of 1963 is amended by redesignating clauses (F) and (G) as clauses (G) and (H), respectively, and by inserting immediately after clause (E) the following new clause:

"(F) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(b) Section 104(a)(1) of such Act is further amended by inserting after the second sentence thereof the following new sentence: "In making appointments under this paragraph the President shall assure that there is a balanced representation on the National Council on the basis of race, color, sex, and national origin."

(c) Section 104(b)(1)(A) of such Act is amended by redesignating subclauses (viii) and (ix) as clauses (ix) and (x), respectively, and by inserting immediately after clause (vii) the following:

"(viii) familiar with the special experiences and special problems of women and problems of sex stereotyping in vocational education,".

(d) Section 104(b)(1) of such Act is amended by inserting at the end thereof the following new sentence: "In making appointments under this paragraph the Governor or the State board, as the case may be, shall assure that there is a balanced representation on the State Advisory Council on account of race, creed, color, sex, and national origin so that the Council is representative of the population of the State which that council will serve."

SEC. 4. Section 122(a)(6) of the Vocational Education Act of 1963 is amended by inserting "(A)" after "(6)" and by adding at the end thereof the following new subclause:

"(B) vocational guidance and counseling training designed to acquaint guidance counselors with (i) the changing work patterns of women, (ii) ways of effectively overcoming occupational sex stereotyping and (iii) ways of assisting girls and women to select careers solely on their occupational needs and interests, and to develop improved career counseling materials which are free.

(b) Section 122 (a) of such Act is further amended by—

(1) striking out "and" at the end of clause 7,

(2) redesignating clause 8 as subclause (B), and

(3) inserting immediately after clause 7 the following:

"(8)(A) the development of curriculum and guidance and testing materials and for in service training programs designed to overcome sex bias in vocational education programs, and support services designed to enable teachers to meet the needs of individuals enrolled in vocational education programs traditionally limited to members of the opposite sex;".

SEC. 5. (a) Section 122 of the Vocational Education Act of 1963 is amended by adding at the end thereof the following new subsection:

"(d)(1) In addition to the amounts appropriated pursuant to section 102, there are authorized to be appropriated $5,000,000 for each fiscal year in order to establish within the State board or any other appropriate agency of the State, an office for women. Each such office shall assist the State board in fulfilling the purposes of this Act by—

"(A) taking such action as may be necessary to create awareness of programs and activities in vocational education that are designed to reduce sex stereotyping in all vocational education programs,

"(B) gathering, analyzing, and disseminating data on the status of men and women students and employees in the vocational education programs of that State,

"(C) developing and supporting actions to correct any problems brought to the attention of that office through activities carried out under clause 2 of this sentence;

"(D) reviewing the distribution of grants by the State board to assure that the interests and needs of women are addressed in the projects assisted under this Act,

"(E) reviewing all vocational educational programs in the State for sex bias,

"(F) monitoring the implementation of laws prohibiting sex discrimination in all hiring, firing, and promotion procedures within the State relating to vocational education,

"(G) reviewing and submitting recommendations with respect to the overcoming of sex stereotyping and sex bias in vocational education programs for the annual State vocational education plan,

"(H) assisting local educational agencies and other interested parties in the State in improving vocational educational opportunities for women, and

"(I) developing an annual report on the status of women in vocational education programs in the State and furnish the report to the State Commission of Vocational Education, the State board, the State and National Advisory Councils on Vocational Education, the State Commission on the Status of Women, and the Commissioner.

Each report prepared and submitted under clause I of this subsection shall be made available to all interested persons. Each such report shall contain the self-evaluations required by regulations implementing Title 9 of receiving Federal assistance.

"(2) From the funds appropriated to carry out this subsection each State shall receive $100,000 in each fiscal year in which an office for women has been established in accordance with this subsection.

"(3) For the purpose of this subsection, the term 'State' means the several States and the District of Columbia."

(b) Section 123(a)(2) of such Act is amended by inserting before the semicolon a comma and the following: "and establishes an office for women as an agency of such board in accordance with the provisions of section 122(d)".

SEC. 6. (a) Section 123(a) of the Vocational Education Act of 1963 is amended by redesignating paragraphs (17) and (18) of such section as paragraphs (18) and (19), respectively, and by inserting immediately after paragraph (16) the following new paragraph:

"(17) sets forth the conduct of a thorough study of the policies, procedures, materials, and administrative procedures that the State will follow in vocational education programs so as to permit equal access to such programs by both men and women, including (A) a detailed description of the policies and procedures to be followed, (B) actions that will be taken to overcome sexism in all vocational education programs, (C) incentives which will be provided to local educational agencies to develop model programs to reduce sex stereotyping in all occupations and provides for making the results of study required by this paragraph available to the public;".

(b)(1) Section 123(a)(18) (as redesignated by subsection (a) of this section) is amended by inserting after the word "title" a comma and the following: "including statistical reports of enrollments in vocational education programs by sex, by race, by sex and race, by type of program, and by level of educational achievement".

(2) Section 123 of such Act is amended by adding at the end thereof the following new subsection:

"(e) For each fiscal year beginning after fiscal year 1976, the Commissioner shall prepare and make available to the public the statistics for each State submitted pursuant to paragraph (18) of subsection (a) of this section."

(c) Section 123(b) of such Act is amended by inserting "(1)" after "(b)" and by adding at the end of such section the following new paragraph:

"(2) Beginning in fiscal year 1976, and for each fiscal year thereafter, the Commissioner shall not approve a State plan submitted under this section until he has received assurances that the office for women established by the State pursuant to section 122 (d) has reviewed the plan, and that the State board has given due consideration to the needs of female students and the State board provides assurances that all vocational education programs described in the plan are designed to attract individuals of both sexes and that no sex stereotyping exists in such programs.".

SEC. 7. (a) Section 132 of the Vocational Education Act of 1963 is amended by inserting "(a)" after the section designation, and by adding at the end thereof the following new subsection:

"(b) In making grants and entering into contracts under section 131(a), the Commissioner and the State board shall give priority to programs and projects designed to reduce sexual stereotyping in vocational education."

(b) The section heading of such section 132 is amended to read as follows:

"USES OF FEDERAL FUNDS; PRIORITY"

SEC. 8. Section 143(b) of the Vocational Education Act of 1963 is amended by redesignating paragraph (4) of such section as paragraph (5) and by adding after paragraph (3) the following new paragraph (4):

"(4) In making grants or entering into contracts the Commissioner or the State board, as the case may be, shall give priority to programs and projects designed to reduce sex stereotyping in vocational education".

SEC. 9. (a) Section 161(a)(1) of the Vocational Education Act of 1963 is amended to read as follows:

"SEC. 161 (a)(1) There are authorized to be appropriated for the fiscal year ending June 30, 1970, $25,000,000, for the fiscal year ending June 30, 1971, $35,000,000, for each of the succeeding fiscal years ending prior to July 1, 1975, $50,000,000, for the fiscal year ending June 30, 1976, $60,000,000, for the period beginning July 1, 1976 and ending September 30, 1977 such sums as may be necessary and for each fiscal year thereafter, $75,000,000, for the purposes of this part. For the sums appropriated pursuant to this paragraph for each fiscal year ending prior to July 1, 1975, the Commissioner shall allot to each State an amount which shall be computed in the same manner as allotments to States under section 103 except that, for the purposes of this section, there shall be no reservation of 10 per centum of such sums for research and training programs and 100 per centum of the amount appropriated pursuant to this section shall be allotted among the States. For fiscal year 1976 and each fiscal year thereafter the Commissioner shall reserve 10 per centum of the sums appropriated pursuant to this paragraph for each fiscal year for demonstration and model programs in family life education authorized under section 163, and from the remainder of such sums the Commissioner shall allot to each State an amount which shall be computed in

the same manner as allotments to States under section 103, except that for the purposes of this section, there shall be no reservation of 10 per centum of such remainder for research and training programs and 100 per centum of the amount of the remainder of the amount appropriated pursuant to this section shall be allotted among the States.".

(b) Section 161 of such Act is amended by striking out subsection (b) and by redesignating subsection (c) and subsection (d) of such section as subsection (b) and subsection (c), respectively.

PART K. SPECIAL PROJECT GRANTS TO ASSIST IN OVERCOMING SEX BIAS

Sec. 199. Authorization of Appropriations.

There are authorized to be appropriated, to carry out the purposes of this part, $5 million for the fiscal year commencing July 1, 1976 and ending July 1, 1977, and for each subsequent fiscal year.

Sec. 199 A. Program Authorization

(a) The Commissioner is authorized to pay the Federal share of supporting activities which show promise of overcoming sex stereotyping and bias in vocational education.

(b) The Federal share shall not exceed 75 per centum of the cost of the application.

By Mr. MONDALE:

S. 2604. A bill entitled the "Adoption Information Exchange Act of 1975." Referred to the Committee on Labor and Public Welfare.

Mr. MONDALE. Mr. President, I am introducing today a bill which would authorize creation of a national adoption information exchange in the Department of Health, Education, and Welfare.

This is a bill which was passed by the Senate in the 93d Congress but was not enacted because it was part of a bill which was never reported from conference committee.

If anything, the need for this legislation is better documented now than it was then.

For nearly a year the Subcommittee on Children and Youth, of which I am chairman, has been looking into adoption and foster care practices in this country. We have learned that there are more than 100,000 youngsters available for adoption who do not have permanent homes. And we have also learned that there are thousands of American families who are eager and able to provide loving homes for these youngsters.

One reason that these families and children are not being brought together is that we simply do not have an effective national system for making these placements. Some States and cities and some private agencies have done a masterful job of bringing these youngsters together with families. Even in cases where a child is older, or handicapped, or from a minority group, it is clear that successful placement can occur if a family is provided with the necessary supportive resources.

This bill has the support of a broad range of organizations which are members of the adoption and foster care cluster of the National Council of Organizations for Children and Youth. 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. 2604

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 "Adoption Information Exchange Act of 1975".

The Secretary of Health, Education, and Welfare is hereby authorized to provide information, utilizing computers and modern data processing methods, through a national adoption information exchange system to assist in the placement of children awaiting adoption and in the location of children, including cooperative efforts with any similar programs operated by or within foreign countries, and such other related activities as would further or facilitate adoptions.

There are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1976, and such sums as may be necessary for succeeding fiscal years, to carry out this section.

By Mr. HATHAWAY:

S. 2606. A bill to provide for the establishment of a National Center for Statistical Analysis of Highway Operations. Referred to the Committee on Public Works.

Mr. HATHAWAY. Mr. President, I am introducing a bill to establish a National Center for Statistical Analysis of Highway Operations within the Department of Transportation. In 1973 Congress recognized the need for such a center to provide current and comprehensive data to support highway safety programs, and to insure that safety moneys will be spent on programs which will yield the greatest results. In the 1973 Highway Act, we directed the National Highway Traffic Safety Administration to do a feasibility study of such a Center, and in February of this year, NHTSA released its report. The feasibility and the utility of such a center, with a wide range of responsibilities, was affirmed in the NHTSA report to Congress. My legislation implements the finding of this report and directs that a national center be established within NHTSA to acquire, coordinate and analyze data bases for highway safety purposes.

Since 1966, the Federal Government has participated actively in the area of highway safety. Despite this activity, however, the human and financial cost of maintaining our automobile dominated society remains unacceptably high. In 1972, NHTSA estimated the annual financial cost of all motor vehicle accidents at over $46 million, in addition to the human loss of 55,000 lives and the injury of some 3,800,000 people. Although the death rate fortunately declined in 1973, presumably as a result of the energy crisis and the subsequent decline in highway travel, indicators for this year are that these beneficial aspects of the energy crunch were temporary; 1975 highway accident figures are largely increasing over those of 1974.

A national center, with high visibility within NHTSA, can provide needed data and analytical support for ongoing highway safety programs at all levels of government and private activity. Although we presently have broad indicators of the dimension of the highway safety problem—such as the number of people killed and injured per year, the correlation of the use of drugs and alcohol to the occurrence of accidents—standardization and more detailed analysis of our data is needed to determine the actual causes of highway accidents, and to point the way toward the most efficient means of reducing the accident statistics.

The center, an orderly and coordinated outgrowth of work currently being done throughout various Government agencies, will be an invaluable tool in providing an accurate foundation for ongoing and future highway safety efforts.

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. 2606

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 "National Center for Statistical Analysis of Highway Operations Act of 1975".

SEC. 2. (a) The Secretary of Transportation shall establish within the National Highway Traffic Safety Administration a National Center for Statistical Analysis of Highway Operations and through such center shall acquire, store, retrieve and analyze highway accident data and promote the standardization of information and procedures for reporting accidents on a nationwide basis.

(b) Such center shall—

(1) be established and expanded according to a phased and justified growth plan from the existing statistical and analytical effort within the National Highway Traffic Safety Administration;

(2) be initiated on a modest basis working initially to develop a few key data bases in order to facilitate future data base development by the experience gained with the initial bases, and expanded as justified by user demands;

(3) function as a complete service and support organization and liaison for the highway safety community;

(4) make major use of statistical sampling methods in obtaining nationally representative data, including maximum utilization of existing national and other statistical center services and facilities;

(5) cooperate with various State and other Federal agencies in a Federal-State-local cooperative program in order to promote definition and standardization of data requirements for the various government levels;

(6) aid in identification of problem areas and provide information for countermeasure development to remove or lessen the consequences of such accidents;

(7) assist in evaluation of existing and proposed countermeasures, including cost evaluation of those measures and the development of alternative measures;

(8) produce statistical and analytical reports on a continuous periodic basis which portray the magnitude and nature of the national highway safety problem; and

(9) maintain an adequate staff to develop, implement, and maintain improved national data bases and related services and otherwise carry out the provisions of this Act.

SEC. 3. The Secretary of Transportation shall establish an Advisory Board for the National Center for Statistical Analysis of Highway Operations. Such Board shall be made up of representatives of public and private entities which use such National Center and shall serve to advise on and to promote the proper utilization of the Center's services and data by appropriate public and private entities.

SEC. 4. In carrying out the provisions of this Act the Secretary shall—

(1) establish appropriate procedures and mechanisms to assure the protection of individual privacy; and

(2) make an annual report to the Congress summarizing current achievements, fully detailing and justifying any request for additional resources, and containing a report

from the Advisory Board established pursuant to section 3 with respect to its activities.

SEC. 5. There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this Act.

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

S. 2607. A bill to amend the Trading With the Enemy Act, to repeal the embargo on U.S. trade with North and South Vietnam. Referred to the Committee on Banking, Housing and Urban Affairs.

RENEWING TRADE WITH NORTH AND SOUTH VIETNAM

Mr. HATFIELD. Mr. President, I am today introducing legislation which will lift current trade restrictions against the governments of North and South Vietnam. I do so with the hope that my colleagues will join me in this effort and break the pointless and destructive diplomatic deadlock that now exists between the United States and these governments.

Consideration of the matter has been made all the more urgent, given the recent decision by the Government of North Vietnam to allow American missionaries, left behind in Vietnam following the evacuation last April, to return to their homeland. This action should be recognized by Congress and the administration for what it is: A clear indication that the governments of Vietnam are willing to take part in a settlement of difficulties that have arisen following the end of the Vietnam war. The United States asked for the release of these missionaries, and the Vietnamese responded. The burden of actively and positively responding to this action now falls on the Congress and the administration.

It is essential and timely that Congress move with dispatch toward a reconciliation of our differences and toward the formulation of a constructive relationship with the people of Vietnam. For by easing the trade embargo that now exists against the Governments of Vietnam we can begin a normalization of relations which will, I am convinced, prove a benefit to both the people of Vietnam and ourselves.

By easing the current trade restrictions against these governments Congress can bring to an end a counterproductive policy which is destructive of logic and purpose; a policy that has denied any possibility that the United States may gain information concerning our 1,300 MIA's and POW's still missing in Indochina; a policy which currently prohibits humanitarian organizations from carrying out basic efforts to assist in the rebuilding of a society decimated by decades of violent conflict; a policy which has contributed mightily to the view by the world community that the United States is vengeful in its motives and hopelessly embittered by the failure of its policies in Indochina.

Mr. President, we have refused to recognize or deal with the Governments of Vietnam from the mistaken belief that such refusal may, in the future, be used as a "bargaining chip" in securing concessions we seek from North and South Vietnam.

But we have accomplished little by our intransigence and we have raised unnecessarily the alienation of governments who possess information that is of infinite value to the families of those men missing in North and South Vietnam.

It has been nearly 3 years since the Paris Peace Accords were signed, and many American prisoners of war have been reunited with their families. However, for the families of the 1,300 MIA's and POW's left behind, these years have represented only a nightmare of uncertainty. They have been years filled with worry, frustration and anger over the failure of this Government to obtain a final determination as to the fate of these men.

During this period, numerous resolutions have been introduced in Congress with the purpose of securing an accounting of these 1,300 servicemen, resolutions aimed at finally ending the prolonged emotional ordeal of their families. For the most part, these measures have sought to contact the Governments of Vietnam indirectly, through intermediary nations. Some measures have sought to impose sanctions against other countries or organizations who do not willingly participate in an effort to account for our MIA's and POW's. In all these congressional efforts one specific, if obvious, component has been lacking: achieving direct contact with the Governments of Vietnam.

As a result, all congressional efforts on behalf of our MIA's and POW's, while undertaken with every good intention, have unfortunately not proven successful.

In the 7 months since the war ended the administration has apparently hardened its position on this matter. In these 7 months the executive branch has failed to pursue diplomatic initiatives by the South Vietnamese Government to begin a normalization process between our countries; the administration has, while allowing minimal humanitarian assistance, denied licenses to organizations such as the American Friends Service Committee and the Mennonite Central Committee, to supply fishing nets, basic agricultural tools and other assistance to help the people of Vietnam recover from the effects of a devastating war waged on their homeland—assistance that inexplicably was allowed North Vietnam in 1973 when the war was raging; and finally the administration has taken no visible steps to allow for the reestablishment of trade despite the fact that the Governments of Vietnam have chosen not to expropriate an estimated $110 million of American property in Vietnam and have, in fact, expressed an interest in pursuing an economic relationship with the United States.

In short, both the administration and Congress has avoided the precise course which may help us open a rational and sane dialog with the Vietnamese on the MIA/POW problem.

We have avoided helping the citizens of a war-torn land to rebuild their lives. We have not followed the course we chose at the conclusion of World War II, a course of reconciliation, compassion and assistance to both ally and enemy alike. We have chosen not to pursue an economic relationship which may prove of benefit to all parties concerned.

Instead, we have followed a blind policy of retribution and neglect which has undermined efforts to seek an accounting of our men, which has denied the historic charity of Americans to those whose lives have been shattered by war, and which has served no useful or constructive purpose.

I firmly believe that the easing of trade restrictions contained in this legislation can promote a frank and open dialog with the Governments of Vietnam, a dialog which may lead to the recovery of information as to the fate of our missing men. I am strengthed in this belief by the decision made by these Governments to allow American missionaries and other civilians to return home. My intensive personal inquiries on behalf of these missionaries convinces me that this action represents a good faith effort on the part of the Governments of Vietnam to normalize relations with us in all matters of mutual concern in the aftermath of the Vietnam conflict.

I believe the Congress should recognize the potential in this situation and move expeditiously to establish positive relationship with the people of Vietnam necessary to receive a final accounting of our MIA's and POW's. I urge my colleagues to seize this opportunity, and alter U.S. policy toward Vietnam.

To continue our present policy of refusing to recognize or have dealings with these governments is pointless. It offers no hope for the families who want desperately to know if their loved one is living or dead and it does a disservice to the image of America around the world.

I reiterate to my colleagues that I am convinced that this bill will open possibilities, where none now exist, for recovering information on these missing men. In light of recent decisions made of officials of North and South Vietnam, I urge the Senate to give thorough and expeditious consideration to easing trade restrictions. Congress can, through this action, begin to end the nightmare of uncertainty that has shadowed the families of our MIA's and POW's for the past 3 years, and restore a positive, peaceful relationship, after so many years of violent struggle, between the people of Vietnam and the citizens of this Nation.

Mr. President, I ask unanimous consent that this bill and an October 30 story by United Press International relating to the safe return of American civilians and missionaries from North Vietnam be printed in the RECORD.

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

S. 2607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 5(b) of the Trading With the Enemy Act as amended (50 U.S.C. App. 5) is further amended by adding at the end thereof the following new subsection:

"(4) Notwithstanding any provision of this or any other Act, no embargo on trade with North or South Vietnam shall be authorized or implemented except with respect to war and other materials defined by the Mutual Defense Assistance Control Act of

1951 as amended (22 U.S.C. 1611–13) and regulations pursuant thereto."

[From United Press International, Oct. 30, 1975]

VIET PRISONERS

BANGKOK.—Nine smiling Americans flew out of North Vietnam to freedom today, nearly eight months after being captured during the Communist conquest of South Vietnam.

The Americans, looking thin but exuberant, landed with five other freed foreigners at Bangkok Airport this afternoon after a stopover in Vientiane.

Peter Whitlock, a released Australian communications expert, was grabbed by what appeared to be embassy officials after landing and was pushed into a car. He was whisked away from the airport for reasons not clear.

The other 13 refugees were greeted by U.S. Ambassador Charles Whitehouse, who boarded the Royal Air Lao plane briefly as it rolled to a stop and then descended to the tarmac with the group.

The nine Americans, two Canadians, two Filipinos and one Australian left the North Vietnamese capital of Hanoi shortly before noon on a flight sponsored by the United Nations Commission for Refugees.

"We're fine, really fine," said Mrs. Carolyn Miller of Houghton, N.Y. Mrs. Miller and her husband, John, were missionaries.

The refugees said they were well treated during their detention. All 14 of the group were expected to stay in Bangkok until they can arrange for their future.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1776

At the request of Mr. HUGH SCOTT, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 2132

At the request of Mr. PROXMIRE, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2132, the form reform bill.

S. 2350

Mr. SYMINGTON. Mr. President, I would like the RECORD to show that Senators CHILES, HASKELL, and HUMPHREY have requested they be considered as cosponsors of a bill I introduced last month, S. 2350, which would make the Secretary of the Treasury a member of the National Security Council.

This bill passed the Senate on October 9, and is now pending before the House Armed Services Committee. I am very glad these distinguished colleagues have associated themselves with this legislation.

S. 2370

At the request of Mr. HUDDLESTON, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of S. 2370, a bill to amend section 403(i) of the Federal Food, Drug, and Cosmetic Act to require that the labels on foods disclose the kinds of oil contained in such foods.

S. 2394

At the request of Mr. MONDALE, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of S. 2394, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the estate tax exemption, to provide that certain farmland included in the gross estate be valued according to its use as farmland, and for other purposes.

S. 2451

At the request of Mr. DOLE, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 2451, a bill to amend the Food Stamp Act of 1964.

S. 2516

At the request of Mr. DOLE, the Senator from Hawaii (Mr. FONG), the Senator from Utah (Mr. GARN), the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BELLMON), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 2516, a bill to provide for further assistance to Senate committees in conducting evaluations of the efficiency and economy of Federal Government programs and their operation.

S. 2537

At the request of Mr. TALMADGE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2537, a bill to reform the Food Stamp Act of 1964, by improving the provisions relating to eligibility, simplifying administration, and tightening accountability.

S. 2541

At the request of Mr. TUNNEY, the Senator from Maryland (Mr. BEALL) was added as a cosponsor of S. 2541, a bill to provide for the establishment of model programs to foster equal opportunities for displaced homemakers.

S. 2545

At the request of Mr. KENNEDY, the Senator from Iowa (Mr. CLARK), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Minnesota (Mr. MONDALE) were added as cosponsors of S. 2545, a bill to amend the Internal Revenue Act.

SENATE RESOLUTION 288

as a cosponsor of Senate Resolution 288, relating to an action of the United Nations concerning Zionism.

SENATE CONCURRENT RESOLUTION 70

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. HARTKE), the Senator from Illinois (Mr. STEVENSON), the Senator from New Mexico (Mr. DOMENICI) and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of Senate Concurrent Resolution 70, relating to broadening the observance of Thanksgiving to an occasion of sharing our plenty with the hungry of other lands.

SENATE RESOLUTION 291—SUBMISSION OF A RESOLUTION RELATING TO CABLE TELEVISION

(Referred to the Committee on Commerce.)

Mr. BEALL submitted the following resolution:

S. RES. 291

Whereas the Congress, in the Communications Act of 1934, as amended, stated, in section 1 thereof, that its primary purpose was "to make available, so far as possible, to all the people of the United States, a rapid, efficient, Nation-wide and world-wide wire and radio communication service with adequate facilities at reasonable charges . . ."; and

Whereas, pursuant to this statutory mandate, the Federal Communications Commission has allocated television facilities so that virtually all the American people now can enjoy the availability of service provided by a capable commercial television system through over-the-air reception; and

Whereas the programing provided by this system is without direct additional cost to the viewer, and in reliance upon this system more than 97 per centum of the population of the United States has available and uses one or more television receivers; and

Whereas there are many existing and proposed pay television operations which require the subscriber to pay for each program viewed or for each particular channel used; and

Whereas many of the citizens of this Nation who now have purchased television receivers for their homes cannot afford the payment required to watch such programs; and

Whereas reliable predictions suggest a rapid expansion and growth in pay television to a substantial and affluent minority; and

Whereas such a system of pay television may well have the economic potential, even though available only to a small minority, to outbid the free television system for the most attractive sports and other entertainment programs now available to all; and

Whereas it is the sense of the Senate that it would be inconsistent with the public interests if programing, now available to all at no charge, were diverted to a system of pay television available only to a minority: Now, therefore, be it

Resolved, That the Federal Communications Commission and other appropriate executive and administrative agencies shall be encouraged to exercise their full legal authority to insure that the quality and quantity of over-the-air broadcasting service which is now available to the public shall not be reduced or impaired by the operations of pay television and that pay television develop in such a way as to provide increased outlets for local expression and programing and for new services which are innovative and complementary to, free broadcasting, rather than to transmit programs on pay television which have been diverted from or otherwise would be available over free television broadcast stations; and be it further

Resolved, That the development of pay television should be regulated in a manner consistent with the establishment and healthy maintenance of over-the-air television broadcast services available to all members of the public, including persons who are not able, or willing, to subscribe to pay television.

Mr. BEALL. Mr. President, on July 30, 1973, in the 93d Congress, I introduced legislation designed to assure the continuance of our present free television system. This bill, the Preservation of Free Television Act, would have required the Federal Communications Commission to make certain that the future development of pay television would not reduce or impair the amount or quality of programing now offered to the viewing public by free TV. However, because of the pressure of other important business, this legislation did not receive a hearing in the last Congress.

Today, I am again bringing the issue to the attention of my colleagues, but this time in the form of a resolution, which I believe makes the issue more clearly understood and lessens grounds for objections that were heard from some quarters in the last Congress.

The resolution I submit today makes it clear that the objective is the con-

tinuation of an entertainment and information medium that performs a valuable public service. The resolution would give to the regulatory agency, the congressional direction to assure that the free broadcasting system does not lose premium programing to new systems that would be available only to those willing and able to pay a special charge for this programing. It would require regulation that would protect the average viewer from a new assault on his pocketbook, while still allowing new forms of television communication to flourish and develop alternative programing for those who wish to see it and pay for it.

Mr. President, this resolution is not directed against any new or existing industry nor will it prevent any industry from competing on an even keel with our present free broadcasting system. It is not anti-cable and would not affect in the slightest degree any cable system now operating in this country. Cable is a valuable and necessary addition to the communication facilities of this Nation. Many thousands of Americans would be unable to view any programing were it not for the classic cable system that now picks up and transmits broadcast signals to areas where reception would not otherwise be available. Cable has continued to grow using the programing presented by broadcasters as a base of service and no one wishes to see this service curtailed in any way.

Likewise, when so-called pay television entrepreneurs develop programing on their own initiative and provide it either over the air, or by cable or some other method, to those who wish to subscribe for this service, then we welcome them as an important new part of our communications system. My resolution in no way, prevents such new and innovative programing, but merely makes clear congressional intent to preserve for the citizen the choice of continuing to receive premium broadcast programing, including first-run movies, and sporting events, for no more cost than the few cents needed to power a television set each day.

Mr. President, I know there are many issues facing this Nation that have a higher priority—but there are few which could affect the daily living habits of Americans in a more dramatic fashion. The Federal Communications Commission has shown a continuing trend to soften needed regulations in the siphoning of programing from free television to pay television. With the likelihood of greatly expanded audiences for pay television comes the danger that further relaxation of the regulations of siphoning will mean a loss of programing from free television to a system supported by the elite who can afford to pay for what they want to see.

Those who criticize this resolution will say that such a thing will not happen, but I say it is a distinct possibility that we must deal with now to make sure that it does not happen.

My resolution would put the Congress on record in this area, and give notice to the Federal Communications Commission that we are watching this area with intense interest, in order to protect the public interest.

The citizen who has purchased his television set with the thought that he will be able to see the world's series, or the super bowl, or first-run movies soon after appearing in theatres across the land, must not be defrauded. We can make sure that he continues to get this bargain—and still has the right to pay for more if he wishes, by approving this resolution. I am submitting with this statement some information that I submitted with the bill in 1973, and I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT

S. 2283. A bill to amend the Communications Act to clarify the intent of Congress regarding regulation of CATV and broadcast pay television. Referred to the Committee on Commerce.

Mr. BEALL. Mr. President, I am today introducing legislation to preserve our free system of television and encourage new electronic services to expand on and complement these present services. My bill, the Preservation of Free Television Act of 1973, would require the Federal Communications Commission to make certain that the future development of pay TV will not reduce or impair the amount or quality of free television to the viewing public.

Mr. President, in the past 25 years, communications technology has leaped ahead making the wonders of the 1940's relics of the past. Without any doubt the most significant development in communications for the vast majority of our citizens and others throughout the world has been the advent of television. Through its magic, millions of people have been entertained and informed by viewing events that none would have hoped to witness 25 years ago. For the initial investment in a television receiver and the few dollars needed each year to supply power, the average viewer gets a ringside seat at events which make history. World renowned entertainers, championship sporting events, theater, movies, public affairs programs and indeed coverage of events the world over are commonplace on free TV today.

The fact that these programs are free, Mr. President, is ever more important today at a time when inflation is pinching so many pocketbooks. To many, the television set offers many hours of entertainment that cannot be afforded elsewhere. Many of our less affluent citizens can afford a television set where they cannot afford vacations, trips to movies or stadiums or to other events where the cost is prohibitive to them. It is a form of recreation and entertainment that is available to virtually all our citizens.

The bill I am introducing today would direct the FCC to make certain that this present situation is preserved in the future when developments in pay and cable television might make it possible for programing now seen at no charge to be taken out of the free system and placed on a pay system. This bill would allow cable and pay systems to develop, and offer to those who wish to pay, new programing not now regularly seen on free television. I believe that protection is going to be needed for the future and I believe the public wants this protection for the present system.

There is no question, Mr. President, that pay television has a great future in this Nation. There are now dozens of events and shows which do not appear regularly on free TV and which many members of the public will gladly pay to see.

Under this proposal pay TV will be able to develop its own new programing and develop its own audience. It will complement and add to the present free programing that hopefully will be continued.

Cable TV will also be able to grow steadily under this proposal. This bill will not change in any respect the present operation of cable television. Cable TV is a service which has brought home viewing to millions who were without television before. My home in western Maryland is one of those areas and is well serviced by an efficient cable system. Under this legislation, cable will be able to retransmit programs from free TV broadcasts, just as it does today. If the cable system wants to, it can, under this bill, tie in with pay television and offer, for more money presumably, a more diverse selection than what is available on free television. My bill would not interfere with the great service provided to Americans by cable television.

Mr. President, in conclusion, let me say that I believe this bill will benefit all concerned. It will give the FCC needed direction in dealing with the problems of television in the future. It will preserve for millions of Americans access to free television programing of a quality and quantity now enjoyed.

It will provide for the orderly development of pay television and allow pay systems to create new programing that will be available to those who want to pay for it.

It will confirm the place that cable holds in the present system and allow cable systems to expand and grow in conjunction with pay television.

Mr. President, I ask unanimous consent that material in connection with this subject be printed in the RECORD.

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

CAPITAL COSTS OF A WIRED NATION ARE PROHIBITIVE

The 1968 report prepared for the President's Task Force on Communications Policy, the most recent authoritative study available, estimates that it would cost $123 billion to wire all the 100 million television homes projected for the early 1980's. This would be equivalent to spending $25,000,000 a day for the next 12 years.

Today even the $123 billion is much too low an estimate:

(a) The report did not consider new FCC requirements for two-way capability and access channels, conservatively estimated to increase costs by about another $20 billion.

(b) It was based on 1967–1968 costs and annual inflation of 4% will add about another $90 billion over a 15-year period.

These two items alone almost double the estimated costs—to about $230 billion, more than one-half the national debt.

Moreover, much of the components in the wired nation will require replacement every generation—each 15 years—which means that if the country were wired by 1985, most of the $230 billion plant would shortly thereafter have to be replaced, at newly inflated costs.

Recognizing the enormity of these costs—even at 1968 figures—the report to the President concluded that it was economically unfeasible to wire the entire country and that a more realistic objective would be to wire 50% of the homes—those where the population density is greatest—which it concluded could be accomplished for about $8 billion. Other studies show that if as few as 25% of the homes were wired, cable pay television could outbid free television for its most attractive programs, with the result that those not reached by cable and those unable to pay the subscriber fees would lose the service they now receive free.

Aware that private investment cannot possibly provide funds of the magnitude required for a wired nation, the suggestion has been made by some that Federal assistance—direct grant or low interest loans—be used to help finance a nationwide system. These suggestions raise the issue of "national pri-

orities"—should the Federal Government use funds urgently needed for important national goals to subsidize a wired nation. The attached table, taken from the most recent U.S. Government Budget, shows proposed expenditures totalling $232 billion over the next 10 years for the vital national programs listed, including pollution control and abatement, energy research, mass transit development, low and moderate income housing, education, health research, among others. The total projected expenditures over the next ten years for all these vital programs ($232 billion) approximate the costs of the wired nation alone.

The budget of the U.S. Government, fiscal year 1974

[In billions of dollars]

	Fiscal year 1974	*Estimated, 1974–84*
Space research and technology	3.1	31.0
Rural electrification, housing and water and waste disposal programs	.7	7.0
Pollution control and abatement	2.1	21.3
Mass transit development	.5	4.9
Aid for low- and moderate-income housing	2.03	20.3
Community planning, management and development (including OEO, water and sewer facilities, urban renewal, model cities, etc.)	2.6	25.9
Education (including revenue sharing, child development and emergency school assistance programs, etc.)	6.3	63.0
Support for biomedical research (primarily for cancer and heart disease)	1.7	16.9
Training health manpower	.7	7.1
Construction of health facilities	.2	1.9
Prevention and control of diseases	.5	4.7
Consumer safety	.2	1.9
Law enforcement and justice	1.9	18.8
Energy research	.8	7.7

	United States	*Maryland*
Total number of homes	67,475,900	1,262,700
Number of homes with television	65,101,280	1,232,590
Pecentage of homes with television (percent)	96	98
Number of homes with cable connections	6,033,840	59,830
Percentage of homes with cable connections (percent)	9.3	4.9
Number of homes with pay TV connections	29,000	0

BLACKOUT NOW: PAY TV LATER?

(By Robert J. Samuelson)

Ask Bob Cochran about football blackouts and he will give you a short lecture.

"There are too many spoiled people who think they're owed everything that's available," says the National League's director of broadcast. "We don't owe anybody anything. We owe our teams the protection of selling their tickets at home . . ."

The blackout: It's one of the great issues of the times. On football Sundays, it probably enrages more people than high meat prices, gasoline shortages and Watergate-stained politicians all put together.

It's also one of the great mysteries of the times. Last year the NFL sold 96 per cent of its seats. That doesn't satisfy the football owners. They recall that pro football wasn't always a national obsession. And they cling to the blackout like a security blanket.

Is that all there is to it? Is that the only reason the NFL maintains its bearing on the blackout? A lot of people don't think so. They suggest another motive for the NFL's obstinacy. It's the Great Unmentionable of American sports and media: Pay TV.

Pay television, like a dark figure in the closet, has been lurking on the edge of American broadcasting for at least two decades. It's finally coming out, and, when it does, pro football could be one of the great beneficiaries.

The NFL will never admit this. Its commissioner, Pete Rozelle, is a shrewd man. To mention pro football and pay television in the same breath would kill the courtship before the marriage. It would destroy the very argument that the NFL is advancing for preserving the blackout—the fear that fans will abandon the stadium for the comfort of their living rooms.

Others aren't so reticent.

PROFITS AND LOSSES

Testifying before a Senate subcommittee last year, John A Schneider, president of the CBS Broadcasting Group, expressed the networks' fears that football games might ultimately end up exclusively on cable television. "In the language of football, I recommend that this committee clearly rule that passing professional football games to CATV is offside and illegal," he said.

"Pay TV is clearly the issue," says one congressional aide. A senior official at the FCC puts it this way: "The NFL knows that once the public gets its lollipop (over-the-air broadcasts of home games), it can't be taken away."

Even the NFL's Cochran indicates that pay TV has its potential attractions. Asked about the practical possibilities of cable TV for pro football, he dismisses the thought with a wave of the hand. Pay TV (which is really just a variant of cable TV)? Well, he admits, "then you've got an argument . . ."

The owners of football teams aren't innocents; most are independently wealthy businessmen or professionals. However genuine and deep their love for the game, they aren't opposed to making money. Pro football may have once qualified as a quasi-public form of charity, but it doesn't anymore. Although most team financial records aren't public, the available information indicates that the teams are profitable—and comfortably so.

The NFL Players Association last year estimated that an average team has total revenues of $5.6 million and an operating profit—before taxes and interest on debt—of $1.7 million. At least two teams, the Green Bay Packers and the New England Patriots, have public shareholders and make their financial results public. They are not on the edge of poverty. Last year, the Packers had an after-tax profit of $480,203 (their worst year since 1965) and the Patriots had a profit of $545,313. As the Patriots (3 wins, 11 losses) show, football is one of the few busineses where you can succeed without being good.

But good businessmen are always looking to the future. NFL owners can expect their revenues from gate sales—where ticket prices will gradually rise—and from the networks to increase steadily if not spectacularly. The only prospect for a major breakthrough is pay TV—in essence, a massive extension of the stadium. It's a prospect for which any sound businessman would want to wait. It's not hard to see why. For the first time, pay TV is more than an abstraction. Some background:

Last year, the Federal Communications Commission approved new regulations for cable television designed—so the commission said—to allow CATV to expand into the nation's major cities. Cable television is already a $400 million industry, serving 6.5 million homes (about 10 percent of the country's TV households), and with the FCC's rules, it could get much, much bigger.

Cable TV is the vehicle for pay TV. Subscribers pay a monthly fee (usually $5 or $6); but after that, they get everything—weather service channels, stock prices, local programming—free. Pay TV is something else; it's an extra channel of programs—such as first-run movies or exclusive sports events—that can be received only by subscribers who pay a separate charge. The "pay TV" channel would be one of the open channels of the CATV system, whose coaxial cable can carry 20 or more television channels.

By the end of the year, there may be more than 100,000 homes receiving this kind of pay TV. But no one, including the NFL, knows quite what to expect from pay TV. It's destiny is a quagmire of uncertainties, to be shaped by more rules from the FCC, the possibility of congressional legislation, and the unpredictable reaction of the American public.

Granted then, the future is fuzzy. But if pay TV matures, it could be immensely profitable for professional football. It's easy to play with figures. Consider metropolitan Washington, the nation's 10th largest television "market" with approximately 3 million people. There are 950,000 "television homes." Suppose half of those homes subscribed to a cable system. Suppose, then, that one-third of these homes decided to buy Redskins' home games at, say $2 per game. With seven home games (and a $2 price), that totals more than $2 million, a large part of which would surely be paid to the Redskins for the rights to their games. The $2 price isn't unreasonable; in fact, it might be low. As long ago as 1964, an experimental pay television system in Hartford charged $2 for prize fights.

AMERICA'S SPORTS MANIA

To succeed, however, cable TV and pay-TV will clearly have to capitalize on America's sports mania. The new television entrepreneurs understand this. In New York, home games of the hockey Rangers and basketball Knicks are already offered on regular cable TV to attract subscribers. In the future, popular games probably won't come so cheaply; they'll be limited to pay TV.

"Our research indicates that obvious (sports) interest is largely confined to the male member of the family," an official of Home Box Office (a 70 per cent-owned pay TV subsidiary of Time, Inc.) recently told a pay TV seminar. "Our research also makes it pretty unmistakably clear that the ultimate go, no-go decision in the family on subscribing to this kind of service (pay TV) is made by the male head of the household. Thus, while the whole family enjoys the movies, uncut and uninterrupted, the sports events may or may not be likely to tip the scales of decision-making in the family."

Although started just this year (and now serving only about 12,000 subscribers in eastern Pennsylvania), Home Box Office has already purchased sports packages from pro basketball's New York Nets, Milwaukee Bucks, Boston Celtics and Cleveland Cavaliers; hockey's New York Raiders and Cleveland Crusaders; and baseball's Cleveland Indians.

Home Box Office executives approached five or six NFL teams this year and got a cordial reception—until the teams were apparently asked by the commission's office to suspend any pay TV discussions. According to a Home Box Office spokesman, "The commissioner's office is in the middle of a pretty tough fight over (blackout) legislation and hearings . . . They're not really looking for another problem."

If it is ever to explore the tantalizing prospects of pay TV for home games, the NFL needs the current blackout. This is more than a matter of practical politics; it's also a legal necessity. Under the existing FCC rules, pay TV systems are barred from broadcasting any type of sports event that has been seen on local, over-the-air television during the previous two years—and chances are this two-year period will soon be lengthened to five years. Although the rules—from a legal point of view—are still a bit murky, it's likely

that "home" and "away" games will be considered separate types of sports events.

This means that once the Redskins—or any other professional football team—begin showing their home games on over-the-air television, the team may not be able to switch to pay TV for at least five years (during which time home games couldn't be broadcast). So putting the home games on television wouldn't simply be an experiment; it would be a legal precedent, and, as a practical matter, would probably rule out forever the possibility of selling the games to pay TV.

THE ANTITRUST EXEMPTION

Although Cochran doesn't think the NFL owes anyone anything, there are a lot of congressmen who feel otherwise. During the last session of Congress, at least 20 different bills were introduced which would have modified existing sports broadcasting practices.

Most students of the game, including Cochran, trace football's phenomenal rise in popularity to TV. If that's so, Congress might rightfully claim a small debt of gratitude. Back in 1961, Congress gave the football owners something that just about every businessman in America would like to have: an exemption from the anti-trust laws. The NFL desperately needed the exemption. A U.S. District Court judge had ruled that the teams could not bargain together (that is, as a league) with the television networks without running afoul of the anti-trust laws.

Even if Congress hadn't provided the exemption, there still would be football on TV, but each team would have to negotiate separately with local stations or the networks. Presumably, the teams in the bigger cities (with large advertising audiences) would receive bigger packages, while weaker teams in smaller cities would get less. And, taken together, it's probable that the teams would not do as well as they have by bargaining with the networks as a single unit on a take-it-or-leave-it basis.

In any case, the exemption became law in 1961, and the rest is history. In 1960, the 14 NFL teams received $3.1 million together for their television rights, today, the network package reportedly comes to $47 million annually or about $1.8 million for each of the 26 teams. TV revenues now account for about one-third of pro football's total.

The medicine being proposed—either for the NFL, to swallow voluntarily or to be forced down its throat by legislation—seems mild enough; some might reasonably complain that it is too mild. The bill offered by Sen. John Pastore (D-R.I.), chairman of the Senate Subcommittee on Communication, wouldn't automatically lift the blackout. Only if a game is sold out 48 hours before kickoff—and Pastore has indicated he's willing to haggle over the time period—would there be local television. If there's no sellout—even if 99 per cent of the seats are sold—there's no local TV. Last year, according to the NFL, 82 of the 182 regular-season games would not have been affected, because they weren't sold out (even though 96 per cent of the seats were sold).

The NFL isn't buying this idea.

A COUNTERPROPOSAL

After mulling it for six months, the league told Pastore this spring that it feels as kindly toward his proposal as, say, Sam Huff used to feel toward Jim Brown. But to prove that he is a reasonable man. Rozelle made a counterproposal. He would be willing to:

Provide local television of the Super Bowl (a concession made last year) and

Consider lifting the blackout in the Hartford-New Haven area once the New York Giants move to the Yale Bowl late this season. (Connecticut fans have always been able to view the Giants' home games, and, under the NFL's proposal, New York would remain blacked out—even when the Giants are at Yale.)

Pastore isn't buying. So now it's a contest to see who understands the Congress better.

From a public relations standpoint, the NFL clearly has problems. No longer can it claim that modifications of the blackout will cause short-term financial harm; Pastore's bill—which requires the prior sell-out before all television—makes that argument virtually impossible, so the NFL isn't pushing this theme. Now, the NFL contends that the game's intangible livelihood—the wild scrambling masses of a packed stadium that provide on-the-spot excitement—is threatened, because not all the ticket holders will show up if they can watch the game on television.

NO-SHOWS

This is the so-called "no-show" problem. The NFL says that it will not only smother the game's vitality, but also result in economic harm to people who live on stadium attendance—parking lot owners, hot dog concessionaires, and sometimes, local governments and stadium authorities which take a cut of the consessionaire income.

There are such creatures as no-shows. Last year, according to the NFL, 624,000 people bought tickets but didn't take their bodies to the game. That's about 6 per cent of total ticket sales (about 10 million).

But it's also true that about one third of the "no-shows" occurred during the last two games when the weather turned especially cruel, or when a team's dismal record had confirmed its mediocracy, or when a crucial game for a playoff berth could be seen on television.

These defections occurred without televising the home games, and there are lots of people, including Pastore, who think that the NFL's fears about soaring numbers of no-shows are wildly exaggerated "These tickets don't go for pennies," says Pastore. "They go for big dollars. If you're a devotee of football, you like to see the real action.

These concessionaires—often firms like ARA Services or the Canteen Corp., an ITT subsidiary—aren't likely to win much sympathy. And it's dubious that many congressmen will be shaken by the distant spectre of unemployed, part-time hot dog vendors. The unfortunate middlemen are the cities and counties which own the stadiums—and which aren't collecting enough from the teams to pay off the debts. "We love the teams, but we are subsidizing them," one Kansas City official told Pastore's subcommittee last year. Some local officials have opposed lifting the blackouts and it's a tough position to take. They're saying that they've spent to much money to keep the teams happy that they can't afford to let the fans—whose money it ultimately is—watch.

All this may make the blackout issue look simple, but there are a few complications. Pastore's bill also covers pro basketball, hockey and baseball, and—as a result of the current FCC rules—involves the ultimate viability of pay TV.

Pay TV advocates argue that they can actually increase the amount of televised sports available to viewers. They contend that many professional teams—which don't regularly have sellouts and which aren't nearly as profitable as pro football—won't permit the televising of home games on "free TV" for fear of destroying gate attendance, but that they might put the games on pay TV for two reasons:

Because the pay TV audience is smaller, the threat to the home gate is less.

There's more money in it for the team.

By this logic, almost everyone is better off. The games would be available on some type of TV, and many teams' financial position would be improved, enhancing their ability to bid for top players and, thus, raising the quality of competition.

This is pay TV's pitch; it may ultimately turn out to be so much propaganda, but it should be given a chance to succeed or fail on its own merits—rather than be killed by legislative or regulatory fiat. That means a change in the current FCC rules, which, combined with Pastore's legislation, would effectively prevent pay TV from ever bidding for the home games of many pro teams. Once a team has lost its local blackout for even one game—as a result of a local sold-out game being telecast regionally or nationally over the network—the rules would prevent the team from offering any of its games to pay TV—even those games that aren't sold out.

You don't have to be against pay TV—which may ultimately prove a good way of widening viewers' television choice—to be against the current blackouts. No pro league should be able to use its bargaining power, which stems from anti-trust immunity granted by Congress, to impose a local blackout on sold-out games that are being televised nationally or regionally. The NFL is clearly betting that Congress won't be able to bestir itself to modify the blackout. Inertia is a powerful force. The House has done nothing yet, but last week Pastore easily pushed his bill through the Senate Commerce Committee.

The senator is betting that the NFL doesn't understand Congress. "I am not," he says carefully, "in this for the exercise."

[From the Washington Post, May 10, 1973]

INDIANS LEAD BASEBALL INTO PAY TV

(By Dave Brady)

Major-league baseball has taken a small but fateful step into pay TV, the next gold mine of electronics.

The Cleveland Indians made extensively unnoticed history on April 21, when their home game with the Boston Red Sox was transmitted by cable television exclusively to customers in such Pennsylvania communities as Allentown, Bethlehem, Wilkes-Barre, Mahoney City and Hazleton. It was the first time ever that a major-league game was carried on pay cable TV.

The Indians contracted to show home games this season with Home Box Office Co. of New York City—which shortly will be 80 percent owned by Time, Inc.—with the approval of baseball commissioner Bowie Kuhn.

In the next week or so, a town named after Jim Thorpe, another, Lansford, where the first cable television system in the country was built, and Lehighton-Palmerton will be added to the network, which will then represent 100,000 potential customers.

Presently, most of them subscribe to systems that for $4.50 a month pick conventional television programs from about 12 stations and feed them into mostly mountainous terrain where signals otherwise would be difficult to pull by. Receivers in homes are converted for an installation fee.

In addition to that service, the Home Box Office firm offers executive sports events and current movies for another $6 a month. This system also requires a converter. Box Office now has 11,000 subscribers.

It has signed a five-year contract for the rights to American Basketball Association games since beginning operation in November and has bought the rights for showings outside the New York City area for most events in Madison Square Garden, including the Knicks and Rangers. Home Box Office also has contracts with the World Hockey Association and club deals with the Boston Celtics and Milwaukee Bucks.

Monday night the service carried a fight from Felt Forum in the Garden. Wrestling and roller derbies are on the schedule. The Westminster dog show also was televised and John Barrington, Home Box Office vice president, was asked about the appeal of such an event in the coal-mining towns.

"Our research shows that people like variety," Barrington said, "We researched the response to an Indians-Red Sox game and

an ABA game we carried on viewed 114 customers in Hazleton.

"We got a pretty positive reading on the first Indians-Red Sox game the night before, but on Saturday night the ABA game drew 61 of the 144 viewers, or 42.4 per cent, and the baseball game 32, or 22.2 per cent.

"Of course, it was not a baseball attraction of great interest at this time of the year, while the ABA contest had continuity going for it as a playoff game.

"Of the programs picked up from conventional stations by the other cable systems, only 'Hawaii Five-O' and a special, 'Man Without a Country,' outdrew the basketball game on our outlet. We outdrew 'Maude' and a National Hockey League game.

"Most pay cable systems around the country show movies not available on conventional, or home TV, but we are unique in getting so much sports. We find that the family votes for movies but Dad makes the decisions and he likes sports, thus a combination makes more sense.

"Some nights we show two sports events or two movies, or a mix. We are on the air from about 7 p.m. to 11 p.m. We recently showed movies such as 'The French Connection' and 'Dirty Harry.' "

The indicators are that the Indians are not getting rich as baseball's pioneers on pay cable TV, with the system collecting only $56,000 a month.

"I would say the Indians are getting peanuts now because of our limited income," Barrington said. "It is rather expensive to bring their games into Pennsylvania."

Bob Brown, public-relations director for the Indians, said from Cleveland, 'I don't know how far the telecasts of the Indians' games will go; I doubt if it lasts. The Indians have been on a few times; the Cleveland Cavaliers (basketball) and Cleveland Crusaders (hockey) quite a lot.

"One deal make sense (for basketball and hockey); one (for baseball) did not. There are many aspects; financial is only one of them." Brown declined to elaborate.

Baseball has beaten profootball to pay cable doubtless recalling that football teams once settled for as little as $125,000 a season individually before selling their TV rights as a league-wide package. For the first year on that basis, each NFL club got $332,000; now it is up to $1.5 million. In 1973, the Redskins will get $125,000 just for their radio rights. In 1964, they brought $32,000.

Barrington says, in answer to criticism that pay cable is siphoning sports attractions from free or home TV: "Most events are not being seen now, despite so much expansion. Less than 30 percent of all sports are shown on any kind of television."

SENATE RESOLUTION 292—SUBMISSION OF A RESOLUTION CONCERNING AGREEMENTS WITH SPAIN

(Referred to the Committee on Foreign Relations.)

Mr. CLARK. Mr. President, during the Senate's recent consideration of the Sinai agreements, one of the fundamental questions at issue was whether several of those agreements should not have been formulated as treaties, and approved as such by the Senate. I regret to say that many of us who raised this issue were interpreted by some observers as having done so only as a tactical device for opposing the agreements. This was far from the truth—in my own case and, I know, in others. Although I do maintain certain reservations about the content of the Middle East agreements negotiated by Secretary of State Kissinger, I nevertheless supported their approval by the Senate. Indeed, I recognized the possibility that a Senator could personally disapprove the agreements, in the belief that they do not represent a sound approach to a lasting settlement, while still with consistency voting to approve them, in the belief that Senate rejection would have the worst possible effects on the prospect for peace.

But in favoring Senate approval of the Sinai agreements, Mr. President, I was at the same time deeply concerned about the constitutional aspects of the process. Important questions of procedure as well as policy were at issue, and, in my view, these questions could not be passed over lightly notwithstanding the sense of urgency surrounding the need for progress toward a settlement in the Middle East. What emerged from the debate on the Sinai agreements was a basic difference of interpretation concerning the constitutional role of the Senate in the contracting of major international commitments—a difference which has been expounded in lengthy momoranda prepared by the Senate's Legislative Counsel and the State Department's legal adviser. Both views begin with a recognition of the Constitution's provision that the President "shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

But from that simple provision, which is the Constitution's only declaration on this question, the two sides proceed to wholly opposite conclusions. While the argumentation presented by both sides is extensive, the two views may be briefly, and I think fairly, summarized.

In the State Department's view, because the Constitution "provides no guidance" on the question of what should be a treaty and what should be an executive agreement, the President "has the discretion to choose whether to conclude any particular agreement as a treaty or as an executive agreement." "U.S. law," according to the State Department interpretation, "permits the President to choose the form of international agreement he prefers. A treaty on a particular subject with one nation may best be done as an executive agreement with another nation; an executive agreement with a nation this year may better be entered into as a treaty relationship next year."

In the view of the Senate Legislative Counsel, however—and it is my own view as well—such an interpretation renders the constitutional provision essentially meaningless. For to allow unlimited Presidential discretion to conclude any international agreements as an executive agreement is to leave empty the Constitution's requirement that the Senate grant approval for treaties, unless the Constitution is interpreted, rather nonsensically, to intend that the Senate consider agreements only when the President at his pleasure chooses to submit them. I think it is unreasonable to suppose that the intent of the framers was to place into the Constitution a nonsensical provision, particularly in this important area. If the provision is to have meaning, it is that some international agreements must be regarded, constitutionally, as treaties. What the framers in their wisdom were surely seeking was not a procedure whereby the President could acquire Senate affirmation of international agreements only when he thought the Senate's approval would be convenient or expedient, but rather a procedure by which the Senate could check the President and balance his authority by being regularly involved in the creation of agreements between the United States and other nations.

But while I submit that the Constitution is clear in requiring Senate participation in the contracting of at least some international agreements, I do at the same time acknowledge that the Constitution is not at all explicit as to what agreements fall within the compass of that requirement. We who must live by the Constitution are thus left with the duty to interpret as best we can the intent of the framers—in the spirit of Thomas Jefferson who, upon becoming President, pledged himself to administer the Constitution "according to the safe and honest meaning contemplated by the plain understanding of the people at the time of its adoption—a meaning to be found in the explanations of those who advocated . . . it." On another occasion, I might add, James Madison emphasized the importance of so adhering "to the sense in which the Constitution was adopted and ratified by the Nation," because, as he said, "if that be not the guide in expounding it, there can be no security for a consistent and stable Government. * * *"

Reviewing the literature in which the framers of the Constitution expounded their views makes amply clear that the Senate was intended, through constitutional procedure, to be a regular and active participant in the conduct of the Nation's international affairs. Even so ardent an advocate of Executive power as Alexander Hamilton, in explaining that the Constitution gave the Government broad power to "make treaties of alliance, treaties of commerce, treaties of peace, and every other species of convention usual among nations," explained further that "it was emphatically for this reason that (this power) was so carefully guarded; the cooperation of two-thirds of the Senate, with the President, being required to make any treaty whatever." Others—and the literature is extensive—voiced a similar view; and there is nowhere on record an indication that the framers contemplated that the President should undertake significant agreements without the Senate's formal participation.

Obviously the framers could not have anticipated the complexity of today's world; nor, more specifically, could they have anticipated the vast number of agreements—many technical in nature and not of major consequence—which modern diplomacy would entail. But most certainly, if so informed about the future, they would not have indicated it to be their intention that the constitutional requirement should apply to the less significant agreements, leaving the President free to undertake the more important agreements at his own discretion. On the contrary, a fair reading of the framers' own words surely indicates

the expectation and intent that the constitutional requirement apply—at a minimum—to agreements of significant consequence.

Ironically, Mr. President, for all of the recent efforts of the Congress to reassert its role in foreign policy—efforts usually justified by references to the Constitution and the intent of the framers—the area in which Congress has perhaps been least successful is the one area in which the Constitution is specific: the requirement for Senate consent in the creation of international agreements. Indeed, we find ourselves today with procedures which have inverted what the framers of the Constitution might reasonable have expected. Agreements involving minor, noncontroversial matters are routinely submitted to the Senate as treaties, while agreements of far greater consequence are entered into as executive agreements—and submitted to the Congress by ad hoc Executive decision only when such legislative participation is seen as politically expedient or necessary.

The month of October of this year provides several cases in point. Among the agreements submitted for Senate advice and consent were a protocol to perpetuate the International Coffee Organization, a convention on regulations to prevent collisions at sea, and an agreement with Brazil concerning shrimp. I do not wish to devalue the importance of any of these agreements, nor do I wish to take issue with the propriety of their submission as treaties. All pertain to matters of some significance, and all should have been submitted as treaties, just as they were. But I think it is fair to say that these agreements do not begin to compare in importance with another agreement which the administration was also in the process of negotiating in October, but which it apparently does not intend to submit as a treaty for Senate approval. I refer, Mr. President, to current negotiations to renew the bilateral Spanish-American agreement concerning U.S. air and naval bases in Spain, U.S. military and economic aid to Spain, and U.S. cooperation with Spain in a whole range of activities from science and technology to cultural exchange. This agreement was concluded as an executive agreement in 1970, despite strong expressions by members of the Senate Foreign Relations Committee that it should be submitted for consideration as a treaty. The agreement expired in September of this year, and is now operating in a grace period which the agreement provides for negotiations toward renewal. On October 23, the Foreign Relations Committee was briefed in executive session on the status of these negotiations; and from the indications at that briefing, I think it reasonable to infer that, if given latitude in the matter, the administration once again is unlikely to submit any agreement for Senate approval as a treaty.

Mr. President, my colleagues will remember that in recent years the Senate has on several occasions addressed the question of the proper responsibilities of this body in the creation of such significant international agreements relating to U.S. military bases. I regret to say that little has been accomplished, despite admirable efforts by a number of my colleagues, most particularly the distinguished senior Senator from New Jersey (Mr. CASE).

In the 92d Congress, the Senate by a wide margin passed a resolution sponsored by Senator CASE and other members of the Foreign Relations Committee, stating the sense of the Senate that U.S. agreements with Portugal and Bahrein concerning American military bases should be submitted as treaties. When the administration failed to comply, the Senate responded by approving another provision sponsored by Senator CASE denying the use of funds to implement those agreements until they had been submitted to the Senate as treaties. My colleagues may remember that that provision, an amendment to the Foreign Assistance Act of 1972, assumed such importance as to become the principal reason that the bill was never enacted, leaving foreign aid to be funded from a continuing resolution for the entire year.

Again in the 93d Congress, the issue was raised by Senator CASE by means of amendments to annual State Department authorization bills. In 1973 the Senate passed two Case amendments to the State Department bill: One which denied funds for implementation of the Azores agreement until it had been submitted to the Senate as a treaty, and a second which denied funds for the implementation of any significant military base agreement unless first approved as a treaty. Unfortunately, after two conferences with the House, neither provision was enacted. In 1974, the Senate again passed two provisions sponsored by Senator CASE: One dealing specifically with the base on Diego Garcia, and a second relating broadly to all military base agreements. Again, unfortunately, both provisions were lost before enactment.

Mr. President, I believe that this effort must be continued, and pursued to a successful conclusion. Expediency and ill-founded custom cannot be allowed to stand against the requirements of the Constitution. I therefore wish to submit at this time a Senate resolution specifically calling on the administration, at such time as an agreement with Spain has been concluded, to submit that agreement to the Senate for consideration as a treaty. I ask unanimous consent that the text of the resolution be printed in the RECORD.

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

S. RES. 292

Whereas the Constitution states that the President of the United States must have the advice and consent of the Senate in order to make treaties; and

Whereas a comprehensive agreement with Spain providing, among other things, for the stationing of American military forces in that country is clearly a matter of sufficient importance to necessitate its submission to the Senate as a treaty: Now, therefore, be it

Resolved, That any agreement with Spain providing, among other things, for the stationing of American military forces in that country should be submitted as a treaty to the Senate for advice and consent.

Mr. CLARK. I emphasize, Mr. President, that my purpose in submitting this resolution is not to raise an obstacle against the conclusion of a reasonable agreement with Spain, but rather to continue the effort to rectify this Nation's procedures with respect to international agreements. I do, of course, recognize that any agreement with the Franco government or its immediate successor may be controversial. But such controversy would exist whether the agreement were concluded by the executive branch alone, or submitted for approval by resolution of both Houses, or submitted—as I believe it should be—to the Senate for approval as a treaty. My purpose, I reiterate, is constitutional. Because the Constitution is not explicitly worded, we have allowed practices to gain acceptance which are in obvious conflict with any reasonable interpretation of the intent of the framers. My purpose is to take a step toward removing this disparity and toward bringing our practices into line with constitutional intent.

Having introduced this resolution, Mr. President, I would like to address three arguments which may well be raised against it.

First, the argument that some form of congressional approval will suffice.

The first argument is that this resolution is largely unnecessary because the administration has already indicated that it intends to submit the agreement, in some form of the administration's choosing, for approval by the Congress. I am aware of such indications, Mr. President. Indeed, Ambassador McCloskey, the State Department's representative on this matter, stated to the committee that the State Department was now considering the form which such congressional participation should take.

Apparently, having recognized that Congress is concerned about American relations with Spain and that congressional participation is necessary in the implementation of any agreement involving economic and military aid, the administration has made the expedient decision to involve Congress in some way in the approval of the agreement. In my view, Mr. President, this approach is wholly unsatisfactory. My reference point is not the delicacy of U.S. relations with the Spanish Government, nor the State Department's tactics for securing congressional approval of its actions. My reference point is the Constitution. Plainly and simply, the nature of the agreement now being negotiated with Spain, whether that nation has a controversial government or not, is clearly such as to fall within the compass of those agreements which the Constitution requires be approved as treaties by a two-thirds vote of the Senate. While submission in some other form might satisfy the desire of many individuals in this body and in the House of Representatives to participate in the making of American foreign policy—a reasonable desire—it would not satisfy the Constitutional requirement. I therefore reiterate my view—which, I willingly add, is shared by most constitutional scholars—that the Constitution clearly mandates that such significant interna-

tional agreements be approved as treaties by the Senate.

Second, the argument from past practice.

A second argument which may be voiced against this resolution, Mr. President, is that such a requirement has not been imposed in the past—either generally, in the case of a large number of agreements of comparable importance, or specifically, in the case of previous similar agreements with Spain. My reference, Mr. President, is again to the Constitution, which I submit is not subject to de facto amendment simply because its provisions, once or over a period of time, have not been scrupulously followed. In this connection, I would cite the analysis of former Senator Sam Ervin, a redoubtable constitutional scholar who found that, in matters relating to the Constitution, reliance on past usage is a "wholly unacceptable" guide. Senator Ervin wrote as follows:

> The legal basis for the use of executive agreements is unclear at best, and most frequently has been grounded on the argument of usage—a legal justification that is not entirely satisfactory. As I have often noted in various other contexts, murder and rape have been with us since the dawn of human history, but that fact does not make rape legal or murder meritorious. In effect, reliance on usage in this instance grounds concepts of constitutionality on acquiescence rather than on the written document, and is, to my mind, wholly unacceptable. It always has been my view that the Constitution means what it says. Moreover, I am not impressed with the recitation of so-called precedents to support de facto constitutional amendments. Even 200 years cannot make constitutional what the Constitution declares is unconstitutional.

One may add to this, Mr. President, the eloquent words of George Washington, who issued this warning in connection with the "reciprocal checks" established by the Constitution:

> To preserve them must be as necessary as to institute them. If in the opinion of the People, the distribution or modification of the Constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Third, the metaphysical argument.

A third argument which may be voiced against a requirement that the treaty form be employed in the agreement with Spain, Mr. President, is that a treaty will entail or imply a formal American commitment to Spain's defense, or that it will somehow "lend dignity" to the agreement, thereby implying approval of the Spanish Government. This might be described as the metaphysical argument—the idea being that somehow a treaty carries with it a great deal of sometimes unwanted metaphysical baggage such as "commitment" and "dignity." This argument was in fact mentioned during the State Department's recent briefing of the Foreign Relations Committee. In all frankness, Mr. President, I find this argument ill-conceived, if not a little disingenuous.

Any agreement, whether it be executive agreement or treaty, formally commits the American Government to adhere to the terms which the agreement contains. Indeed, the two forms have equal standing in international law, both of them being solemn contractual pledges by this Nation. The difference between them inheres neither in formality nor in the degree of commitment once the contract is made, but solely in the domestic procedures by which we as a nation, in keeping with our Constitution, decide to enter into contract.

I do recognize that casual usage of the word "treaty" may have contributed to a mistaken impression that treaties inherently relate to matters of war and peace, and that to employ the treaty form is therefore to undertake a defense commitment. But such a misunderstanding, if it exists, it easily corrected. Each year the United States enters into hundreds of treaties on matters far removed from questions of national defense. Quite obviously, for example, our treaty agreement with Brazil on shrimp does not entail a commitment to Brazil's defense. Equally, a treaty with Spain covering base rights, aid, and cooperation does not inherently involve a commitment to Spain's defense.

To be sure, the presence of bases, under any kind of agreement, raises certain important questions about reponsibilities in the event of domestic strife or international hostilities. But that is exactly why the Senate should be involved, playing its constitutional role. Precisely because there are important implications, the commitment, military or otherwise, which is or is not involved should be carefully weighed and then clearly and publicly delineated—for the information of the American people and the world. Otherwise, we as a nation shall be subject to such casual enunications of commitment as that supplied several years ago by General Wheeler who, as Chairman of the Joint Chiefs of Staff, wrote to the Spanish authorities to say that the presence of American bases in Spain constituted more of a miltiary commitment than any document could ever provide. As this example indicates, the risk of misunderstanding may easily be greater if the Senate does not play its constitutional role—because in the process of Senate consideration and approval, areas of possible doubt may be made clear. In short, while I would never accept the argument that we should ignore our constitutional processes for fear that foreign observers might misunderstand our intentions, I submit that even that alleged risk is a false issue. As to the notion that we may confer dignity on others by use of the treaty form, I suggest that we attend first to the dignity of our Constitution.

In conclusion, Mr. President, I refer to a proposition which appears in the State Department's memorandum contending that the President has full latitude to enter into agreements in any form he chooses, thus deciding whether or not the Senate will be involved. In the course of so arguing, the memorandum states that "an executive agreement with a nation this year may better be entered into as a treaty relationship next year." In one limited sense, I concur with that statement, Mr. President. I agree that the accord with Spain, which was entered into as an executive agreement in 1970, may better be entered into as a treaty in 1975—not, however, because of Presidential fiat but because the time has now come, after years of neglect, for the Senate to reassert its constitutional role in the contracting of international agreements.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL GOVERNMENT IN THE SUNSHINE ACT—S. 5

AMENDMENT NO. 1027

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

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

AMENDMENT NO. 1039

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

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 5), supra.

Mr. STEVENS. Mr. President, I would like to make a short statement concerning two amendments that I wish to submit at this time.

I am not sure which will be used, either the amendment to the Senate rules or S. 5, but I would like to submit alternative amendments to the so-called sunshine bill. I believe it will be very fitting to call these the "midnight sun" amendments to the sunshine bill.

I am worried about the fact that as we open these meetings to the public there is no record that is kept of the normal operation of the committee meetings or the conference committee meetings.

In the conference on the energy bill we are in fact keeping a record. I have been a party to some open committee meetings, both executive markup sessions and open conference committee meetings, where records have not been kept. This leads to a conflict as to what actually took place. It means that we will have public witnesses who would be able to testify as to what our expressed intention was but very often what we intend to express is not what we actually said.

I think it is imperative that we have a record kept of these committee meetings so that the future interpretation of our intent will be clear, as clear as it can possibly be from an accurate record. I think it is necessary to know what actually has been said in these meetings. We need to avoid the disputes that will come from various interpretations of what has been said if there is no record. Mainly, and the reason that I offer it, being from the State that I represent, so far away from this Nation's Capital, is all of the public cannot attend these meetings. But they can read the transcript of what went on at conference committee meetings or open executive sessions if, in fact, we keep a record. So there will be an accurate record of our intent.

For that reason, Mr. President, I submit and ask that there be kept at the desk waiting for the sunshine bill or rule to be presented to the Senate alternative amendments to carry out this intent.

The PRESIDING OFFICER. The amendment will be printed and will lie on the table.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT—H.R. 9005

AMENDMENTS NOS. 1028, 1029, AND 1030

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

COVERT OPERATIONS AMENDMENTS

Mr. CRANSTON. Mr. President, I am sending to the desk the texts of three amendments to the Foreign Assistance Act dealing with congressional oversight of covert operations. I ask unanimous consent that my amendments be printed in the RECORD at this point.

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

AMENDMENT No. 1028

SEC. . The Foreign Assistance Act of 1961, section 662(a), is amended to read as follows:

"(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and provides in a written report a full description of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives. Such reports shall be available to all members of these committees."

AMENDMENT No. 1029

SEC. . Chapter 3 of part III of the Foreign Assistance Act of 1961, is amended by substituting the following new language for the existing wording of section 662:

"SEC. 662. LIMITATIONS ON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency or any other agency of the United States Government for the conduct of covert action operations, other than operations intended solely for obtaining necessary intelligence. Notwithstanding the foregoing limitation, the President may authorize and direct that any covert action operation be resumed or that any other covert operation be initiated, and funds may be expended therefor, if, but not before, (1) he finds that such operation is vital to the defense of the United States, and (2) he transmits a written report of his finding, together with a detailed description of the nature and the scope of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives.

(b) Operations under (a) may be terminated at any time when as many as two of the six committees vote, in executive session, to disapprove of a specified operation.

(c) The provisions of subsections (a) and (b) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution (Public Law 93-148)."

AMENDMENT No. 1030

SEC. . Chapter 3 of part III of the Foreign Assistance Act of 1961, is amended by substituting the following new language for the existing wording of section 662.

"SEC. 662. LIMITATIONS ON INTELLIGENCE ACTIVITIES.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency or any other agency of the United States Government for the conduct of covert action operations, other than operations intended solely for obtaining necessary intelligence. Notwithstanding the foregoing limitation, the President may authorize and direct that any covert action operation be resumed or that any other covert operation be initiated, and funds may be expended therefor, if, but not before, he (1) finds that such operation is vital to the defense of the United States, and (2) transmits a written report of his finding, together with a detailed description of the nature and the scope of such operation to the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on Armed Services, Appropriations, and International Relations of the House of Representatives.

(b) Operations under (a) may be terminated at any time when either House, in executive session, passes a simple resolution of disapproval specifying the kinds of operations and the geographical area involved.

(c) The provisions of subsections (a) and (b) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution (Public Law 93-148)."

Mr. CRANSTON. Let me hasten to add, Mr. President, that I do not intend to call up the amendments at this time. I may desire to do so at a later time, perhaps when the foreign military assistance bill comes to the floor. However, I prefer to wait until we have received the report of the Select Committee on Intelligence, chaired by the distinguished Senator from Idaho. I hope the recommendations that committee will address the concerns expressed in my amendments.

In the amendments I submit today, I only address the congressional procedures for improving oversight of CIA covert operations. In no way do I wish to seem to be approving such operations. Indeed, I may vote to ban all such operations, depending upon the recommendations of the Church committee and my own conclusions on this matter.

I. THE PRESENT SYSTEM (LAW) AND HOW IT WORKS

Last December, Mr. President, Congress added the following language to the Foreign Assistance Act:

"SEC. 622. Limitations on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the war powers resolution."

That law requires only that the President inform the appropriate committees of Congress "in a timely fashion." The notification need not be in writing and may be carried out after an operation is completed. There is no way for the committees to explicitly know that the President is aware of the operation and is in favor of it. Under the present system it is quite possible to later declare that the President was never personally informed, or that the CIA Director fudged the truth when he told Congress that the President knew about the plan.

Here is the way the present system works, to the bets of my understanding, based on press reports and discussions within the Senate: CIA Director Colby notifies the Senate Foreign Relations Committee chief of staff, the chairman of the committee and the ranking minority member that he has a report to make on a CIA operation—sometimes several weeks after an operation has begun. He has alerted them in four or five instances since January. He comes down to the committee and orally briefs the three on the general outlines of the operation. In other words, the committee has delegated the responsibility under the law to the chairman and ranking minority member. The other members of Foreign Relations are then notified, merely informing them that a briefing by Colby has taken place, with no hint of the subject or country involved; not even the relevant subcommittee chairman is given a clue. So a member must ask to be briefed on whatever it was Colby came to talk about. But even then the details are few.

I am informed that Director Colby briefs the intelligence oversight Subcommittees of Armed Services and Appropriations on covert operations.

Note that the report is not from the President; it is after the fact; and it is not in writing His latter practice is a violation of section 654 of the Foreign Assistance Act as amended in 1971, which reads in part:

Presidental Findings and Determinations—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

Further note that there is no recourse for the committee members once they are informed. To bring it to the floor could expose them to the charge of endangering national security. The information on covert operations is locked up in the minds of a few; the Foreign Relations Committee has been coopted by the CIA. What is the point of being in-

formed if there is no way to stop covert operations? The committee becomes part of the closed system of nonaccountability.

II. WHAT THE AMENDMENTS DO

I have composed three versions:

First. The first is more simple than the others. It would require a signed letter from the President—as opposed to having an aide verbally inform Congress—prior to the commencement of a covert operation. Representative ADDABBO has introduced comparable language in the House. It would also require explicitly that such reports be available to all Members of the appropriate committees.

In other words, the amendment would encourage the committee members to be informed and not to delegate this responsibility.

Second. The second leaves the arrangements—once a written report is submitted—to the committee. But it requires a "detailed" description of the nature and scope of an operation and, most importantly, it establishes a legislative veto. The idea is to permit any two of the six committees to say "no" to a covert operation. Of course, they could approve it by doing nothing. The timing of their action is left indefinite.

Third. The third version is the same as No. 2, with the important difference that it places the burden of disapproval with the Senate and House as a whole. Any member could request an executive session and introduce a resolution addressing the specific operation in general terms.

Finally, note that all three versions are in the spirit of restraint, not prohibition of covert operations. As I indicated earlier, Mr. President, I intend to address the question of a ban on covert operations at a later time.

III. THE CONTEXT FOR THESE AMENDMENTS

In conclusion, I cannot help but note that the pressures for cover up and closing down are growing on the Church committee. I support their efforts to achieve a comprehensive investigation, and to come forward with sound recommendations for the future, while providing in a responsible way the maximum amount of information to the public. They have a most difficult job, especially when—as the junior Senator from Colorado recently documented—there are constant leaks from the executive branch. I hope the committee will recommend very strict controls, at least, on covert operations—with some means for Congress to say "no." But even if there are effective reforms, such as a permanent oversight committee, there will be a continuing necessity for the Foreign Relations and International Relations Committees to be informed about covert operations as they relate to foreign policy.

The time has come to strike a blow against the closed system that permitted 40 or so covert operations to be conducted between 1972 and 1974 without a single meeting of the 40 Committee of the NSC, and with the approval of only Kissinger or Kissinger and the President. For all we know, this is still the case, with the appropriate congressional committees roped in after the fact.

Tax moneys are being spent for covert operations abroad today. What is different from voting military aid or economic aid by country, and approving covert funding to factions in Portugal and Angola? The latter is just another kind of foreign aid. Congress should have a say.

AMENDMENT NO. 1031

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

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENTS NOS. 1034, 1035, AND 1036

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

Mr. HARRY F. BYRD, JR., submitted three amendments intended to be proposed by him to the bill (H.R. 9005), supra.

AMENDMENTS NOS. 1037 AND 1038

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

Mr. HUMPHREY submitted two amendments intended to be proposed by him to the bill (H.R. 9005), supra.

AMENDMENT NO. 1040

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

Mr. KENNEDY (for himself and Mr. MATHIAS) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 9005), supra.

AMENDMENT NO. 1042

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

Mr. KENNEDY. Mr. President, I am today, releasing a letter from the Comptroller General, reporting the conclusions of an investigation undertaken by the GAO at my request. I am at the same time submitting amendments to the Foreign Assistance Act to correct certain flaws and weaknesses in this legislation on the question of religious discrimination in international business practices.

The GAO investigation grew out of an agreement, signed on February 27, 1975, between the United States and the Government of Saudi Arabia, which authorized the operation of a program of the Overseas Private Investment Corporation in Saudi Arabia. The signing of this agreement followed disclosures made only weeks before by the Senate Foreign Relations Committee of the continued participation of the Government of Saudi Arabia in Arab blacklist policy and the increased use of that blacklist.

The Overseas Private Investment Corporation is authorized under the Foreign Assistance Act of 1961 as amended. As such, its programs and policies have been placed by Congress clearly within the goals and objectives of U.S. developmental and economic assistance. However, it was my opinion at the time this agreement was signed—and it remains so today—that without a clear understanding from the Saudi Arabia Government such an arrangement plainly violates, at least in spirit and intent, several provisions of the Foreign Assistance Act. Without such an understanding, I believe it puts the U.S. Government in a position of implicitly acquescing, approving, and participating in a policy of discriminatory financial, investment, and business relationships.

Mr. President, existing statutes in the Foreign Assistance Act make explicit both overall policy guidelines and the intentions of Congress on the matter of discrimination against Americans, and the GAO report which I am releasing offers the legal opinion that such a statement of policy by Congress is "significant in that it sets forth the concerns of the Congress in enacting the legislation." "However," the report continues, "existing law does not specifically prohibit assistance under the act to any foreign nation that discriminates against American citizens on the basis of race, color, or religion."

The purpose of my amendment is to correct this weakness in the Foreign Assistance Act. The amendment adds statutory language establishing an affirmative requirement that this principle of nondiscrimination against American citizens, be applied during negotiations with foreign countries.

Also, on the basis of the GAO investigation, its report concludes that "since under the terms of the agreement, OPIC can only insure those projects in Saudi Arabia that are acceptable to Saudi Arabia, any pattern of religious discrimination by the Saudi Arabian Government will in effect by ratified and approved by OPIC."

This means that, if such OPIC programs, authorized under the February agreement already signed with the Government of Saudi Arabia, actually begin operating, the U.S. Government and the taxpayer will be guaranteeing the investments of only those American companies which are acceptable to the Government of Saudia Arabia; that is, those which have not engaged in activities which result in their being placed on the blacklist.

The second part of my amendment will insure that this does not happen. The Overseas Private Investment Corporation is a Government agency which was created to encourage the participation of American private capital and skills in the economic and social development of the third world. It was designed to a partnership between American business and Government to direct investment toward countries urgently in need of economic development. I personally have deep reservations about OPIC's effectiveness in achieving its stated aims. But there is one matter on which there can be no disagreement among Americans: That this partnership must at all times reflect the principles and goals which our society has set for itself. It must never be used when those principles are threatened.

The rest of my amendment would add language to title IV of the Foreign Assistance Act, which authorizes OPIC, prohibiting that agency from issuing any contracts for insurance or guarantees of proposed investment in countries which either in principle or in practice makes distinctions between American citizens because of race, color, or religion.

I hope that this amendment will clar-

ify any ambiguities which exist in this legislation, concerning congressional intentions with regard both to OPIC and to other aspects of U.S. foreign assistance.

I ask unanimous consent that the text of the Comptroller General's letter be printed in the RECORD.

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

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., October 15, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate.

DEAR SENATOR KENNEDY: Reference is made to your request that our Office review the legality of an agreement signed on February 27, 1975, by representatives of the Government of the United States and Saudi Arabia, authorizing the operation of an Overseas Private Investment Corporation (OPIC) program in Saudi Arabia.

You question the legality of the agreement in light of recent disclosures made by the Senate Foreign Relations Committee concerning the continued participation of Saudi Arabia in the Arab blacklist policy. In this regard your letter reads, in pertinent part, as follows:

"* * * It is my opinion that this agreement therefore plainly violates several provisions of the Foreign Assistance Act, and puts the Government of the United States in a position of implicity acquiescing, approving, and participating in this policy of business relationships. It means that the U.S. Government and the U.S. taxpayer will be engaged in guaranteeing the investments of those companies which are acceptable to Saudi Arabia; i.e. those which have not engaged in activities which result in being placed on the blacklist.

"In passing the Foreign Assistance Act of 1961, Congress specifically linked all economic and developmental assistance to progress in the pursuit of basic individual freedoms. Section 102 of the Act states that: 'it is the policy of the United States to support the principles of increased economic cooperation and trade among countries . . . freedom of religion, and the right of private persons to travel and pursue lawful activities without discrimination as to race or religion.'

"Section 102 further declares that 'any distinction made by foreign nations between American citizens because of race, color or religion . . . is repugnant to our principles.' "

You letter also directs our attention to provisions of the Foreign Assistance Act of 1961, as amended, which set forth certain of the major purposes, policies, and objectives of OPIC. You conclude by stating that the "agencies of the United States Government are legally bound to discourage such discriminatory practices" and "should not be engaged in indirectly supporting those policies." Specifically, our Office is requested to review the legality of the U.S.-Saudi Arabian agreement in the context of the provisions cited above, and any other relevant law.

An initial issue to be considered is whether the Saudi Arabian Government does in fact discriminate against individuals or businesses on the basis of religion. The question arises as a result of Saudi Arabian participation, as a member of the League of Arab States, in the Arab boycott of Israel. A significant aspect of the Arab boycott has been the attempt to inhibit third parties from assisting in Israel's development by the formation of a so-called "blacklist" of companies to be boycotted by the members of the League of Arab States. The primary basis for this secondary boycott is a document adopted by the Arab League entitled "General Principles for the Arab Boycott of Israel Relating to Manufacturing and Trading Companies."

We understand that this document, which is subject to the interpretation of individual Arab Governments, provides that foreign companies and institutions will be considered to be operating in support of the Israeli economy and therefore will be subject to the Arab boycott for the following reasons:

a. if they have established a plant (a branch or a main one) in Israel;

b. if they have established an assembly plant in Israel (the ban includes foreign companies and institutions the agents of which assemble their products in Israel);

The ban also applies to a foreign company (its branches or subsidiaries) which supplies more than 50 percent of the constituent parts (or the engine) of a product assembled in Israel.

c. if they possess general agents or head offices for the Middle East in Israel;

d. if they have granted the right to use their name or manufacturing licenses to Israeli companies;

e. if they have become partners in Israeli companies or manufacturing plants;

f. if they have supplied advice or technical expertise to Israeli manufacturing plants;

g. if they act as agents for Israeli companies or principal importers of Israeli products anywhere outside Israel;

h. if, within the period of warning, they refuse to reply to questions submitted to them with a view to clarifying their position and determining their relationship with Israel.

In addition the "Principles" specify that foreign persons who are "Zionist sympathizers" as well as institutions and commercial companies that are considered to be "pro-Zionist" fall within the scope of the boycott.

Our review of the cited document indicates that the boycott principles as expressed therein do not appear to be based primarily on religion, although it is apparent that the prohibition against dealing with Zionist sympathizers or pro-Zionists could readily be interpreted and applied by an Arab Government on a religious basis. However, the significant issue is how these principles are and would be applied by the Saudi Arabian Government and whether the primary basis for boycotting businesses is or might become, in reality, that of religion. In this regard, we direct your attention to the enclosed copy of a letter to us dated May 28, 1975, from the Acting Deputy Assistant Secretary for Budget and Finance, Department of State concerning this matter. Although the State Department concluded that the Arab boycott of Israel is not expressly based on religion and does not differ significantly in concept from prior international practice, it acknowledged that each Arab country has much discretion in applying the boycott principles. The State Department also concedes that there have been numerous examples in the past of a failure on the part of Saudi Arabia "to distinguish between supporters of Israel and a person's religion or ethnic origin," including a general refusal to issue visas to persons who state on the Saudi Arabia visa application form that they are Jewish or have no religious affiliation. It has also been alleged that the Saudi Arabian Government along with other Arab Governments have included discriminatory provisions in contracts with American companies.

The question of possible religious discrimination by Saudi Arabia has been and is being investigated by various congressional committees as well as the Justice Department. In light of the complex background, conflicting allegations, and various investigations concerning the question of religious discrimination by the Arab Governments in general and Saudi Arabia in particular, we cannot resolve this issue. However, for purposes of addressing the legal questions presented, we will assume arguendo that Saudi Arabia does discriminate against American citizens and businesses on religious grounds.

OPIC operates under the provisions of title II of the Foreign Assistance Act of 1961, as amended, 22 U.S.C.A. sections 2191 et seq (Pocket pt., 1975). 22 U.S.C.A. section 2191 provides in part:

"Congressional statement of purpose—

"To mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed friendly countries and areas, thereby complementing the development assistance objectives of the United States there is hereby created the Overseas Private Investment Corporation * * *."

In carrying out the foregoing purposes, OPIC is directed by this section to undertake, inter alia, the following, utilizing broad criteria:

* * * * *

(g) to consider in the conduct of its operations the extent to which less developed country governments are receptive to private enterprise, domestic and foreign, and their willingness and ability to maintain conditions which enable private enterprise to make its full contribution to the development process;

"(h) to foster private initiative and and competition and discourage monopolistic practices;

* * * * *

"(j) to conduct its activities in consonance with the activities of the agency primarily responsible for administering subchapter I of this chapter and the international trade, investment, and financial policies of the United States Government;"

In order to implement these and other objectives set forth in the Foreign Assistance Act of 1961, as amended, OPIC is authorized to insure United States investors against political risks of loss of their overseas investment in less developed friendly countries or areas due to inconvertibility of currency; expropriation; and war, revolution, or insurrection, and to issue guarantees of loans and other investments. See 22 U.S.C.A. § 2194. Furthermore, 22 U.S.C.A. § 2197 provides in effect that before OPIC can issue insurance or guarantees to cover overseas investments, the President of the United States must have agreed to institute such a program in the particular country or area involved.

It was pursuant to this statutory requirement that OPIC entered into the agreement in question, on February 27, 1975, entitled "Agreement on guaranteed private investment between the Government of the United States of America and the Government of the Royal Kingdom of Saudi Arabia." Paragraph I of the Agreement reads as follows:

"In order to increase participation by United States private enterprise in projects bringing new technology to Saudi Arabia, persons eligible under applicable United States legislation may be issued guaranties by the United States Government against loss due to specified risks relating to contracts or investments in Saudi Arabia which are approved by the Government of Saudi Arabia (hereinafter, "guaranties"). The Government of the United States of America agrees that a contract or investment shall be deemed approved for purposes of this Agreement only if entered into with the Government of Saudi Arabia, or an agency thereof, or otherwise approved in accordance with the applicable laws and regulations of Saudi Arabia."

As noted previously, you question the legality of this agreement in light of certain

of the provisions contained in OPIC's enabling legislation, specifically 22 U.S.C.A. §§ 2191(g), (i), and (j), *supra*., as well as section 102 of the Foreign Assistance Act of 1961, as amended, 22 U.S.C.A. § 2151 (Pocket pt., 1975), which reads in pertinent part as follows:

"(a) The Congress declares that the freedom, security, and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. In particular, the Congress recognizes the threat to world peace posed by aggression and subversion wherever they occur, and that ignorance, want, and despair breed the extremism and violence which lead to aggression and subversion. The Congress declares therefore that it is not only expressive of our sense of freedom, justice, and compassion but also important to our national security that the United States, through private as well as public efforts, assist the people of less developed countries in their efforts to acquire the knowledge and resources essential for development and to build the economic, political and social institutions which will meet their aspirations for a better life, with freedom, and in peace.

"In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. *The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles.*" (Emphasis added.)

The above-quoted Congressional statement of policy expressing the general objectives of the Foreign Assistance Act of 1961, as amended, is, of course, significant in that it sets forth the concerns of Congress in enacting the legislation. However, it appears that this section does not specifically prohibit assistance under the Act to any foreign nation that discriminates against American citizens on the basis of race, color, or religion.

In this regard, we point out that the inclusion of more specific language into section 102 was proposed, but ultimately rejected, during congressional consideration of the Foreign Assistance Act of 1962, approved August 1, 1962, Pub. L. No. 87-565, 76 Stat. 255. Section 101 of H.R. 11921, 87th Cong., the House version of the legislation ultimately enacted as the Foreign Assistance Act of 1962, as passed by the House of Representatives, would have amended the then-existing language of section 102 by adding the following:

"The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nations in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion, is repugnant to our principles; *and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act these principles shall be applied.* The Secretary of State shall report annually on the measures taken to apply the principles stated above." (Emphasis added.)

H.R. Rep. No. 1788, 87th Congress, 2d Sess. 6 (1962), explained this amendment in part as follows:

"The committee was deeply disturbed to receive, during its consideration of the Foreign Assistance Act amendments of 1962, evidence that certain foreign nations continue to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access and in the exercise of rights available to American citizens. The committee believes that such discrimination against American citizens is totally unwarranted and repugnant to our principles. The amendment embodied in section 101 contains a strong expression to that effect. It declares that discrimination because of race, color, or religion against American citizens is repugnant to our principles. These principles shall be applied in all negotiations with foreign nations with respect to any funds appropriated under the authority of this act. The amendment further requires the Secretary of State to report annually on the measures taken to implement this directive."

However, when the 1962 legislation was ultimately enacted by Congress, the requirement that the foregoing principles applied "in all negotiations with foreign nations with respect to any funds appropriated under authority of this Act" had been deleted. The explanation for the change was set forth in the conference report on S. 2996, the version enacted, as follows:

"The managers on the part of the House accepted a revision of the provision of the House amendment which constitutes a clear and strong declaration of the attitude of the United States toward distinctions made by foreign nations between American citizens because of race, color, or religion in the granting of or the exercise of rights to which all American citizens are entitled.

"The change in the language agreed to should not be interpreted as an indication that the Congress is reconciled to the present state of affairs or that it is opposed to the administration of U.S. assistance programs in such a way as to discourage the violation of the rights of all American citizens. Strong and continuous action must be taken to end the present discriminations practiced by certain countries against Americans with respect to personal and commercial access, and the availability of U.S. assistance must be influenced by the attitudes and policies of its recipients.

"Section 302(e) of the bill requires an annual report from the President on progress in the elimination of such discriminations." H.R. Rep. No. 2008, 87th Cong., 2d sess., 13 (1962).

Although the foregoing explanation from the Conference Report does contain a strong expression of congressional sentiment condemning "discrimination practiced by certain countries against Americans," it must be noted that the actual statutory language that would have established an affirmative requirement that this principle be applied during negotiations with foreign countries was removed. However, we do recognize, as indicated by H.R. Rep. No. 1788, *supra*, that the primary justification for the proposed amendment, a portion of which was enacted into law, was the Arab boycott and its effects on Americans of the Jewish faith. See Hearings on the Foreign Assistance Act of 1962 before the House Committee on Foreign Affairs, 87th Cong., 2d Sess. 1055-1081 (1962). It must also be noted that the cited hearings contain references to other bills, H.R. 10787 and H.R. 10856, 87th Cong., which did not receive favorable consideration by the House committee, but which would have prohibited the United States from furnishing any aid or assistance to any foreign nation or citizen thereof to be used in carrying out any activity under which American citizens would be discriminated against.

We believe that the following explanation of the legal effect of the policy section of a statute and its closely related counterpart, the preamble, is also of relevance here, Sands, Statutes and Statutory Construction, § § 20.03, 20.12 (1974).

"The function of the prearble is to supply reasons and explanations and not to confer power or determine rights. Hence it cannot be given the effect of enlarging the scope of effect of a statute."

* * * * *

"In place of a preamble it has become common, particularly in federal legislation, to include a policy section which states the general objectives of the act in order that administrators and courts may know its purposes. This is frequently of significance where the enforcement of the act depends principally upon administration and the administrative officers have not participated in the preparation of the legislation.

"The policy section like the preamble is available for the clarification of ambiguous provisions of the statute, but may not be used for the creation of ambiguity."

In accordance with the foregoing we must conclude that the language of 22 U.S.C.A. § 2151 does not prohibit the agreement in question.

Our views are similar as concerns the effect of 22 U.S.C.A. § § 2191(g), (i), and (j), quoted previously. These provisions express general guidelines to be considered by OPIC in administering the substantive sections of the act. To the extent that subsection (j) in effect incorporates the policies of 22 U.S.C.A. § 2151, our views concerning that section, set forth above, are applicable.

Apart from the statutory provisions discussed above (and assuming that religious discrimination is involved), implementation of the agreement could conceivably raise constitutional issues. Thus, while the policy of 2 U.S.C.A. § 2151 against discrimination between American citizens on the basis of race, color, or religion is not strictly operative as a matter of statutory law, reinforcement or ratification of, or substantial entanglement in, such discrimination by a Federal agency might potentially violate the First and/or Fifth Amendments to the Constitution. If Saudi Arabia pursues a policy of religious discrimination and therefore refuses to deal with certain American businesses on the basis of religion, and since the agreement specifically provides that contracts and investments must be approved by the Saudi Arabia Government before becoming eligible for OPIC insurance, it would appear that OPIC would necessarily become involved in a discriminatory scheme, albeit indirectly and involuntarily. In other words, since under the terms of the agreement OPIC can only insure those projects in Saudi Arabia that are acceptable to Saudi Arabia, any pattern of religious discrimination by the Saudi Arabian Government will in effect be ratified and approved by OPIC. Businesses meeting the religious requirements of Saudi Arabia (asuming again that such requirements exist) will thereby realize the advantages of OPIC insurance and those that do not meet such requirements will be at a definite competitive disadvantage as a direct result of OPIC's action in establishing an insurance program in Saudi Arabia.

Of some relevance here are OPIC's views concerning the legality of this agreement as set forth in a letter dated June 25, 1975 (a copy of which is enclosed), from Cecil Hunt, Deputy General Counsel for OPIC. This letter reads in pertinent part as follows:

"As the Saudi Arabia Bilateral Agreement is merely an executory agreement defining the rights of the signatories if OPIC issues insurance in Saudi Arabia, OPIC believes that the execution of such agreement was legally permissible and did not violate any statutory provision. The legal and policy con-

siderations involving the economic boycott and charges of discrimination mentioned in your letter are relevant to the issuance of insurance contracts by OPIC in Saudi Arabia. No insurance has been issued as yet and, before it is, OPIC will carefully evaluate the conformity of such coverage with American law and the economic and foreign policy objectives of the United States. In making that evaluation we will, of course, take particular care to assure that issuance of insurance is consistent with United States law and policy with regard to economic boycotts and discrimination directed at American citizens."

Thus, OPIC adheres to the position that the agreement with Saudi Arabia merely authorized the establishment of an OPIC program in Saudi Arabia and therefore could not violate any statutory or presumably constitutional provisions since it merely defined the rights of the respective parties and did not involve the actual issuance of insurance. We are assured that prior to the issuance of any insurance, "OPIC will carefully evaluate the conformity of such coverage with American law." However, it is not clear that any satisfactory mechanism exists or could be developed by OPIC to guarantee that American citizens and businesses are not being discriminated against on a religious basis. Presumably an American company desirous of contracting with or investing in Saudi Arabia and thereby obtaining the benefits of OPIC insurance would be required to make at least tentative arrangements with Saudi Arabia prior to applying to OPIC for insurance. In this regard, the agreement itself specifies that "a contract or investment shall be deemed approved for purposes of this Agreement only if entered into with the Government of Saudi Arabia, or agency thereof." Of course, if Saudi Arabia refuses, for whatever reasons to enter into a contractual arrangement with an interested company, there would be nothing for OPIC to insure. OPIC might be unaware of such rejections by Saudi Arabia. Furthermore, another even more difficult problem would appear to exist under the terms of this agreement. We assume that any American companies that are on the existing "blacklist" would not take the time or trouble to apply to either Saudi Arabia or OPIC for participation in this program. Therefore, if the blacklist has been established or is applied by Saudi Arabia even partly on religious grounds, OPIC might not learn of the magnitude or existence of such a discriminatory "chilling effect."

To summarize, in light of the all important but unresolved factual questions concerning the nature of the blacklist policy as applied by Saudi Arabia, we are not in the position to conclude that this agreement establishing an OPIC program in Saudi Arabia is illegal. However, if it could be determined that the blacklist effectively operates in practice to discriminate against American citizens on the basis of religion, we believe for the reasons stated above that the constitutionality of the instant agreement would be subject to serious doubt.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

RENTAL OF RAILROAD ROLLING STOCK BY FOREIGN CORPORATIONS—H.R. 5559

AMENDMENT NO. 1032

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HATHAWAY. Mr. President, when the Finance Committee takes up some of the tax legislation now pending in the Committee, there are two amendments of primarily a technical nature I am planning to offer.

The first of these, for the "clarification of the tax status of certain independent fishermen" does two things. First, for boats manned by crews of five or fewer people, the bill provides that if an individual's remuneration for his services is not wages but a portion of the catch, he shall be treated as self-employed for certain tax purposes. More specifically, the legislation amends the Internal Revenue Code by specifically excluding the services performed by such individuals from the definition of employment under the Federal Insurance Contribution Act, by excluding wages paid for services from the definition of wages under the withholding provisions of the Federal income tax, and by excluding such individual's services from the Social Security Act definition of employment and including those services in the definition of self-employment income.

The amendments will allow such individuals to continue to enjoy the benefits of the Social Security Act as participating self-employed individuals and such individuals will continue to be eligible to recover under the Jones Act for personal injury suffered while working.

The second thing the amendment would do is include the harvesting of marine resources within a definition of agriculture for purposes of establishing tax-exempt organizations.

This would extend the benefits of having a tax-exempt organization to the Nation's fishermen. These include, but are not limited to, lobstermen, oystermen, clammers, fishermen, shrimpers, and all others who reap the harvest of the sea.

Labor and farm organizations were recognized long ago by the Congress and the Federal Government as institutions which provided a service to their constituents—a service that benefited society as a whole. Federal law offers these organizations tax-exempt status to enable them to provide information and counseling services, as well as publicize events which have particular meaning to those organizations. My amendment would do the same for fishing organizations.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

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

AMENDMENT NO. 1032

At the end of the bill, add the following new section:

SEC. .—CLARIFICATION OF THE TAX STATUS OF CERTAIN INDEPENDENT FISHERMEN.—That (a) section 3121(b) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if the operating crew of such boat is normally made up of fewer than six individuals.".

(b) Section 1402(c)(2) of such Code (relating to definition of trade or business) is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new subparagraph:

"(F) service described in section 3121(b)(20)".

(c) Section 3401(a) of such Code (relating to definition of wages for purposes of withholding) is amended by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; or", and by adding after paragraph (16) the following new paragraph:

"(17) for services described in section 3121(b)(20).".

SEC. 2. (a) Section 210(a) of the Social Security Act is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding after paragraph (19) the following new paragraph:

"(20) service performed by an individual on a boat engaged in catching fish or other forms of marine animal life under an arrangement with the owner or operator of such boat pursuant to which—

"(A) such individual does not receive any cash remuneration,

"(B) such individual receives a share of the boat's catch of fish or other forms of marine animal life, and

"(C) the amount of such individual's share depends on the amount of the boat's catch of fish or other forms of marine animal life,

but only if the operating crew of such boat is normally made up of fewer than six individuals.".

(b) Section 211(c)(2) of such Act is amended by striking out "and" at the end of subparagraph (D), by striking out the semicolon at the end of subparagraph (E) and inserting in lieu thereof ", and", and by adding after subparagraph (E) the following new paragraph:

"(F) service described in section 210(a)(20);".

SEC. 3. That section 501 of the Internal Revenue Code of 1954 (relating to exemption from tax on corporations, etc.) is amended by redesignating subsection (g) as (h) and by inserting after subsection (f) the following new subsection:

"(g) DEFINITION OF AGRICULTURAL.—For purposes of subsection (c)(5), the term 'agricultural' includes, but is not necessarily limited to, the art or science of cultivating land, harvesting crops or marine resources, or raising livestock.".

SEC. 4. The amendments made by the first section of this Act shall apply with respect to services performed after December 31, 1969, in taxable years ending after such date. The amendments made by section 2 of this Act shall apply with respect to services performed after such date. The amendment made by section 3 of this Act shall be in effect for all taxable years beginning after January 1, 1974.

AMENDMENT NO. 1033

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HATHAWAY. The second amendment I am submitting is an amendment to encourage the implementation of the Federal-State Tax Collection Act of 1972. As chairman of the Finance Com-

mittee's Subcommittee on General Revenue Sharing, I became aware that the Federal-State Tax Collection Act of 1972, enacted as title II of the State and Local Fiscal Assistance Act of 1972, along with general revenue sharing, has never been implemented. This title provided for the Federal collection of State income taxes—called piggybacking by the authors of the bill—if a State government so desired, and if certain criteria were met with regard to the State's own income tax. The act has never been implemented, in part, because of certain objections of the States. My amendment makes three changes that would, hopefully, meet some of those objections, and enhance the changes that the will of the Congress, as expressed by this act, will be carried out.

The three changes my piggybacking amendment would make are as follows:

First, it would allow implementation of the act as soon as any one State desired it. At present the act may be implemented only when two States with at least 5 percent between them of all the Nation's tax returns request its implementation. Lowering that number to any one State would encourage a smaller State that wanted to make use of the program to do so and would enable the Treasury to deal with the problems of implementation on a smaller scale before more States got involved.

Second, it would extend from November 1 to January 1 of the following year the period during which a State could make alterations in their own tax code to take into account any last minute changes the Federal Government may have made in its Tax Code. This extra 2 months at the end of the year to make alterations and adjustments would make them less paranoid of being tied to Federal law, as they must be to qualify for the piggybacking provisions.

Third, it would allow States to provide their citizens with a credit for sales taxes against their State income taxes and still be eligible for piggybacking. At present, such an allowance is not made in the act and States who allow such a credit argue, quite correctly, that to give it up would damage the progressivity of their own tax laws. Such an allowance should be made if we are to encourage the implementation of piggybacking.

A second problem with the implementation of this act has been the failure to implement a set of regulations to carry it out. I am hopeful that this problem too, will soon be solved.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

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

AMENDMENT No. 1033

At the end of the bill, add the following new section:

SEC. . IMPLEMENTATION OF FEDERAL-STATE TAX COLLECTION ACT OF 1972.

(e) ELECTION BY STATES TO PARTICIPATE.—Section 204(b)(2) of the Federal-State Tax Collection Act of 1972 is amended to read as follows:

"(2) The first January 1 which is more than one year after the first date on which at least one State has notified the Secretary of the Treasury or his delegate of an election to enter into an agreement under section 6363 of such Code."

(b) TIME WHEN CHANGES IN STATE LAWS MAY BE EFFECTIVE.—Section 6362(f)(2)(b) of the Internal Revenue Code of 1954 is amended by striking "enacted before" and all that follows, and inserting in lieu thereof the following: "enacted before January 1 of the succeeding calendar year."

(c) PERMITTED ADJUSTMENTS TO QUALIFIED RESIDENT TAXES FOR PURPOSES OF FEDERAL COLLECTION OF STATE INDIVIDUAL INCOME TAXES.—

(A) TAX BASED ON TAXABLE INCOME.—Section 6362(b)(2) of the Internal Revenue Code of 1954 (relating to permitted adjustments) is amended by adding at the end thereof the following new subparagraph:

"(C) A credit is allowed against such tax for all or a portion of any State or local sales tax imposed by the State or a political subdivision thereof on the taxpayer and his dependents."

(B) QUALIFIED RESIDENCE TAX WHICH IS A PERCENTAGE OF THE FEDERAL TAX.—Section 6362(c)(4) of such Code (relating to further permitted adjustments) is amended to read as follows:

"(4) Further permitted adjustments.—A tax which otherwise meets the requirements of paragraphs (1) and (2) shall not be deemed to fail to meet such requirements solely because it provides for one or both of the following adjustments:

"(A) A credit determined under rules prescribed by the Secretary or his delegate is allowed against such tax for income tax paid to another State.

"(B) A credit is allowed against such tax for all or a portion of any State or local tax imposed by the State or a political subdivision thereof on the taxpayer and his dependents.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first January 1 following the date of the enactment of this Act.

OPEN COMMITTEE MEETINGS IN THE SENATE—S. RES. 9

Amendment No. 1038

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

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

OPEN SENATE COMMITTEE MEETINGS—S. RES. 9

Amendment No. 1041

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

Mr. STEVENS submitted an amendment intended to be proposed by him to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ADDITIONAL COSPONSORS OF AMENDMENTS

Amendment No. 968

At the request of Mr. ROTH, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of amendment number 968 intended to be proposed to Senate Resolution 9, a resolution amending the rules of the Senate relating to open committee meetings.

Amendment No. 974

At the request of Mr. ROTH, the Senator from New York (Mr. BUCKLEY) and the Senator from Michigan (Mr. GRIFFIN) were added as cosponsors of amendment number 974 intended to be proposed to H.R. 9005, an act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Blair A. Griffith, of Pennsylvania, to be U.S. attorney for the western district of Pennsylvania for the term of 4 years, vice Richard L. Thornburgh, resigned.

Paul R. Thomson, Jr., of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years, vice Leigh B. Hanes, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Monday, November 3, 1975, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rule of the Committee on Interior and Insular Affairs, I wish to advise my colleagues and the public that the following hearings and business meetings have been scheduled before the committee for the next 2 weeks:

November 7.—Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing, information hearing on ocean mining industry.

November 10.—Full committee, 10 a.m., room 3110, hearing, nomination of Michael F. Butler to be General Counsel of Federal Energy Administration.

November 12.—Full committee, 10 a.m., room 3110, business meeting pending calendar business.

November 13.—Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing, S. 867, Fire Island amendments; S. 2158, Vicksburg authorization increase; S. 1689, to amend Pennsylvania Avenue Development Corporation Act of 1972; and S. 1847, to authorize 101st Airborne Division Association to erect a memorial in District of Columbia.

November 17.—Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing, S. 2125, issuance of permits on public domain forest lands for outdoor recreation.

November 18.—Full committee, 10 a.m., room 3110, hearing, Alaska D-2 lands proposals.

November 19.—Full committee, 10 a.m.,

room 3110, business meeting pending calendar business.

November 20.—Full committee, 10 a.m., room 3110, hearing, Alaska D-2 lands proposals.

NOTICE OF HEARING

Mr. MAGNUSON. Mr. President, I wish to announce for the information of the Senate and the public the rescheduling of hearings before the Senate Committee on Commerce on the nomination of Karl E. Bakke, of Virginia, to be a Federal Maritime Commissioner.

The hearing will be held on Wednesday, November 5, 1975, in room 1114 Dirksen Senate Office Building, commencing at 2 p.m.

Senator DANIEL K. INOUYE, Democrat, of Hawaii, will chair the hearing. Individuals who wish further information on this hearing should contact Richard Daschbach, staff counsel, at (202) 224-1262.

NOTICE OF HEARINGS ON RICE LEGISLATION

Mr. HUDDLESTON. Mr. President, the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices, of the Committee on Agriculture and Forestry, will hear testimony beginning at 9 a.m. on Friday, November 14, 1975, in room 1114 of the Dirksen Senate Office Building on S. 1645, S. 2260, and S. 2385, bills to amend the rice programs of the Department of Agriculture.

Witnesses who desire to testify should contact the clerk, Senate Agriculture Committee, 324 Russell Senate Office Building, Washington, D.C. 20510, telephone (202) 224-2035, before the close of business on Tuesday, November 11.

Each witness will be asked to submit three copies of a prepared statement to the committee clerk on Thursday, November 13, and to bring 50 copies of the statement to the clerk on the day of the hearing.

Each witness will be limited to ten minutes for oral testimony in order to permit the maximum number of witnesses, and to permit more time for questioning. Written statements of greater length will be accepted in full for the hearing record.

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

Mr. JACKSON. Mr. President, I wish to announce, for the information of the Senate and the public, the scheduling of two hearings before the Committee on Interior and Insular Affairs.

The hearings are scheduled to begin at 10 a.m. in room 3110 Dirksen Senate Office Building, on November 18 and 20. Testimony will be received on S. 1687 and S. 1688, two bills which, pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act, would designate 83 million acres and 106 million acres, respectively, of public domain lands in the State of Alaska for inclusion in the four national conservation systems—the National Forest, Park, Wild and Scenic Rivers, and Wildlife Refuge Systems. The committee has invited representatives of the proponents of the two measures—the administration and the Sierra Club—to testify. We expect the testimony they will present to contain descriptions of the principles and policies which served as a basis for, and the procedures followed in, the preparation of their proposals and analyses of the specific provisions in those measures.

In addition, invitations to testify have been extended to the three members of the Alaska congressional delegation and the Governor of the State. Further hearings will be scheduled for early this spring in order to receive testimony from interested citizens.

Mr. President, these proposals are of critical importance to this Nation and to the State of Alaska. Either bill, if enacted, would more than double the National Park System and National Wildlife Refuge System and would profoundly affect Alaska's future land use patterns. Fortunatley, as section 17(d)(2) of the Settlement Act provides that most of the lands involved in these two bills will be withdrawn until December 18, 1978, the Congress has sufficient time to give to these proposals the careful consideration they deserve. The two November hearings may be considered as the initial step in this committee's deliberations concerning this legislation and a preparatory step for this spring's public hearings. The record of the November hearings will provide for the committee members and the public the first readily accessible statements of the purposes, policies, and provisions of the "d-2 lands" proposals. Hopefully, the record will serve as a basic resource document to which public witnesses may refer in preparing their testimony for the spring hearings and which the committee members may consult in receiving and analyzing that testimony.

For further information regarding the hearings you may wish to contact Mr. Steven P. Quarles of the committee staff at 224-9894.

ANNOUNCEMENT OF HEARINGS ON THE DEVELOPMENT OF SOLAR ENERGY BY SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will continue hearings on the development of solar energy by small business on November 18, 1975, at 10 a.m. in room 1114 of the Dirksen Office Building. They will be chaired by the Senator from New Hampshire (Mr. MCINTYTE), as a continuation of solar energy hearings the committee held on May 13 and 14, and October 8 and 22, 1975.

For further information, please contact the committee offices, telephone 224-5175.

NOTICE OF HEARING—TO AMEND THE BANKRUPTCY ACT TO ADD A NEW CHAPTER THERETO PROVIDING FOR THE ADJUSTMENT OF THE DEBTS OF MAJOR MUNICIPALITIES—S. 2597

Mr. BURDICK. Mr. President, I wish to announce that an open public hearing has been scheduled by the Subcommittee on Improvements in Judicial Machinery on President Ford's proposal for amendment of the municipal bankruptcy and reorganization provisions of title 11 of the United States Code.

The hearing will be held on Tuesday, November 4, 1975, commencing at 10 a.m. in room 6202 Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the subcommittee office, 6306 Dirksen Senate Office Building, telephone 224-3618.

Further, Mr. President, I ask unanimous consent that the 7-day rule be waived due to the nature of this legislation.

NOTICE OF HEARING

Mr. HUDDLESTON. Mr. President, I wish to announce that the Senate Subcommittee on Environment, Soil Conservation, and Forestry, chaired by Senator EASTLAND, of the Committee on Agriculture and Forestry will hold a hearing on S. 2081 to provide for furthering the conservation, protection, and enhancement of the Nation's land, water, and related resources for sustained use. The hearing will be held at 1 p.m. on Monday, November 10, 1975, in room 324 of the Russell Senate Office Building.

Witnesses who desire to testify should contact the clerk, Senate Agriculture Committee, 324 Russell Senate Office Building, Washington, D.C. 20510, telephone 202/224-2035. Each witness is asked to provide 50 copies of his statement to the committee clerk on the day of the hearing.

NOTICE OF CHANGE IN ROOM NUMBER IN BANKRUPTCY HEARINGS

Mr. BURDICK. Mr. President, as chairman of the Judiciary Subcommittee on Improvements in Judicial Machinery, I wish to announce that the hearings for the consideration of S. 235 and S. 236, two proposals to revise the bankruptcy laws of the United States, scheduled for November 5 and 6 in room 6202 have been moved to room 6226 Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

A PLEA FOR PATRIOTISM

Mr. FANNIN. Mr. President, last May 1, it was my privilege to introduce Senate Joint Resolution 78 whch would designate the week commencing with the third Monday in February of each year as National Patriotism Week. It was my hope that we could approve this resolution quickly so that the first National Patriotism Week would be held during our Bicentennial year.

The idea for National Patriotism Week came from an outstanding, energetic, determined Scottsdale girl, Lori Cox, who is 16 years old.

The fight she has put up to promote patriotism in Arizona schools is a wonderful testimony to her dynamic character and devotion to country. The

opposition she has encountered is a sad testimony as to the attitude of too many teenagers and adults who seem to feel that patriotism is out of style or simply too much trouble.

The campaign by Lori Cox has had great impact not only in Arizona but in many other parts of the nation. I have received many letters from other States mentioning Miss Cox and commending Senate Joint Resolution 78. Other Senators have contacted me to become cosponsors after receiving contacts from their constituents who became aware of the resolution because of her campaign.

Mr. President, this has not been an easy crusade for Lori Cox, and I doubt there are many teenagers—or adults—who would have had the courage to carry forward in the face of the obstacles she has encountered. Recently she gave a speech which recounted the struggle and her motivation in trying to restore pride in our country. This is an extremely meaningful speech, and I ask unanimous consent that it be printed in the RECORD so that my colleagues will gain a better understanding of why we need Senate Joint Resolution 78.

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

MY PLEA FOR PATRIOTISM

(By Lori Cox)

I would like to tell all Americans what it was like during my campaign to restore a time in my school to have the opportunity for the Pledge of Allegiance. When I first requested a classroom time for the Pledge of Allegiance my school administrators were reluctant to initiate a time for such an observance. My principal explained we no longer have the Pledge of Allegiance in the classroom because some of the students do not respect the ceremony and the teachers complained about their conduct. I waited for weeks for a response from the administrators. My request was ignored! I then went to the school board. In opposition to my request the Superintendent of Secondary Education testified by saying, "The Pledge of Allegiance on a daily basis may prove to be a traumatic experience for some students." The school board members said they would consider my request and seek legal advisement before making a decision.

The following week I began working with several friends in front of super-markets gathering over 3,000 signatures on a petition that requested the school board to allow a time in the classroom for the Pledge of Allegiance. The school board then granted the daily opportunity. During the following five months a minority group of students and some teachers began to display signs of protest. Numerous news articles were printed in school and local newspapers that did not encourage respect for the Scottsdale School Board's ruling. During this period our Nation's flag was stolen from my school premises. Once during the National Anthem a student paraded down the hallway proudly displaying a communist flag. The flagpole lines were cut so that our Nation's flag did not fly over my school for eleven days. One school was vandalized, an American flag was cut in pieces and parts of it burned. My efforts for a Memorial Assembly were denied because it involved, and I quote, "Too much patriotism."

Students testified before the school board that our flag is nothing more than a piece of cloth and said the pledge was meaningless. They complained they were too tired to stand in the morning and that the repetition made the Pledge of Allegiance meaningless! Others stated that peer pressure made them stand. In answer to those complaints I said, "We high school students had better learn to take the pressures now if we are to become responsible adults." As for the repetition, I ask those students, "If one minute a week is going to bother them, what were their plans when they enter the adult world and have to work 40 hours a week at a job which may be very repetitious?" There are many things we all do each day, but that does not mean we all find them repetitious or meaningless. I pray each day and find it very meaningful!

At the end of five months the school board gave in to the students protest by voting to eliminate the daily Pledge of Allegiance entirely and substituting it with a once a week patriotic observance. I pleaded with the board to continue with their previous ruling by saying, "We need the support of all teachers and administrators to help solve the rebellion problem instead of running from it. Why do those of us who love America have to suffer for the disrespect of a few? Give us the opportunity to find the solution and hopefully build some patriotism among the students."

The school board denied my plea, so I went to the Arizona State Legislature. I made my plea before the Senate Education Committee urging passage of a bill that would afford the daily opportunity for the Pledge of Allegiance in all public schools in Arizona. I made many trips to the state Capitol and witnessed several of my state Legislators openly arguing against the bill. It was upsetting to hear some of their views. As some students called the Pledge of Allegiance meaningless so did several of the state Legislators. This experience has taught me the important responsibility we all have as voters. It is important that we vote so that those elected to office will represent and protect the American ideals.

After a lot of hard work and the support of many organizations and concerned citizens the bill for the Pledge of Allegiance was passed and signed into law by Arizona's Governor, Raul Castro. The bill forces no one, but allows the opportunity for those who wish to participate in pledging allegiance. Because of the attitudes and actions of some students I initiated an idea for a National Patriotism Week. It is my hope and feeling that if young Americans better understood the meaning of our Nation's symbols they would not ignore or disrespect them. We need to learn about the basics of our heritage because when some high school and grammar school students were asked to write the Pledge of Allegiance or the National Anthem many of them could not do it.

I compiled my idea and then wrote to one hundred national leaders and to the President of the United States explaining my suggestions for a National Patriotism Week and why such a program was so important. National Patriotism Week would encourage primary and secondary schools to adopt an appropriate curriculum for a designated week in February including such elements as the study of the Pledge of Allegiance, the National Anthem, National symbols, seals, mottos, monuments, heros, and accomplishments.

I requested the President to proclaim a National Patriotism Week. Here I am, sixteen years old, not even old enough to vote, and yet our leaders in Washington listened. I began receiving many letters of encouragement from leaders throughout the United States. Then one day the mailman delivered a most unusual letter. It was quite different from any stationery I had ever seen. Realizing then it was a letter from the President of the United States, I was overwhelmed. My eyes filled with tears, so my mom had to read the letter to me. His letter was very friendly, encouraging, and very inspiring.

About five days later another letter arrived from the White House. This letter was written by the Acting General Counsel by order of the President. He suggested I ask a Representative in Congress or one of my Senators to introduce legislation (a joint resolution) calling upon the President to proclaim a National Patriotism Week. He said such an observance would be more meaningful if it had the endorsement of the Congress as well as the President.

It seems unbelievable when I think, my lesson in national legislation did not come from a textbook, but from the President of the United States. Since then I have written to every Congressman in Washington, D.C. In reply, I have found that many of our government leaders have been like teachers, by advising, assisting, and showing me the way to succeed with my efforts for legislation. Congressman John Rhodes has written me over a dozen letters and has sent countless letters to his colleagues in Washington to request their support for a National Patriotism Week. My program was adopted into bill form and presented to Congress by Congressman John Rhodes along with 37 co-sponsors. Senator Paul Fannin introduced the legislation in the Senate. Senator Fannin too has corresponded frequently and has been very helpful in working for a National Patriotism Week. I am now waiting to hear as to when I will be allowed to speak before a Congressional committee on behalf of the importance of National Patriotism Week.

I hope you all will share my story with your friends and families. It is my hope that through my experience Americans young and old will realize the importance of becoming involved in our schools and in our government. It is important that our American ideals are protected and patriotism is restored. Nowadays people are quick to criticize our government. They seem to blame and label all politicians as bad, possibly because of the Watergate incident. We must realize that the Watergate affair involved only a handful of people, and certainly those individuals do not represent all. We must not blame all of our leaders for the mistakes of a few.

I have received over 150 letters from government leaders and found many who care, who are honest, hardworking, and dedicated Congressmen, working for the goodness of America. Often we hear the wrongs of our Nation. We surely must recognize our faults and work to correct them, but please keep in mind the scarring impressions being formed by children younger than myself. Stripping a child of his pride may cause him to lose all incentive to go forward.

It is time we all join together and restore the pride that is due our Nation and show her we are loyal. We will be a better people because of pride and by transmitting those attributes unto one another we will find our Nation's stars and stripes reflect truth. You know our permissive society has not taught us responsibility, instead it has made us lazy. Give us discipline and rules. We will become better citizens by being made to follow and respect the rules set forth.

Someday we will be your leaders and where are the adults of today going to be if we, your future leaders, have never learned to abide rules or respect others? Patriotism and respect go together. I want my children to be morally righteous, unselfish, patriotic, and thankful for being an American. If they have these values they will secure my future as we should secure theirs. They will be the ones to hold our great Nation on the pedestal where she so rightfully belongs.

In one of the letters I received from Senator Strom Thurmond of South Carolina he said, and I quote, "Patriotic Americans must continue to set the example for those who do not have sufficient love for our Country, its people, institutions and symbols. By their loyal example perhaps they can inspire these

persons to show more respect for America. We must never forget that the willingness to support one's country through interest, participation, and if necessary, through sacrifice provides the framework of a great Nation."

People often ask me why I have become involved with my efforts for patriotism. . . . I have been taught by my parents that it is everyone's duty to be a concerned and working citizen. It is important to preserve and protect the traditions and symbols that represent our free Nation. You know, Joseph Stalin once said, and I quote, "If we can effectively kill the national pride and patriotism of just one generation, we will have won that country. Therefore, there must be continued propaganda abroad to undermine the loyalty of the citizens in general and teenagers in particular. By making readily available drugs of various kinds, by giving a teenager alcohol, by praising his wildness, by strangling him with sex literature and adverting to him or her the psychopolitical preparation can create the necessary attitude of chaos, idleness, and worthlessness."

It is the responsibility of the American people not to let this happen! People have asked me too where I get the courage and strength to continue with my efforts. I would like to say a word or two about my parents whom I love very much. They have taught me the values I practice each day, basically those values are to love, honor, respect, share, and give of yourself as God would want all of us to do. My strength I am sure comes from our creator in heaven. God's love and guidance supports me and I am very thankful to Him.

I will conclude my address to you by telling you about what it has been like now that school is back in session. The jeers and mockery continue, however, the ridicule from fellow students and some teachers will not discourage me. My experience has made me a stronger person and determine to continue my plea for patriotism. I regret the first day of school some teachers snickered and reminded the students they did not have to participate in the Pledge of Allegiance. I was hopeful they would have encouraged respect. To the students who have openly ridiculed me I answer them by saying:

"Our flag represents each and everyone of you. It is all of us together, united as Americans, and representing freedom for all. It represents choice. When I first asked for the Pledge of Allegiance in our classrooms a choice was there and still is! Either you participate or you do not participate. That is freedom! My opposition wanted to take that choice from me. It does not make sense to neglect the symbols that represent the freedoms that we all enjoy each day. Think of our forefathers and the toil it took to build such a great Nation. Then be grateful! Think of those men who sacrificed their lives during war, some of those men may have been your fathers, your brothers, or possibly a close friend. You have the choice to pledge or not to pledge, so if I stand alone in my classroom to recite the Pledge of Allegiance, then I will stand alone; but before you ridicule my patriotism, learn a little about it before you criticize.

"Go to a Disabled American Veterans meeting. Listen to them, take a good look at those veterans. I have! Some veterans are young, some are old, some crippled and confied to wheelchairs, some are without limbs, but when it comes time for the Pledge of Allegiance they stand proud. Those men in wheel chairs unable to stand seemed to be ten feet tall. I thought about some of those students who had complained before the school board that they had to stand everyday for fifteen seconds to pledge our flag, yet those veterans without limbs live every minute of their lives with remembrance of preserving this Nation. These brave men in spite of their handicaps continue to work for America without complaint! They paid the price for our freedoms yet continue to serve our country with interest and allegiance to America. Ask yourself for whom did they risk their lives and for whom did they become disabled? The answer is for you and for me! Can you afford fifteen seconds a day to pledge allegiance to a flag that represents them? I can and I hope all Americans will."

IT'S VERY, VERY LATE—BUT STILL THERE IS TIME

Mr. TALMADGE. Mr. President, there recently was brought to my attention an excellent sermon delivered by Dr. Robert V. Ozment, pastor of the First Methodist Church in Atlanta.

Dr. Ozment, in a most eloquent and forceful message, expresses concerns about our Nation which I believe are shared by an overwhelming majority of Americans today, myself included. In an age of moral and economic permissiveness and indulgence, Dr. Ozment issues a very strong call for more self-reliance, self-discipline, and old-fashioned individual responsibility.

I congratulate Dr. Ozment on his inspiring address, and bring it to the attention of the Senate.

I ask unanimous consent that Dr. Ozment's sermon be printed in the RECORD.

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

IT'S VERY, VERY LATE—BUT STILL THERE IS TIME!

(By Dr. Robert V. Ozment)

I was driving through South Georgia this week and came into a place where there were wagons and trucks just lining the streets in this small country town. Generally we go down the expressways and we really miss seeing Georgia. I was going to Cairo, Georgia and Donalsonville, which is almost on the Florida line and almost on the Alabama line in Southwest Georgia. I spoke in Cairo and I told them I used to have a hard time pronouncing their city. I would say Kiro and finally Mr. Hatcher got it through my head that you don't pronounce it like you do in Egypt. It's Karo.

I saw loads and loads of peanuts. There's little cotton in South Georgia. It's all peanuts. I love peanuts and so I stopped by this place and thought I could buy me a sack of peanuts. In this particular place, they process 100,000 tons a day. Now that's a lot of peanuts. I mean they were just as far as you could see. I went into the office and said, "I'd like to buy some peanuts." And the man said, "We don't sell peanuts here!" I said to him, "It looks like you'd have a good thing here with all these peanuts." But of course, I understood because he said they belonged to the farmers. "We just buy them and process them and send them on to someone else." This was a jobber.

He looked at me and said, "Do I know you?" I said, "I don't know." But I told him who I was and do you know he got me a sack of peanuts in a hurry! And I said, "I want to pay you for these." He said, "No, preacher, I told you we don't sell peanuts but I can give you some." That was even better! I took the peanuts and thanked him. When you get a gift from someone you don't always look for the price tag—it isn't proper—but I just wanted to know how much peanuts are bringing. They are bringing $450.00 a ton. He had a sack about this big and I said, "I'd just like to know how much these peanuts are worth because when you come to Atlanta, I want you to take it out in preaching." He said, "Well, preacher, that bag of peanuts I'd say would wholesale for about $4.00." I said, "But I don't preach any $4.00 sermons. "But" he was quick to reply, "I could come twice!"

I want to lift a page out of history this morning. It's really a familiar page. We read it and forget it so easily and so quickly. It's the story of a great empire that is simply read about now and studied in the pages of history. A powerful empire that has gone from its splendor and power to dust and ashes. It seems to me that intelligent people could learn from the past because the past speaks very clearly and offers good advice. The past speaks to us in many ways. Penicillin was discovered by Alex Fleming and when we think about penicillin we think about him. When we talk to someone across the Atlantic Ocean we think about Cyrus Field. That's the past speaking to us. When we turn on an electric light, we think about Thomas Edison. The past speaks to us in so many different ways. When we read the morning newspaper, it tells us that thousands of people have died in order to keep us free. Daniel Boorstin, a great historian, said, "The ills of the world are caused by the fact that we have lost our sense of history. We forget about our heritage."—even though the past has been written on pages of sacrifice with the blood of martyrs.

Mr. Boorstin said this, "We are obsessed by where we are and we forget where we came from and how we got here. We're just obsessed with today—getting the pleasures of the flesh now—forgetting about the past and what the past means to us and especially forgetting about the Creator; where we came from, how we got here and what the future ought to be."

Rome was very rich. Rome was a mighty empire. She was strong in military power, a market place of the world. People came to Rome from all over the known world. Rome felt she was impregnable; her walls were solid, her banks were full but her walls were crumbling and the splendor she knew turned to ashes. Now a student of history need not ask why because we know the answers. The historian, Gibbon, answers these questions in "The Decline and Fall of the Roman Empire." He focuses upon three or four major points. First of all he said one of the major factors in the crumbling walls of the great empire could be attributed to the divorce rate. The breaking up of that little family unit which is the basis of morals, which is the basis of all that is good in this country—the family unit, their love, their courage, their fortitude, what they are being taught and what we learn in the family unit.

Sometimes we think maybe Gibbon was writing about our day, and if you read this book you will discover many things are very current and it might have been taken out of the daily papers. The United States leads the way in broken homes and broken homes will finally result in broken lives. Now there are many, many people who get divorced each year and some of them are obviously good people and maybe most of them are good people. But the truth is, someone is always hurt. You do not invest five years, or ten years or thirty years together and then separate and not be hurt. Divorce is in one measure, the flag of failure, not on the part of two individuals but at least on the part of one. We sometimes get our priorities mixed up and we push God out of our lives. We forget that we belong to a community, we belong to one another and so selfishness, pride and ego all become a dominating force in life. When God is pushed out you cannot have the marriage you ought to have. I tell folks it takes three people to make marriage work. It takes a couple who are dedicated and committed to one another and committed to righteousness, and God must be that third person. But whenever there is divorce, always one person is wrong and most of the

time two persons are wrong. I dare say there are very few perfect marriages.

I heard about a lady who said her husband was a perfect husband. I never met him. I never saw him, but at least she said he was a perfect husband. Then this man spoke up and said, "My wife is always right!" You see, you wonder about this. Maybe he is a story teller. I don't know, but if he is perfect, I just say to you that I have never seen the perfect husband. I have come pretty close when I look in the mirror—but I'm not perfect—I really wouldn't say that at all!

This man was reading the sports page and his wife was watching television. She said, "You don't love me like you used to." He answered, "I do love you. What makes you think I don't?" "Well," she said, "when we were first married we would sit together on the couch and you would run your fingers through my hair and you would put your arm around my shoulder and bite me a little on the ear." With this, he got up and walked out. She said, "I didn't mean to make you mad. Where are you going?" He replied, "I'm just going to get my teeth!" Well, you don't prove love that way. I know that. That isn't genuine love but the truth is the families are breaking apart in this country and that was one of the major causes of the greatest empires in history becoming dust and ashes. You can't build a civilization upon anything but honesty, upon concern, upon respect, upon love, upon trust and basically upon the principles we find in this life.

Gibbon said that was one of the underlying forces; one of the things that rooted out the foundation of the greatest empire we have ever known. Secondly, he said there were high taxes and lavish government spending. Now, read your business page in the newspaper today. I have not read it yet but it will tell you somehing about that. Read any current magazine on the market and it will tell you something about what I am saying here, and this is what Gibbon said about the Roman Empire. High taxes, lavish government spending.

I have had the opportunity to do a little research with figures and they are interesting. I'm not sure you'll remember any of them after the service is over but I hope they will make some impression on your mind. From 1789 to 1946 in this country—157 years of our history—we spent 167 billion dollars in government spending. Now then, in the four years between 1946 and 1949—four years—the government spent 177 billion dollars, more than it spent during the 157 previous years. That makes you think! I don't understand that! Those figures are beyond my ability to comprehend!

How much is a billion dollars? Did you read in the paper as I did some time ago, that a billion dollars in new one thousand dollar bills, if you stacked them up on top of each other, would reach a height of 660 feet? And that's 110 feet higher than the Washington Monument. Most of us have never seen a thousand dollar bill. If you take the total national debt—that's what the government owes—not what we owe Rich's and the bank and other people—that's the total national debt piled up in one thousand dollar bills—stacked on top of each other—it would require a beacon light mounted on top of the stack to keep the astronauts from running into it. That boggles my mind! I just cannot fathom that!

Someone else put it another way. If you took a billion dollars and you spent a thousand dollars every day and you started spending that money in 748 BC, you still would be very wealthy. Even if you lived 2,720 years, you'd still have half a million dollars left. No interest on that—just spending the principal. That's a lot of money.

Capt. John Smith had a motto. He said, "No work—no eating!" St. Paul had the same motto. Capt. John Smith didn't come up with that motto first. St. Paul said that in his writings. There were those people who were gathering their friends and loved ones around them, waiting for the second coming of Christ. They said, "He will be here any time now so there's no need to work!" And they were living off their relatives. St. Paul wrote a letter. He said, "If they don't work, don't give them anything to eat." He said, "That's the principle, they need to go to work and then you can feed them. Don't let them just take advantage of you while you get up and go to work in the morning. They are waiting for Christ to come back. Maybe He will and maybe He won't, but let everyone go to work."

The 1976 budget is over $500,000,000,000. I'm not sure exactly. I didn't have enough time to research this. But the gross national debt is over five hundred thirty six billion ($536,000,000,000). The interest alone is over forty billion ($40,000,000,000) a year. Now, maybe we're following in the footsteps of Rome: lavish government spending. Is there one among us who would say that taxes are not too high? That's the second thing mentioned by this great historian, as the cause of the fall of Rome.

Then, thirdly, the mad craze for pleasure. Everyone wanted pleasure! The population was infected like a fearful plague with seeking pleasure—something for themselves! So they were spending more on sports in the Roman Empire than they were spending on education. I didn't have time to check that, but it just might be that we are following in the same footsteps.

In families today there are children who are spending 25 hours a week watching television, and by the time they are 13 years of age they have already witnessed 13,000 murders on television, of all sorts and all descriptions. The most brutal forms of violence that one could imagine are coming into our homes on television. And it's becoming a sport. We don't mind seeing it any more. As a matter of fact, the television programs with the greatest ratings are those that are uncomplimentary to the finer senses of every human being here.

Gambling is illegal and the biggest illegal business in the world. Much of it takes place in the sporting arena. Now, I'm not against sports—you all know that—but as a matter of fact, we must not let sports become the very first and the only thing in life. Don't let it push God out. You must let God be a part of it.

Someone comes along every year and talks about gambling. They say, "Well, let's legalize it and tax it." Now, that doesn't make it right you see, and we would not need to tax it if we had honest politicians who are concerned about our society and our government. But we just don't have that any more in many of them. Now, I know many of the politicians really are. You just can't put them all in one classification. I know many of them are and they feel just like I feel. Many people are for legalized anything but the problem is when you legalize it, it doesn't make it right. We legalized liquor—but it still isn't right in my judgement. There are those who say, "Legalize prostitution!" That won't make it right. "Legalize gambling!" That won't make it right. So we just want to make everything legal. If we could make everything legal, we wouldn't need any policemen. We wouldn't need any guards because there wouldn't be anything that would be against the law. But the morals—that's where we must begin and we must get back to that in this country.

Then Rome spent money on arms like it was just water to protect herself against her external foes. It's interesting to note that in most of the periods of our country in recent years, the largest section of our budget was the defense section. Now they tell us that human resources—health, education and welfare, I believe—take a larger slice out of our budget than any other thing. But Rome said they had to spend money on arms to protect themselves against their enemies. I'm one who believes that a strong defense is the best deterrent to war we can have. America must remain strong because communism hasn't rewritten its textbooks and its major goal is still the same—the domination of the world!

America is communism's greatest—its first—its foremost—its greatest enemy to conquer—so we must remain strong. But we are beginning to rot and decay on the inside as Rome ultimately did. It wasn't any great enemy that defeated her. She was defeated because the moral foundation on the inside began to decay and just fall apart. We can defend ourselves from our enemies but do we have the spiritual fortitude and the faith and the strength to defend ourselves from ourselves? So I suggest to you this morning that we are our worst enemy. It isn't someone else. It's what we have accepted as good and respectable in our society.

We come to Church every Sunday—thank God we do—but we come to Church every Sunday and we go back out into the world and we accept again the values which are not Christian in this country. Then Gibbon said, "The decline of religion was also significant in the fall of the Roman Empire." He said that the people just didn't support those institutions that stood for character building.

During W.W. II I'd say we wouldn't fit here at all. We are out of character here. But when you think about the fact that only 25% of Americans go to church every Sunday, then where are the other 75%? Maybe we are declining in our religious support. But on the other hand, I could turn that around and say, "Just think about it—here we have almost 50,000,000 Americans going to church every Sunday and that's exciting. There's something great about that." But then there are many, many other people who are not going to church.

I just cannot end this sermon on a negative note but I could not help but notice that at Georgia Tech they have discontinued their prayers at the beginning of the football games. The only reason I have heard is that some people have written to request the prayer be eliminated before the game. Sports minded—but not prayer minded! The Bible tells us, "In all thy ways acknowledge God." St. Paul said, "In everything—it may be something you are going to for pleasure—but in everything, remember to give thanks to God." But we are slowly chipping away—gradually but surely—at those things America has been built upon. We no longer salute the flag—no longer sing the national anthem—in many, many places. I'm very much disturbed and disappointed. I know people don't go to hear a preacher pray at football games. I know that. I'm not suggesting that—but still we should acknowledge Almighty God!

It's also interesting to note that I have a letter that came not so very long ago, from the Navy. They're coming here to play Tech before long and this great institution wrote and said, "Would you mind coming down to the Marriott on Saturday morning at 8 o'clock and give a devotion to the Navy football team?" They still believe in it. Thank God for that. And I'm going! Yes, I'll be there! Only sad to say, we will not acknowledge God when we play Navy at Tech and when we play any other team. A decline of the support of religion. A decline of respect for Almighty God.

Now, today—maybe it does apply at many points—religion takes what's left. It takes what's left of a man's time basically. I know there are people who give, who make room and who plan, but for the masses we have to take what's left over of a man's time and his talents and his money. And it's hard to get teachers who are dedicated and people to do the work that needs to be done. Rome fell

for these reasons and I say basically because she neglected the spiritual foundation of her life and her existence.

Egypt ignored God and fell too—not only Rome. Persia with all her wealth and her proud cities, fell. And Greece with all her culture is gone because they basically ignored God. Now are we going to do the same thing? What about America? It's late! It's very, very late—but it's not too late for us to do something if we're willing to come back. St. Paul said, "We are troubled but not distressed. Persecuted but not forsaken. Cast down but not destroyed!"

So I am saying there is still time left. There is still hope for us. We can be what God wants us to be. As Jesus suggested, "All things are possible with God." That's the reason for this little addition on the sermon subject, "It's very, very late for America—but it isn't too late if we are willing to turn around and give God a chance. "Be of good cheer," Jesus said, "I have overcome the world." But He didn't overcome the world until He was willing to discipline Himself and to give His best and follow in the footsteps of God. We too, can overcome if we are willing to do that. Are we willing to pay the price? The answer is up to us as individuals.

CONGRESSIONAL COURTESIES

Mr. GOLDWATER. Mr. President, in recent weeks the Washington newspapers have been full of stories about large companies, especially Government defense contractors, treating Members of Congress and Pentagon officials to plane rides, duck hunting trips or weekends at country lodges. In all these stories the inference is strong that the activities of the companies were more than courtesies and more in the nature of corporate bribes to influence votes by Members of Congress or decisions by Government officials in favor of projects desired by the companies in question.

Mr. President, without passing on the propriety of these activities and certainly without condoning them as legitimate business expense write-offs for tax purposes, I am, nonetheless, forced to ask why we do not hear and read more about labor union influence in the seats of Government. Those persons in the media and elsewhere who cry "shame" and point a finger at companies such as Northrup, Martin-Marietta, Lockheed, General Dynamics, and others do not seem to be at all impressed with what some observers have described as a hundred million dollar pay-off of Congressmen by elements of organized labor. It does not seem to shock them at all that some labor bosses have allegedly claimed that as a result of the 1974 election they control 57 out of 100 Members of the U.S. Senate and 230 of the 435 Members of the House of Representatives. They do not seem to be at all concerned that the labor unions now have a "labor Congress" and are working toward making it a veto-proof Congress. In other words the present goal of the big unions in this Nation is to have two-thirds of the Members of both Houses beholden to them for special gifts handed to them during their election campaigns.

Mr. President, if corporations can be suspected of attempting to influence congressional votes by providing Members of the House and Senate with a duck hunt or a day in the country, it behooves us to ask what the unions expect to receive from their vast and growing contributions to liberal candidates for the House and Senate. What, for example, do they expect from the members of the Labor and Public Works Committee on legislation such as that to legalize secondary boycotts in the huge construction industry or to legalize strikes by public employees? Let me illustrate what I mean by listing how the labor unions divided up nearly half a million dollars in campaign contributions in 1974 to members of the House Committee that handles labor legislation. The list is as follows:

Michael Blouin (D–Iowa)	$36,900
Paul Simon (D–Ill.)	34,400
John Dent (D–Pa.)	29,275
Robert Cornell (D–Wis.)	29,175
Frank Thompson (D–N.J.)	26,300
Ron Mottl (D–Ohio)	23,830
Lloyd Meeds (D–Wash.)	22,550
Peter Peyser (R–N.Y.)	21,555
William Clay (D–Mo.)	18,850
John Brademas (D–Ind.)	18,700
Ted Risenhoover (D–Okla.)	18,600
William Lehman (D–Fla.)	18,550
Leo Zeferetti (D–N.Y.)	15,062
James O'Hara (D–Mich.)	14,300
Phillip Burton (D–Cal.)	13,050
Dominick Daniels (D–N.J.)	12,550
George Miller (D–Cal.)	12,000
Tim Hall (D–Ill.)	11,150
William Ford (D–Mich.)	10,650
Mario Biaggi (D–N.Y.)	7,400
Joseph Gaydos (D–Pa.)	6,450
Ike Andrews (D–N.C.)	6,250
Edward Beard (D–R.I.)	5,350
Patsy Mink (D-Hawaii)	3,560
Ronald Sarasin (R-Conn.)	2,350
Shirley Chisholm (D-N.Y.)	2,125
Al Quie (R-Minn.)	2,000
Alphonzo Bell (R-Cal.)	1,900
Marvin Esch (R-Mich.)	1,900
Augustus Hawkins (D-Cal.)	1,400
John Ashbrook (R-Ohio)	500
Bill Goodling (R-Pa.)	500
Carl Perkins (D-Ky.)	500
John Buchanan (R-Ala.)	None
John Erlenborn (R-Ill.)	None
James Jeffords (R-Vt.)	None
Edwin Eshleman (R-Pa)	None
Larry Pressler (R-S.D.)	None
Virginia Smith (R-Neb.)	None
Total	$429,632

Now that list merely includes financial contributions by the labor unions which were reported to the Clerk of the House as required by the law. It does not include the thousands upon thousands of dollars in what are called in-kind contributions by the labor unions. These donations include such things as manpower, mailing facilities and other expensive items of campaign work. Officials of the National Right to Work Committee point out that the reported totals never contain the huge sums which union organizers routinely provide to liberal candidates in cash-equivalent manpower and services. The cost of these in-kind contributions is believed to run at least 9 or 10 times the amount of the actual cash contributions. The cash accounting is devastating enough but it is only the tip of the iceberg on what the large labor unions actually do to elect members beholden to their legislative interests.

Mr. President, we are treated periodically to these so-called horror stories about corporate attempts to influence the Congress and each time questions are raised—and always belatedly—about how the labor unions get away with their illegal activities in financing and promoting specially selected candidates for public office. During the Watergate investigation liberal Democrats who controlled the Senate investigating committee actually made some moves in the direction of investigating union political activity. What happened was this. Late in its investigation the Ervin committee announced it was going to inquire into the political activities of top union officials. Now the committee's decision to move in this direction came as somewhat of a surprise but the most surprising aspect of the announcement was the fact the committee investigators said that they would not limit themselves to investigating cash contributions but would also ask the union bosses for a rundown on contributions of goods and services as well.

Needless to say these are the multimillion dollar expenditures that union officials do not like to talk about. They are funds which are extracted from American workers as a condition of their employment. They are the tens of millions of dollars which are spent on politics but never recorded as political contributions by the union bosses.

Mr. President, students of this problem such as labor columist Victor Riesel, estimate that union expenditures of this type run between $50 and $60 million even in non-Presidential election years.

There is no doubt, Mr. President, that the Ervin committee could have found ample reason for investigation if it had really gone to work on labor's political contributions. But anyone who expected this to happen had to be naive. So far as I can find out the Ervin committee merely talked to a few people, sent out their questionnaires and then dropped their whole investigation of labor contributors. After the fanfare of the announced investigation, this action merely looked as though the Ervin committee had investigated but found no irregularities. I suggest they would have had to work overtime to avoid encountering irregularities on a vast scale.

But the inclination where labor contributions and political activity are concerned is not to criticize but to acclaim. At least this is the way most liberals in the Congress treat the subject. For example, organized labor through heavy infusions of money and manpower was a decisive factor in the recent Senate election in New Hampshire which was won by liberal Democrat JOHN DURKIN.

Mr. President, the activities of the labor unions in New Hampshire on this occasion were nothing short of scandalous but do we find any concentrated criticism in the media or in the Congress over this state of affairs? Far from it. Indeed my friend and colleague from Minnesota, Senator HUBERT HUMPHREY went before the AFL–CIO convention in San Francisco on October 6 to congratulate the Nation's labor leaders on elect-

ing Senator DURKIN. Let me quote Senator HUMPHREY verbatim:

By the way . . . you did well in New Hampshire, thanks. Al Barkan (head of organized labor's political arm, COPE) has asked for an increase in pay. I'm handling his negotiations. But I will tell you it was a great job and we thank you very much.

The great job Senator HUMPHREY spoke of carried a big price tag. Records of the Federal Elections Commission show that labor contributions to Democrat DURKIN for the special election only, totaled $90,000. This, of course, did not include money the unions had kicked in for DURKIN's first campaign and contributions which helped the Democrat candidate pay off some of the indebtedness from that earlier campaign.

In view of this it is not surprising that the new Senator from New Hampshire was given a membership on the Senate Labor Committee.

Mr. President, I do not mean to indicate that labor union favoritism is confined to committees which handle only labor legislation. Over the years, the unions have done almost as well for other liberals in positions of power. For example, in 1974 the unions contributed a total of $233,779 to the campaigns of liberals who either were or who wound up on the House Ways and Means Committee. Of course they could not find a single Republican on that committee worthy of their financial aid. But I have not heard a single complaint or question about this situation, which is loaded with conflict of interest. Not even those who have been running around the country talking about taking the power out of politics have been brave enough to raise a complaint. The Ways and Means Committee of the House originates all tax legislation for this country. It also handles social security and many other matters of great interest to Big Labor. In view of this, let us take a look at how the unions split up their contributions to the members of the Ways and Means Committee in the 1974 election. The list is as follows:

Ways and Means Committee union contributions, 1974

DEMOCRATS	
*Richard Vander Veen (D-Mich.)	$50,852.00
*Abner Mikva (D-Ill.)	33,800.00
*Martha Keys (D-Kan.)	24,063.57
*Andrew Jacobs (D-Ind.)	18,650.00
Joseph Karth (D-Minn.)	17,150.00
*Henry Helstoski (D-N.J.)	13,350.00
*Fortney Stark (D-Calif.)	12,290.00
James Burke (D-Mass.)	10,950.00
*William Cotter (D-Conn.)	7,500.00
Dan Rostenkowski (D-Ill.)	6,000.00
Wilbur Mills (D-Ark.)	5,900.00
*Otis Pike (D-N.Y.)	5,900.00
*Joseph Fisher (D-Va.)	5,423.64
William Green (D-Pa.)	5,180.00
*James Jones (D-Okla.)	4,450.00
*Charles Rangel (D-N.Y.)	3,450.00
Al Ullman (D-Oreg.)	3,210.00
James Corman (D-Calif.)	2,860.00
Joe Waggonner (D-La.)	1,500.00
Phil Landrum (D-Ga.)	1,000.00
Richard Fulton (D-Tenn.)	300.00
Omar Burleson (D-Tex.)	0
Charles Vanik (D-Ohio)	0
*J. J. Pickle (D-Tex.)	0
Total	$233,799.21
REPUBLICANS	
*James Martin (R-N.C.)	0
*Guy Vander Jagt (R-Mich.)	0
*William Steiger (R-Wis.)	0
*Bill Frenzel (R-Minn.)	0
*L. S. Bafalis (R-Fla.)	0
*Phil Crane (R-Ill.)	0
Bill Archer (R-Tex.)	0
Donald Clancy (R-Ohio)	0
John Duncan (R-Tenn.)	0
Herm Schneebeli (R-Pa.)	0
Total	0

*Indicates new members.

In conclusion, Mr. President, let me ask once again whether this Congress is going to accept the idea that only big business has any interest in influencing elections of those men in public life who pass on legislation of benefit to them, or will it at long last enlarge its awareness to include the irregularities of big labor. I, for one, am sick and tired of the do-gooders in this Chamber and in the House who believe labor unions can do no wrong. This is a righteous double standard approach to the political system that is far overbalanced in behalf of the unions. If it is not corrected soon it can wreck our entire system of ordered justice.

POLLUTION CONTROL AND THE SMALL FAMILY FARM

Mr. HUMPHREY. Mr. President, in rural America we are faced with the problem of controlling point source pollution from feedlots while avoiding restricting the production of our small farmers.

The Environmental Protection Agency, in attempting to implement programs to control this pollution, has been subject to much criticism. Both environmentalists and farm producers are concerned with what constitutes a source of pollution.

The requirement that all dairy and cattle farmers obtain a discharge permit from the Government prior to operating a feedlot would create a major problem for small farm operators, and the paperwork for the Government would be more than it could handle.

We need to find a balance between our concerns for the environment and establishing new requirements which would not drive farmers out of production.

This issue was addressed recently at hearings conducted by the Senate Select Committee on Small Business and the Committees on Agriculture and Forestry and Public Works.

Mr. President, because of the importance of this issue, I ask unanimous consent that my statement and that of Mr. Peter L. Gove, executive director of the Minnesota Pollution Agency, be printed in the RECORD.

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

STATEMENT OF SENATOR HUBERT H. HUMPHREY

POINT SOURCE POLLUTION IMPACT OF E.P.A.'S REGULATIONS ON SMALL FAMILY FARMS

OCTOBER 22, 1975.

Mr. Chairman, I appreciate the opportunity of appearing at this hearing. The issues raised here are complex in attempting to develop a realistic course which balances the concern of all of us for improving the environment and at the same time avoiding placing major new requirements on our small farmers.

During the past two years, over 5,000 dairy farmers were driven out of production in Minnesota alone. I do not want to support an unreasonable approach which would add to these numbers.

In my statement, I refer to the experience of Kansas and Nebraska in developing a set of livestock numbers—300 head of beef cattle or its equivalent—which would provide some useful guidance in balancing the needs of our farmers and our concern over improving the environment. I would suggest that this experience be reviewed carefully in terms of whether it would serve as an approach in resolving this issue.

During the period 1954 to 1973, the U.S. agriculural production was taken for granted as food production increased faster than demand. But today we cannot take these things for granted and we must be cognizant of the impact of constraints placed on agriculture.

Prior to 1972, agricultural producers were largely unaffected by pollution control legislation. The one exception stems from the reactivation of the Refuse Act of 1899 in April 1971. This Act required that all persons discharging wastes (excluding sewage, street runoff and boat discharges) into waterways to apply for a permit or face prosecution. Enforcement, related to agricultural producers, was suspended for small producers and applied to those having 1,000 or more head of beef cattle and equivalent size operations.

Enactment of PL 92-500, the Federal Water Pollution Control Act Amendments of 1972, increased the emphasis on controlling effluents. EPA was given greater authority to improve water quality through effluent control under the National Pollutant Discharge Elimination System (NPDES) and Effluent Guidelines and Standards provisions of the Act. This authority creates a new challenge for agriculture.

Initially, EPA proposed regulations to establish uniform application forms to secure information from "all" engaged in agricultural production. Each operator was to complete the application fee. The sweeping regulations issued on December 5, 1972, led to strong protests from farmers and agricultural organizations. In response to these protests, EPA reproposed regulations after establishing a cutoff for application at the level of 1,000 head or more of beef and numbers of the livestock with excretions roughly approximating the wastes of 1,000 beef cattle. The minimum number of animals under these regulations are as follows.

Type of animal	Number of animals per feedlot	Number of applications expected
Slaughter and feeder cattle	1,000	2,500
Mature dairy cattle (milker or dry)	700	125
Swine over 55 lb	2,500	800
Sheep	10,000	100
Turkeys	55,000	300
Laying hens and broilers in confinement facilities with continuous overflow watering	100,000	100
Laying hens and broilers in confinement facilities with liquid manure handling systems	30,000	100
Ducks	5,000	80
Total		4,105

Source: 38 F.R. 10960, May 3, 1973.

This size cutoff became the basis for both the NPDES Program (finalized on July 5, 1973) and the effluent guidelines and standard of performance for new animal feedlots on February 14, 1974. Although these regulations appeared to be generally acceptable to agricultural interests, they did not fulfill the recent goals of Congress and environmentalists.

The legislative history of PL 92-500, however, provides some insight into the develop-

ment of EPA's exclusions: the debate between Senators Dole and Muskie identifies 1,000 head of beef as the level for distinguishing between "point and non-point" sources.

Mr. DOLE. Another question of real concern to many farmers, stockmen and others in agriculture involves the terms "points source" and "nonpoint" source.

Most sources of agricultural pollution are generally considered to be non-point sources.

My question is: Simply, to what sources or guidance are we to look for further clarification of the terms "point source" and "nonpoint source"—especially as related to agriculture?

Mr. MUSKIE. Guidance with respect to the identification of "point sources" and "nonpoint sources," especially as related to agriculture, will be provided in regulations and guidelines of the Administrator. The present policy with respect to the identification of agricultural point sources is generally as follows:

First. If a man-made drainage ditch, flushing system or other such device is involved and if measurable waste results and is discharged into water, it is considered a "point source."

Second. Natural runoff from confined livestock and poultry operations are not considered a "point source" unless the following concentrations of animals are exceeded: 1,000 beef cattle; 700 dairy cows; 290,000 broiler chickens; 180,000 laying hens; 55,000 turkeys; 4,500 slaughter hogs; 35,000 feeder pigs; 12,000 sheep or lambs; 145,000 ducks.

Third. Any feedlot operation which results in the direct discharge of wastes into a stream which traverses in the feedlot are considered point sources without regard to the number of animals involved.

I would like to say that the measure we are now considering is legislation which, at least in its first stage, the first 5 years, is an enormous step forward in our common struggle to restore the quality of our environment. It is legislation which will establish a specific timetable for the achievement of national water quality standards, and I believe it correctly seeks to achieve these standards during this first phase by requiring that the best practical technology be applied to the control of industrial discharges of pollutants.

It also requires periodic review of applicable regulations, so that they can be tightened from time to time in the light of new technological developments.

In November 1973, the Conservation and Natural Resources Subcommittee of the Committee on Government Operations held hearings to determine whether Federal pollution control laws are being administered efficiently, economically and implemented in a manner to control pollution from feedlots. The Committee recommended that EPA re-evaluate their regulations and propose and promulgate regulations that would encompass all concentrated animal feeding operations and not just those with over 1,000 or more animal units.

The Natural Resources Defense Council, Inc. filed suit against EPA to regulate several categories of point sources that are currently exempted by EPA regulations. The Courts have directed EPA to bring the excluded categories into the permit program within one year. Thus, EPA must comply with the Courts' decree.

Many questions arise from attempts to implement the regulations. The most important are these:

1. Should there be exclusions for agricultural and silvicultural activities? If so, at what level or under what conditions should the exclusions be granted?

2. How much will agricultural pollution control cost?

3. Will pollution control reduce agricultural production?

4. Will the livestock production industry face serious disruptions?

5. What impact will pollution control have on consumer prices?

EXCLUSIONS

The controversy that became evident by EPA's early attempt to implement the program to control pollution from feedlot sources has not been resolved despite hearings held by a Subcommittee of the House Government Operations Committee and the suit by the National Resources Defense Council. The controversy is a legal as well as a semantical question.

The legal question stems from the promulation of July 5, 1973, which states in part:

1. *General exclusion of discharges from agricultural and silvicultural activities.* In the United States, there are three million more farmers engaged in a variety of agricultural and silvicultural activities. In connection with crop production, some water from most farms is returned to navigable waters, as the term "navigable waters" is defined in the Act. The expenditure in time, dollars, and resources necessary to process applications from every small farmer subject to NPDES requirements would be disproportionate to the water quality benefits obtained. In order to prevent the diversion of the Agency's limited resources from the larger, significant point sources of pollution, the amendments proposed herein exclude the smaller, insignificant agricultural and silvicultural discharges (including minor irrigation return flow discharges and runoff from fields, orchards, and crop and forest lands) from the requirements of the NPDES.

EPA's initial attempt to control feedlot pollution was viewed as a prospective agricultural inventory for land use planning, while the second attempt was viewed as administratively twisting the law and thwarting congressional intent by excluding some point sources from permit requirements.

The dichotomous views on what constitutes a source of pollution has not been resolved despite the congressional hearings and the legal decision that EPA was not fulfilling the intent of the Act.

The solution to this problem is not likely to come from producers or environmentalists. Instead the solution might come from experience. Kansas and Nebraska were among the States that responded to pollution problems prior to any Federal efforts. Their regulations are summarized below:

GREAT PLAINS

Kansas.—Kansas regulations pertaining to livestock producers are specified in the State Board of Health regulations. In these regulations, a confined feeding operation is defined as:

1. Any confined feeding of 300 or more cattle, swine, sheep, or horses at any one time, or

2. Any animal feeding operation less than 300 head using a lagoon, or

3. Any other animal feeding operation having a pollution potential, or

4. Any other animal feeding operation whose operator elects to come under these regulations.

The operator of any newly proposed confinement feeding operation must register prior to construction and operation of the lot, pen, pool, or pump. The operator of any existing feeding operations, as defined by these regulations, was required to register by January 1, 1968, by completing a State-provided registration form.

Kansas regulations specify minimum requirements which must be met unless other available information indicates that adequate water pollution control can be effected with less than these requirements. These requirements are as follow:

Cattle: The minimum water pollution control facilities for confined feeding of cattle are retention ponds capable of containing three inches of surface runoff from feedlot area, waste storage areas, and all other waste-contributing areas. Diversion of surface drainage prior to contact with confined feeding area or manure or sludge storage areas shall be permitted. Waste retained in retention ponds should be disposed of as soon as practicable to insure adequate retention capacity for future needs.

Swine: Waste retention lagoons for swine feeding operations may be allowed in lieu of waste treatment facilities. Waste retention lagoons must be capable of retaining all animal excretia, litter, feed losses, pooling waters, wash waters, and any other associated materials and shall additionally be capable of retaining three inches of rainfall runoff from all contributing drainage areas. Diversion of surface drainage prior to contact with the confined feeding area or manure or sludge storage areas shall be permitted. Provision must be made for periodic removal of waste material from retention lagoons.

Sheep: The minimum water pollutions control facilities for confined feeding of sheep shall be retention ponds capable of containing three inches of surface runoff from the confined feeding area, waste storage areas, and all other waste contributing areas. Diversion of surface drainage prior to contact with the confined feeding area or other storage areas shall be permitted. Waste retained in retention ponds shall be disposed of as soon as practicable to insure adequate retention capacity for future needs.

Other Animals: Other confined feeding operations involving other animals shall be evaluated on their own merits with regard to the water pollution control facilities required, if any.

The Kansas State Department of Health views the primary air pollution problem associated with livestock facilities to be odor; however, the State does not currently have any odor regulation applicable to odors from livestock production facilities. The Kansas State Board of Health adopted new regulations, which were effective on January 1, 1971, relative to air pollution emission control. Pertaining to livestock operations, the only applicable regulation among those which went into effect would be the one which placed limitations on particulate emissions. This regulation will apply to particulate emissions from feed mills, including those located on livestock farms.

Nebraska.—Nebraska regulations are specified under the Water Pollution Control Act. Water quality standards applicable to Nebraska waters were adopted by the Nebraska Water Pollution Council in January, 1969. These standards classify all waters in the State and establish for various parameters below which these waters cannot be degraded. Runoff from confined feeding operations entering a stream cannot degrade the receiving stream below the water quality limits which have been established for that class of stream. Adjustments by livestock firms could, thus, differ from one class to another.

All feedlots in Nebraska must be registered if any of the following conditions exist:

1. If the maximum number of feedlot animals in confinement at any one time is:

(a) Three hundred or more feeder or fat cattle,

(b) One hundred or more beef cows,

(c) One hundred or more dairy cattle,

(d) Five hundred or more swine,

(e) Two thousand or more sheep,

(f) Three thousand or more turkeys or

(g) Ten thousand or more chickens, ducks, or geese;

2. Any feedlot that is smaller than the above but is located within 500 feet of any watercourse;

3. Any other feedlot that has water pollution potential; or

4. Any feedlot whose operator elects to register.

Nebraska Water Pollution Control Council has an approval system for feedlots. Feedlot operators file initial information on their operations on a State-approved registration form. With this system, waste control facilities are approved if all runoff from the feeding area is contained through natural or constructed control facilities.

At this time, there are no air pollution control regulations applicable to Nebraska livestock producers.

Other States have patterned their regulations after Kansas and Nebraska. Furthermore, Secretary Butz suggested that EPA adopt such a program nationally. He outlined the following as a possible solution in a letter to EPA in January 1973.

A "concentrated animal feeding operation" is a feed lot, feed yard, or confined feeding facility having more than 300 animal units at one time. Feed lots, feed yards, or confined feeding facilities shall mean the feeding of livestock on sites or facilities from which wastes must be removed and that are not normally used for raising crops, or on which no vegetation intended for livestock feeding is growing. Thus, permit applications will be required from operators of feed lots, feed yards, or confined feeding facilities having the equivalent of 300 animal units. The following data are suggested as a minima for the requirement of a permit:

Slaughter steers or heifers	300
Dairy cows	200
Broilers	35,000
Laying hens	32,000
Turkeys	10,000
Butcher hogs	1,200
Feeder pigs	10,000
Sheep	2,300

Although the Department of Agriculture later retreated from this suggestion, this level appears to be in concert with the efforts of many States, and thus appears to be a feasible solution to the controversy.

The following tables show the number of farms affected by various levels of control as well as the percent of animals covered. With 300 head equivalent cutoff, 65 percent of the beef cattle would come under control, 8 percent of the dairy cattle, 23 percent of the swine, 84 percent of the turkeys, 87 percent of the ducks, 40 percent of the hens and 54 percent of the broilers.

COSTS

There are numerous factors that affect the impact of pollution control. Responses will vary and could include these.

(1) Some producers will not attempt to comply with pollution regulations; they will either quit the livestock production business and concentrate on other commodity alternatives.

(2) Some will comply with regulations and absorb the cost, however, they may enlarge herd size to capture economies of scale and leave their net income unchanged.

(3) Others will shift to new technology to accomplish the goals of effluent control, and the new technology permits expansion and greater efficiency.

DAIRY

Because of the great regional differences in the structure of the dairy, a regulation based on herd size will affect some regions more than others. The northern herds tend to be smaller, housed in stanchion barns and few have special runoff problems. Nevertheless if all farms were to have runoff control, the smaller farms are more apt to discontinue production, thereby hastening the trend to fewer and larger farms. Pollution control would increase costs by over 50 cents a hundred-weight of milk at a 15 cow herd size and require investments of about $200 per animal, which would result in cost increases of $.04 to $.11 per hundred-weight of milk.

The data suggests that adverse economic impacts in dairy producers although higher, would not be disastrous at the level of a 200 cow herd.

The capital investment requirements at various levels of control can also be informative. If all producers are subjected to controls, the investment cost will be $779.8 million, at the 20 cow herd and larger level the investment will be $528.3 million and at the 100 cow herd the investment is $80.1 million. Details by region are shown below:

DECREASE IN TOTAL INVESTMENT BY EXEMPTING SMALL PRODUCERS

Item	North (millions)	Southeast (millions)	Southwest (millions)	South Central (millions)	Plains and Mountains (millions)	Northwest (millions)	Total (millions)	Per farm
Total investment to control runoff:								
All producers	$504.3	$25.9	$27.0	$120.3	$81.0	$21.3	$779.8	$2,550
Producers with 20 or more cows	369.3	21.1	20.9	64.9	37.3	13.8	528.3	2,481
Percent decrease	27	19	23	46	54	31	32	
Producers with 100 or more cows	19.7	13.4	18.0	22.2	3.8	3.1	80.1	5.50
Percent decrease	96	48	33	82	95	85	90	

BEEF

As with dairy cattle, the economies of scale play an important role in the severity of economic impact of pollution control. If all producers are subject to controls the costs will rise to $132.2 million.

Details by region are shown as follows:

NUMBER OF FED-BEEF OPERATIONS REQUIRING RUNOFF CONTROL, CAPITAL OUTLAYS REQUIRED FOR RUNOFF CONTROL SYSTEMS, AND PERCENT AND CUMULATIVE PERCENT OF CAPITAL OUTLAYS, BY FED-BEEF OPERATION SIZE

Size or capacity class	Fed-beef operations with problems	Capital outlays (millions)	Percent to total capital outlays	Cumulative percent of total capital outlays
Eastern States:				
Less than 100	38,129	91,789	69.2	69.2
100 to 199	4,248	12,435	9.3	78.5
200 to 499	2,896	10,053	7.6	86.1
500 to 999	706	3,736	2.8	88.9
Western States:				
Less than 1,000	2,244	7,413	5.6	94.5
Eastern States:				
1,000 over	471	5,212	3.9	98.4
Western States:				
1,000 to 7,999	107	771	.6	99.0
8,000 to 15,999	19	434	.3	99.3
16,000 and over	13	943	.7	100.0
Total	48,833	132,780	100.0	

Translating these investments into per animal costs suggests that considerable control can be attained without bankrupting the producer if one is conscientious of the economic impact.

CONCLUSION

The continual uncertainty of feedlot pollution-control fostered by lawsuits and congressional inquiry does not provide a comfortable base for farmers' decisionmaking. It is understandable that anxiety has been strong in the case of the small producers.

Existing studies tend to suggest that establishing pollution control levels on the basis of herd size is not a sure cure for pollution. However, studies and the experience of some States indicate that pollution control regulations based at or near the level of 300 head of beef or its equivalent does provide a workable means of compromising environmental goals with the economics problems facing the farmer.

TESTIMONY OF PETER L. GOVE, EXECUTIVE DIRECTOR, THE MINNESOTA POLLUTION CONTROL AGENCY, OCTOBER 22, 1975

Mr. Chairman, Senator Mondale, and members of the Senate Select Committee on Small Business, thank you for inviting the testimony of the Minnesota Pollution Control Agency on Federal and State regulatory efforts to control pollution from farm animal wastes. I am appearing here today on behalf of Mr. Peter L. Gove, Executive Director of the Minnesota Pollution Control Agency. My name is Louis J. Breimhurst, and I am Director of the Agency's Division of Water Quality. With me is Mr. Randy Burnyeat and Mr. Terry Huntrods, both staff agricultural engineers with the Agency.

We were present yesterday when representatives of the U.S. Environmental Protection Agency outlined alternative approach to comply with the U.S. District Court ruling that disapproved the U.S. EPA's previous threshold level of 1,000 animal units for feedlots that must obtain a discharge permit as required by regulations promulgated under provision of the Federal Water Pollution Control Agency of 1972 (Public Law 92-500). We will offer some comments on the U.S. EPA testimony, but those comments do not appear in the text before you.

In general, we as staff of a pollution control agency that has had extensive experience in dealing with animal feedlot pollution do not feel that it is necessary or realistic to require that every farmer *tending* animals must obtain a discharge permit from the federal government prior to operating a feedlot, a dairy farm or other livestock operation. Such a requirement would means that extensive time and effort would be spent in needless paperwork both for government and for the farmer because there are countless thousands of livestock operations that do not pose a serious pollution problem.

Unless the Government would provide the substantial funding necessary to properly enforce a pollution-control program effecting hundred's of thousands of permittees, we fear that the regulatory effort would become so bogged down in needless paperwork that success in abating pollution from agricultural sources would be seriously jeopardized. If the courts subsequently determine that the law, as written, requires that all livestock managers must receive a Federal discharge permit, then we would strongly support amending P.L. 92-500 so that pollution from animal wastes is controlled rather than

livestock operations being licensed for the sake of being licensed.

In his letter to Mr. Gove inviting testimony from the Minnesota Pollution Control Agency, Senator Mondale asked that we provide the committee with an explanation of Minnesota's efforts in pollution control from animal wastes. First, I will provide a brief overview of the situation in Minnesota.

Latest surveys and estimates indicate that there are approximately 90,000 animal facilities in the State of Minnesota of which 32,800 are dairy operations. The vast majority of these are small family operations with an average size of about 40 animal units (one animal unit is the equivalent of one beef animal). We estimate there are approximately 100 operations which fall within the 1,000 animal unit limit under the current NPDES* feedlot permit program.

Most of our existing operations were built before 1900 on sloped lots to promote rapid drainage. This fact, combined with the high recreational quality of our many lakes and streams and the humid climate in this area, has created a unique problem. Very few of our livestock operations, taken by themselves, could be considered significant contributors to the pollution of a watershed. Taken collectively, the livestock operations in a rural watershed are usually a major point source of pollution.

STATE PERMITTING PROGRAM

During the 1960's water quality problems related to agricultural feedlot sources were discovered. As a result, in 1969, the Minnesota Pollution Control Agency was assigned to work with the Governor's Agricultural Advisory Committee toward development of regulations to control agricultural point source pollution. This group, composed of farmers, agribusiness representatives and farm organizations, prepared a draft copy of the regulations which was finally approved by the Agency Board on April 16, 1971. These regulations recognize that animal waste need not be a pollution hazard, but rather a valuable resource that should be managed properly. They also recognize that even the very small feedlots can present a pollution hazard if not properly managed. Using these regulations, a program was developed to both correct existing pollution problems and to insure that new installations do not create pollution hazards. This is done by reviewing feedlot operations at the time a farmer makes a monetary investment into the operation. A state agency permit to construct and operate a feedlot is required when a feedlot operator is:

1. Starting a new operation.
2. Expanding existing operations.
3. Modifying an existing facility.
4. Purchasing an existing feedlot.

The permit application is reviewed to insure that the operation meets state location requirements, that it is managed properly and that the feedlot wastes are properly applied to the land as fertilizer. Since the inception of the Minnesota state feedlot pollution control program, approximately 4,300 permits have been issued.

As the state feedlot permitting program became operational, it was recognized that there was a need for increased input at the local and county level. In January of 1974, state regulations were adopted to allow the counties to enter into a joint working agreement with the Minnesota Pollution Control Agency.

Under these regulations, County Boards may, at their option, and upon approval of our Agency, choose to issue, deny, modify, impose conditions on, or revoke feedlot permits in their county. The counties designate a county feedlot officer who acts as the local laison official. He conducts inspections and makes recommendations back to the Minnesota Pollution Control Agency staff and to his County Board. This program is advantageous to both the county and the Minnesota Pollution Control Agency by insuring that county and state regulations are met in the permitting process.

We have received support from such farm organizations as the Minnesota Farm Bureau, the Minnesota Livestock Feeders Assn., and the Minnesota Farmers Union. Representatives from these organizations along with the Soil Conservation Service, Minnesota Department of Agriculture, University of Minnesota Agricultural Extension, and the Minnesota Association of Counties are among members of our state Agriculture Advisory Committee. This group is invaluable in keeping our Agency's program responsive to the needs and concerns of the agricultural community.

It is apparent that regulations alone are not the answer. Technical and financial assistance to the farmer should be available. The assistance received by the farmer from the Federal Soil Conservation Service has been an important factor in the success of our program. In fact, about one third of all Soil Conservation Service assisted feedlot pollution control systems installed in the United States have been installed in Minnesota. Cost sharing administered through the rural conservation program of the United States Department of Agriculture—Agricultural Stabilization and Conservation Service has been of great benefit to those feedlot operators who are required to install various pollution control structures. We would like to see this program continued and expanded by Congress.

FEDERAL PERMITTING PROGRAM

In the spring of 1974, the U.S. EPA, in cooperation with the Minnesota Pollution Control Agency, began soliciting permit applications from feedlot operators having 1000 or more animal units as required under the regulations promulgated pursuant to PL 92-500. Initially, applications were received as a result of notifications sent by the U.S. EPA which were prepared from a list of names and locations of known sources which we prepared. In addition to this, a few applications were submitted on a voluntary basis. To inform the large feedlot operator of the NPDES permit program and his obligations under the law, we held a number of informational meetings, prepared a newsletter for distribution to agricultural organizations, and prepared a news release for the media. To date, 41 applications have been received where a permit has been or will be issued. Under the existing U.S. EPA Feedlot Regulations, we estimate there are at least 100 operations that should be permitted either because of size or the presence of a significant pollution hazard.

STATE AND FEDERAL PROGRAM COMPARISON

Both the Minnesota and the Federal Feedlot Pollution Control programs have as a goal the abatement of feedlot point source pollution. However, these programs differ in two significant areas. Under the State program, all feedlots, regardless of size are required to apply for a construction and operation permit at the time of monetary investment. Large feedlot operations of over 1000 animal units, or those who are determined to be significant contributors of pollution, are required to obtain a NPDES permit under current regulations. The NPDES program requires on-site containment of runoff with a discharge tolerated only if an unusually heavy rainfall occurs. Compliance with NPDES permit requirements usually involves the construction of a conventional runoff control system. In the Minnesota program we consider alternate methods of discharge control selecting the best management practice suited to the site. The best management practice varies from natural nutrient assimilation to complete collection and containment.

COORDINATION OF STATE AND FEDERAL PROGRAMS

We have coordinated the State feedlot and the NPDES feedlot programs wherever possible and found this most effective in our dealings with the feedlot operator. Oftentimes because of a facilities expansion or the start of a new operation a State and Federal permit is required. To minimize paperwork and confusion, we have been issuing joint permits in these situations. We cooperatively inspect the facilities and arrange to have officials of the Soil Conservation Service and the county meet with us at the time of inspection to present all regulatory requirements to the applicant. Cooperation between governmental agencies has made our program more efficient and more effective.

ASSESSMENT OF PROPOSED FEEDLOT REGULATION

With the U.S. EPA now in the position to propose now feedlot regulations which are to include all those point source operations previously excluded from permit program requirements, we will have to permit many operations, probably in the thousands. Because of the large numbers of feedlots involved, we believe that a traditional discharge permitting approach without some sort of lower limit on size is impractical. We feel a workable solution would be to allow those states having an approved feedlot pollution control program to accept responsibility for and administer such an expanded program. We believe that because climatic, geologic, and feedlot industry conditions vary so much throughout the country, that the states would be best able to evaluate what is needed to effectively abate pollution from agriculture.

The present no-discharge limitations are not feasible or practical for many of the smaller operations. We feel that various levels of "best management practices" could be established and implemented that recognize the reality of the economic situation and yet provide for an acceptable level of pollution abatement. "Best Management Practices" could include such things as: grass filter strips, clean water diversion, different manure management techniques, or, if necessary, complete runoff retention.

Any practical program along these lines will require some catagorizing of feedlot pollution problems. On a practical level this means that information about existing feedlots be collected and examined with respect to size, location, and method of operation.

Because no inventory of livestock operations exists, it is nearly impossible to determine which of the feedlots in any watershed are doing the damage. Until an inventory is taken, all feedlots must be treated as if they are significant contributors. This creates inconsistencies in that a feedlot may come to our attention through a permit application and the operator may be required to invest several thousand dollars in pollution control structures, while another feedlot in the same area may have a much more serious problem and yet go undetected.

We believe the only equitable method of determining which feedlot operation needs pollution control is to conduct a feedlot inventory. Information from this inventory could be merged with existing information about the stream or lake water quality to categorize the feedlots according to size, degree of pollution hazard and the overall watershed water quality problem. If the U.S. EPA adopted a program of state determination according to pollution hazard, Minnesota could merge its existing program with the Federal program.

The impact of agricultural pollution is very significant but, to this point, State and

*The National Pollutant Discharge Elimination System (NPDES) is a Federal program developed by the U.S. Environmental Protection Agency pursuant to the Federal Water Pollution Control Act (P.L. 92-500).

Federal regulatory agencies have not adequately addressed the problem.

The U.S. EPA is currently faced with the difficult task of developing all-inclusive feedlot regulations which are equitable, practical, feasible, and within the terms and conditions of the PL 92-500. At present, Law requires that all point source dischargers, implement "best practicable control technology currently available" by July 1, 1977. It is virtually impossible at this late date to develop and implement a worthwhile program and meet the July 1, 1977 deadline. If the PL 92-500 needs to be amended to do the job which needs to be done, we would be in support of the necessary legislation.

SMALL INDUSTRIES

In Minnesota, there are a number of small industries who will be unable to meet the July 1, 1977 deadline because of economic hardship. One of the hardest hit is the small creamery, a phase of the dairy industry which is of vital importance to the small dairy farmer and the rural community. A review of our NPDES permit files indicates that there are approximately 45 small creameries in this situation. On July 22, 1975, our Agency's nine-member citizen board passed a resolution which supports amending Public Law 92-500 to provide that extensions to the July 1, 1977 compliance date be authorized for small point sources other than publicly owned treatment works for which the following can be demonstrated:

1. The existence of economic hardship
2. The benefits from compliance are not justified by the social and economic disruption, and
3. The non-complying discharge will be corrected during the time extension.

Attached to our statement is a copy of that resolution. We would like to express our strong support of this resolution even though it is not directly related to the development of new feedlot regulations, which is the primary purpose of this meeting.

In summary, we believe that any new feedlot regulatory program should take the following points into consideration:

1. The traditional approach to discharge permitting would prove to be unworkable if applied to all feedlots. New approaches must be found and implemented.
2. We believe that the concept of "Best Management Practices" is highly desirable as compared to the relatively rigid concept of "Best Practicable and/or Available Technology" in terms of both economic factors and site-specific considerations.
3. We believe that any practical attempt to solve the agricultural pollution problem must include the ranking of feedlots according to their existing pollution potential.
4. Mninesota has had extensive experience in administering a feedlot program this is applicable to local conditions. We believe that the States, following Federal guidelines, should be given the latitude to determine which feedlot operations are in compliance and do not need the NPDES permit, and which operations requires a NPDES permit.

In light of our experience with the regulation of feedlots at both the State and Federal level, the State of Minnesota would like to assist the U.S. EPA in the development of new feedlot regulations and is ready to serve as a demonstration State for any programs which would involve State participation.

STATE OF MINNESOTA,
MINNESOTA POLLUTION CONTROL AGENCY,
July 22, 1975.

RESOLUTION

Whereas, Section 301 of Public Law 92-500 provides that in order to carry out the objective of this Act there shall be achieved not later than July 1, 1977, effluent limitations for point sources, other than publicly owned treatment works, which shall require the application of the best practicable control technology currently available, and;

Whereas, many small industries and other facilities in the State of Minnesota are in such locations or under such constraints that provision of independent treatment at prohibitive costs would be their only alternative to comply with the above mentioned effluent limitations by July 1, 1977, and;

Whereas, the benefits derived from compliance with the required effluent limitations may not outweigh the social and economic costs and dislocation which will result in some cases, and;

Whereas, an extension of time beyond July 1, 1977 will provide an opportunity for certain of the above mentioned industries and facilities to develop alternative treatment methods or make connection to municipal treatment facilities completed after July 1, 1977 and thereby come into compliance. Now therefore, be it

Resolved, That the Minnesota Pollution Control Agency Board hereby supports amendment of Public Law 92-500 to provide that extensions to the July 1, 1977 compliance date be authorized for certain point sources other than publicly owned treatment works for which the following can be demonstrated:

1. the existence of economic hardship;
2. the benefits from compliance are not justified by the social and economic disruption, and;
3. the noncomplying discharge will be corrected during the time extension.

RETURN OF THE SPOILS SYSTEM

Mr. HUGH SCOTT. Mr. President, a recent editorial in the Christian Science Monitor entitled "Return of the Spoils System" effectively states the case against the so-called reform of the Hatch Act. Such legislation is a long step backward and would politicize the civil service. This editorial clearly points that out. I ask unanimous consent that this editorial be printed in the RECORD.

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

RETURN OF THE SPOILS SYSTEM

The United States House has passed and sent to the Senate a measure which would effectively destroy the 1939 Hatch Act in the name of reforming it.

If the measure is enacted, a large part of the federal government's huge work force of 2.8 million employees could be turned into a vast patronage army similar to the Daley machine which has dominated Cook County politics for the last two decades.

The Hatch Act came about in response to the patronage abuses and political coercion rampant in the New Deal public jobs programs of the 1930s.

It was obvious that these abuses could not be curbed simply by making it illegal for public officials to order their employees to perform political work. The bosses could always find ways to "persuade" the employees to take part in political action on a "voluntary" basis.

The Hatch Act served to eliminate this evil by making it illegal for federal employes to perform political work even on a "voluntary" basis, immunizing them from any kind of pressure.

It is this protection that the "reform" measure, sponsored by Rep. Bill Clay [D., Mo.], would remove. Though there would still be some minor restrictions on the kind of political activity in which federal employes participate, they could be sent into the precincts to get out the vote on a voluntary basis.

Under a federal court order, municipal employes in Chicago can only voluntarily do political work. They do so in swarms—every election—or else.

As Rep. Edward Derwinski [R., Ill.] who led the opposition to the Clay measure, pointed out, there are other evils in the proposal. Democratic businessmen could find their tax returns audited by an Internal Revenue Service agent who doubled as a Republican ward leader.

A survey taken by the National Federation of Federal Employes of its members a few years ago found 89 percent supporting the Hatch Act and only 1 percent favoring its repeal. The Clay measure was opposed by the federation, as well as by the U.S. Civil Service Commission, the Postal Service, the comptroller general, the IRS, and the FBI.

Yet the measure was steam-rollered through the House by a vote of 288 to 119. This is a reflection of the Democrats 2 to 1 margin of power in the House and the massive support given the measure by Big Labor. Interestingly, many federal workers belong to public employe unions and most are considered to be Democrats.

Should the bill be passed by the Senate, it faces an expected veto from President Ford. An override by the House could be prevented if enough of its members are made to see what a monster they are creating.

JIM FARLEY

Mr. TALMADGE. Mr. President, one of the most distinguished and beloved Democrats of all time is the Honorable James A. Farley, who now serves as honorary chairman of the board of the Coca-Cola Export Corp. in New York.

Jim Farley was adviser and confidant to President Franklin D. Roosevelt and a prominent figure in the Roosevelt administration. An excellent column, in the Atlanta Constitution, by the syndicated writer and splendid reporter, Celestine Sibley, was recently brought to my attention, and I would like to share it with my colleagues in the Senate.

I ask unanimous consent that the Sibley column be printed in the RECORD.

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

"WHO IS JIM FARLEY?" INDEED

(By Celestine Sibley)

All I said, somewhat smugly to be sure, was that I had received a nice note from Mr. Jim Farley. "Who's he?" asked my young colleague.

"Who's Jim Farley?" I yelped, "Why just about the most famous Democrat of this century, why a maker of presidents, a celebrated postmaster general, a . . . "Words failed me.

In a way it's sad to be so young that you haven't heard the marvelous stories about tall, bald "Genial Jim" Farley, the man who was credited by President Franklin D. Roosevelt for his landslide victories—up until the last one, when they fell out, and Mr. Farley tried for the presidency himself. Politics is still fascinating, of course, but I don't know anybody, any contemporary practitioner of the art about whom as many colorful stories have been told as fill the archives about Mr. Farley.

When his note came the other day I took down a couple of books the 87-year-old New York Democrat wrote and dipped into them here and there, just for the flavor of old political triumphs. With his note—apropos of a column here about how tacky our new post office it—Mr. Farley enclosed a leaf from the Congressional Record in which he was praised as a politician of "preeminent ability

and respectability," a member of the breed who cleanses "the stigma attached to our profession."

The stories I enjoy most about Mr. Farley are those having to do with his fantastic memory for names and faces. Once when he came to town in his role as honorary chairman of the board of the Coca-Cola Export Corp., I interviewed him. He told me then the legend originated in Salt Lake City during the first Roosevelt campaign when somebody in the crowd yelled, "Hello, Jim!" and he was able to yell back, "Hello Frank!" He had been in correspondence with a railway mail clerk between Salt Lake City and San Francisco who read the Literary Digest's postcards in a poll on the presidential election and dispatched their results to Jim Farley. Mr. Farley was guessing the person who yelled out to him from the crowd was the postal clerk—and he was right. Their friendship continued until Frank died a few years ago—an example of the kind of loyalty for which Mr. Farley was famous.

Now about that note of which I bragged to my young friend, Mr. Farley said several friends of his in Atlanta "were kind enough to send me a copy of your article with reference to the Atlanta post office."

With typical Farley tact he said he understood my jeremiad against moving post offices about and switching from stately marble halls to tacky wall-papered quarters in a mirrored office building.

"While I have not been in the building to see the situation as described by you," he says, "from your description, I am sure I would thoroughly agree with what you had to say."

And that is pleasant to me and not too unpleasant to the builders and movers—since Mr. Farley hasn't inspected their handiwork in person.

SENATOR HRUSKA RECEIVES CREIGHTON U. ALUMNI ACHIEVEMENT CITATION

Mr. CURTIS. Mr. President, recently, my colleague from Nebraska received a very distinguished honor from his alma mater Creighton University in Omaha.

The occasion was the dedication of the Ahmanson Law Center at Creighton, a fine new facility that compares favorably to any law school in the country.

Senator HRUSKA, who received his J.D. from Creighton in 1929, was presented with the school's Alumni Achievement Citation. This honor is richly deserved. Senator HRUSKA is the ranking minority member of the Committee on the Judiciary and has served honorably and faithfully on many commissions dedicated to the improvement of this country's system of justice. Among his accomplishments is the chairmanship of the National Commission on Revision of the Federal Court Appellate System. He also is the author of a bill to revise the Nation's Federal criminal code for the first time and a bill recently signed into law, which established rules of evidence for the Federal courts.

Mr. President, because of his dedication to Creighton University's law program, Senator HRUSKA now has a reading room named in his honor at the Ahmanson Law Center.

The Solicitor General of the United States, Robert Bork, was the principal speaker at the dedication dinner on September 13. He had some very poignant comments about our system of justice in this country.

So that my colleagues and others may benefit from his words, I ask unanimous consent that the comments of Mr. Bork, a news story on the event and a portion of the dedication program be printed in the RECORD.

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

DEDICATION SPEECH BY MR. BORK

President Labaj, Chief Justice White, Dean Frankino, ladies and gentlemen. I wish particularly to say how pleased I am to be on the dais tonight with Senator Hruska. Few men have played a greater role in shaping the law of our time than has Senator Hruska. In his capacity as ranking minority member of the Senate's Committee on the Judiciary he has taken a leading part in shaping our laws and has screened those nominated as federal judges and as Attorneys General and other posts in the Department of Justice. He has been personally friendly and helpful to me and I wish to express my gratitude and feeling of personal warmth toward him tonight.

It is a great pleasure to participate in the dedication of the Ahmanson Law Center of Creighton University. You have built a magnificent facility. For me, for most of us, a center of legal scholarship is virtually hallowed ground because law is the ultimate value in our society. Law is not ultimate because it is final, but because upon it depend all of the other values we cherish.

The dedication of a new center of legal training and scholarship gives us the sense of a new beginning, of the law's capacity to regenerate and recreate itself.

Just being here and seeing your splendid facilities and meeting Dean Frankino and the faculty makes me feel at home. I can hardly wait to leave Washington and return to the academic world—and not merely to enjoy what some genius has called the leisure of the theory class.

It is the special province of the law schools to mount a sustained study and evaluation of our legal culture. Now more than ever our attention should be drawn to the condition of our legal order and the institutions that sustain it. If at moments I sound alarmist, I do not mean to sound pessimistic. There is always reason for concern, never reason for despair.

Law is never secure. It is true that we rely upon law for our security but also true that law relies upon us for its strength. We tend to forget this. We tend to forget that our form of law is not immortal. It is a social creation of enormous value and great strength, but it is also complex, delicate, and distinctly vulnerable.

We live in a time—and perhaps we always do—when there are serious threats to our legal order. But—and perhaps there is also always true—we also live in a time when the real threats to constitutional government are largely unperceived.

We are immeasurably blessed in this country with a cadre of influential, articulate, and self-assured commentators who possess the uncanny knack of studying any situation and unerringly drawing precisely the wrong conclusions.

Since we survived the crisis of Watergate due to the strength of our institutions, they conclude that our institutions must be restructured. I would commend to them the words of Mark Twain: "We should be careful to get out of an experience only the wisdom that is in it—and stop there; lest we be like the cat that sits down on a hot stove-lid. She will never sit down on a hot stove-lid again—that is well; but also she will never sit down on a cold one any more."

Translated that means presidential power can be abused, as can be and has been all power, but that is no reason to destroy strong presidential leadership that has over almost two centuries proved indispensable to our national health and vitality.

The real agenda for reform is more mundane but absolutely crucial. Threats to our legal order are developing rapidly, but almost unnoticed—and these are older, subtler, and infinitely more difficult to cope with.

The law schools, for example, are coming out of a very difficult period. Their self-confidence was shaken badly by the student turmoil of the late 1960's and for some years afterward legal educators seemed unsure of themselves and their roles.

The schools of law mold the future of our profession and hence of much of our government. To one who believes that we owe our national stability and good fortune to the solidity of our institutions, it was disheartening to see that many of our law schools were manned by faculties that displayed, and hence taught, an unlawyerly concern for ideological outcomes rather than for orderly, neutral processes. Being attached to universities, the law schools shared to some extent the intellectual residue of the revolutionary '60's: an antipathy to intellectualism, a denial of the value of rationality, and a disdain for traditional institutions.

Ideologically, many of our major law schools were, and a few of them still are, so far out of balance that the range of respectable discourse was only a fraction of the spectrum in the society at large. That is not good for the schools, for legal education, or for the development of the law.

I am confident that Creighton was not among the law schools of this sort, and I think I see signs that many schools are returning to the thoughtful professionalism that was the special virtue of American legal education. Robert Hutchins once said that the best education anywhere in American universities is to be found in our schools of law. Some of us lost that virtue for a while but we are ready to earn the compliment once more.

But there is another problem in the law that I would particularly like to discuss tonight. It is not preposterous, I hope, to begin with what I have observed in the Office of the Solicitor General. It is a small, specialized unit but in the matters I am discussing it is a microcosm in which the larger problems of government and something of their causes may be discerned.

We are sitting in the center of an explosion of federal litigation. A comparison of two years is illuminating. In the 1963 Term of the Supreme Court, the office handled 910 filings in the Supreme Court. Eleven years later, in the 1973 Term, we handled 2,428, or well over two and one-half times as many.

A main problem of the office, then, is simply a staggering workload. The staff is enlarged but coordination of work and positions to be taken inevitably suffer. This rising torrent of federal litigation might not be very worrisome if it damaged only the Solicitor General's office but, in truth, it is only one manifestation of overload that threatens all of our major governmental institutions and is even now altering their nature, perhaps irreversibly.

The reasons for the accelerating workload are also suggested by a statistic. The Solicitor General's cases in the 1963 Term comprised 33% of the Court's total docket. My cases in the 1973 Term comprised 48% of the docket, and the percentage will rise again. That means government litigation is rising not only absolutely but as a proportion of all litigation.

The reasons are obvious. We, along with every other western nation, are steadily transforming ourselves into a highly-regulated welfare state. The tasks government undertakes grow steadily more numerous and always more complex. Under this accelerating workload all of our basic govern-

mental institutions are changing and they will not be the same again.

The deleterious effects upon the Presidency are obvious. The Presidency now in large measure exists in the enormous staff known as the Executive Office of the President. The Executive Office includes such organizations as the Office of Management and Budget, the Council of Economic Advisers, the Domestic Council, the National Security Council, and many more. Post-Watergate critics of the Presidency note that anonymous, unelected, unconfirmed men and women make decisions crucial to the nation. That is certainly true and worth thinking about. But some analysts attribute the White House apparatus to something they call the "imperial Presidency" and a growing lust for power. They would legislate the bureaucracy away.

That analysis could not be more inaccurate and the proposed cure could not be more harmful. The presidential bureaucracy is not a manifestation of a power drive but the inevitable response of the Executive to the enormous tasks of regulation and coordination that a welfare state thrusts upon him. To legislate away that staff is merely to render the President helpless to control, or even substantially to affect, the policies of his own branch of government.

Had presidential staff grown because presidents have usurped power, congressional staffs should have diminished or grown idle. In fact, however, during the same period, congressional staff sizes have exploded, and on those staffs, just as in the White House, anonymous, unelected, unconfirmed men and women help make decisions crucial to the nation.

These developments are ominous for the future of responsive and open institutions of representative government. The institutions of our democracy were designed in 1787 upon an assumption of limited government and it may be that to function tolerably they required a substantial measure of laissez faire in social as well as economic policy.

As lawyers, however, we should be particularly concerned for the federal judiciary which is equally threatened by this trend. The proliferation of social policies through law creates a workload that is even now changing the very nature of courts, converting them from deliberative institutions to processing institutions, from a judicial model to a bureaucratic model. The signs are everywhere. Caseloads rise steadily. Time for oral argument is steadily cut back and is frequently eliminated altogether. Many cases are decided without opinion. Some cases are decided in minutes rather than hours. Courts are adding more clerks, more administrative personnel, moving faster and faster. They are in imminent danger of losing the quality of collegiality, losing time for conference, time for deliberation, time for the slow maturation of principle.

Ironically, these changes that threaten the ability of the courts to give every case its due spring precisely from the desire to extend law to more and more subjects and to give every one perfect justice.

We are attempting to apply law and judicial processes to more and more aspects of life in a self-defeating effort to guarantee every minor right people think they ought ideally to possess. Simultaneously, we are complicating trial and pretrial procedures in what must ultimately be an impossible effort to make every trial perfect. The two trends, I think, are flatly imcompatible. We are seeking to handcraft every case. At the same time we are thrusting a workload upon the courts that forces them towards an assembly line model.

Assembly line processes cannot sustain those virtues for which we have always prized federal courts: scholarship, a generalist view of the law, wisdom, mature and dispassionate reflection, and—especially important for the perceived legitimacy of judicial authority—careful and reasoned explanation of their decisions.

We cannot afford an erosion of these judicial virtues. As law proliferates and is made up faster it has less time for theory and tends to become both simplistic and inconsistent within itself. That raises several dangers, not least of which is contempt for law. The perception that despite its procedural guarantees, law may be substantively arbitrary, damages its moral authority, and law cannot be effective unless it carries moral authority as well as the threat of sanctions. Should any sizeable number of people come to feel that the only reason to obey law is the possibility of unpleasantness with the courts, the cost of maintaining social order with our present degree of individual freedom will approach the prohibitive. We cannot afford to dissipate any more of law's moral authority.

Something must be done and done within the next several years if we are to preserve the judicial system as we have known it. The altered nature of the executive branch and the Congress makes it more imperative that the judiciary be preserved.

The preferred solution would be to reverse the movement toward ever more regulation. That may, in the long run, be the only solution that can preserve our traditional legal order. Karl Mannheim noted a long time ago that the western concept of the rule of law can survive only under conditions of limited government.

But that is an issue beyond our immediate control. The legal profession must pay attention now to the plight of the federal judiciary. It is to the great credit of Senator Hruska that he has helped focus discussion, heading a Commission that has proposed major reforms in our national appellate system. The problem of overload, however, affects the entire system, from district court to Supreme Court. The federal judicial system is being nickeled and dimed to death by the immense quantity of legal trivia that a welfare state generates.

One solution might be to take such matters out of Article III courts. The social policies are important but the legal questions are not difficult. Thus, in addition to considering the abandonment of diversity jurisdiction, we ought to consider an entirely new set of tribunals, analagous to small claims courts that would take over completely litigation in a variety of areas such as Social Security litigation, federal housing programs, consumer protection, truth in lending, environment disputes, and so forth. Appeals from those tribunals could be funneled into an administrative court and stop there. Only the occasional serious constitutional claim or issue of statutory interpretation need move from the administrative court into an Article III court.

Senator Hruska and his Commission on Revision of the Federal Court Appellate System have made a notable start on one aspect of the problem, but, as he would be the first to agree, much more remains to be considered. It is a task that belongs to all branches of the profession. I have recommended that the Department of Justice take the lead in a study of the entire system and I hope that it will.

But the Department cannot do it all. We look to the other branches of the profession—the organized bar and the law schools—to face with us this slow crisis in our legal system.

We ought not tinker with institutions lightly, for, as a wise conservative put it, "Unless it is necessary to change, it is necessary not to change." But right now we are changing the federal court system, and hence our legal order and our concept of the rule of law, not in detail but in essential nature, and we are doing it not deliberately but through sheer inattention to the pressures that are warping it.

Only by reducing their caseload can we preserve our courts to handle the central problems of our society—the constitutional protection of individual liberties and of democratic processes of government. These are precisely the values that will be increasingly threatened in the regulatory-welfare state.

We have lived through times of grave turmoil and division, but we have learned again that our institutions were not built only for the easy, sunny days. They were built in the confident anticipation of trouble, and they were ready when trouble came.

Of all the institutions that preserved us, none was more important than the federal judiciary. We must pay attention to the federal courts. We must not take their virtues and strengths for granted. We are facing an ever-deepening crisis but we can deal with it as we have dealt with others. If we go forward toward reform, calmly, without either gimmicky tinkering or panicky overreaction, in the light thrown by the highest traditions of the law, there is no doubt whatever that our institutions will continue to prevail over our troubles.

[From the Omaha World-Herald, Sept. 14, 1975]

LITIGATION IS CALLED THREAT TO GOVERNMENT

(By John Taylor)

The United States in the center of an "explosion of federal litigation" that is threatening major government institutions and "is even now altering their nature, perhaps irreversibly," Robert Bork, solicitor general of the United States, said Saturday.

Speaking to about 450 persons at a Creighton University dedication dinner at the Hilton Hotel, Bork warned of "serious threats" to the legal system developing.

He said that in 1963 his office, which handles all the federal government's cases before the U.S. Supreme Court, had 910 filings before the high court. Ten years later, he said, the solicitor general's office handled 2,428 cases.

"This rising torrent of federal litigation might not be so worrisome if it damaged only the solicitor general's office but, in truth, it is only a manifestation of overload that threatens all of our major government institutions and is even now altering their nature, perhaps irreversibly," he said.

Bork spoke at the concluding ceremony of a week-end long dedication of Creighton's new Ahmanson Law Center.

The reason for the increasing workload in the courts, he said, is that "we, along with every other Western nation, are steadily transforming ourselves into a highly regulated welfare state."

Besides the courts, Bork said this shows up in the "enormous staff" of the President.

He said that the increasing numbers of persons who work in the Executive Branch are not a result of a "growing lust for power," but "the inevitable response to the enormous task of regulating and coordinating a welfare state."

Bork said that congressmen, too, are surrounded by large staffs, "anonymous, unelected, unconfirmed men and women" who are making decisions crucial to the nation.

"Staffs, often with an ideological slant of their own, have become forces to be reckoned with, even by congressmen," he said.

MINOR RIGHTS

As for the increasing workload on the courts, Bork said it was a result of a "self-defeating effort to guarantee every minor right people think they ought to possess."

In an effort to handcraft every case, he said, the courts are being swamped and this

has led to treatment of cases on an assembly line basis.

The preferred solution, he said, is to "reverse the trend toward more regulation."

Since that doesn't seem to be possible, he said, "we ought to consider an entirely new set of tribunals, (similar) to small claims courts that would take over completely litigation in a variety of areas"—such as Social Security, consumer and environmental protection.

"Only by reducing their caseload can we preserve our courts to handle the central problems of our society—the constitutional protection of individual liberties and of democratic processes of government," Bork said.

AHMANSON LAW CENTER DEDICATION PROGRAM

THURSDAY, SEPTEMBER 11, 1975

8:00 p.m. Inaugural TePoel Lecture, Daniel J. Gross Appellate Court, "The Crisis in Law and Legal Education", Harold J. Berman, Story Professor of Law, Harvard University Law School.

FRIDAY, SEPTEMBER 12, 1975

9 a.m. to 12:30 p.m. Continuing Education Programs, Gross Classroom Complex.

I. Appellate Advocacy Chairman: Honorable Donald P. Lay, Judge, U.S.C.A. Eighth Circuit.

II. New Federal Rules Evidence Chairman: Professor G. Michael Fenner.

III. Recent Development in Labor Law Chairman: Professor Bernard Dobranski.

4:30. Blessing of the Law Center, Most Reverend Daniel E. Sheehan, Archbishop of Omaha.

5:30. Red Mass. Traditional Mass of the Legal Profession.

Saint John's Church Concelebrants: Most Reverend Daniel E. Sheehan, Reverend Joseph J. Labaj, S.J., Reverend Donald I. MacLean, S.J., Reverend Carl M. Reinert, S.J., Reverend Michael P. Sheridan, S.J., Reverend Robert F. Drinan, S.J., Homilist: The Reverend Robert F. Drinan, S.J., Member of Congress.

Choral Director: Robert Ruetz, Ph.D., Professor of Music, University of Nebraska at Omaha.

7:00 p.m. Cocktails Followed by First Annual Alumni Dinner, Ballroom, Omaha Hilton.

Speaker: Mr. V. J. Skutt '23, Chairman of the Board, Mutual of Omaha Insurance Companies.

SATURDAY, SEPTEMBER 13, 1975

10:00 a.m. Academic Convocation and Dedication of the Ahmanson Law Center, Daniel J. Gross Appellate Court.

1:00 p.m.-4 p.m. Tour of the Law Center.

7:30 p.m. Cocktails followed by Dedication Dinner, Ballroom, Omaha Hilton, Speaker: Honorable Robert H. Bork, Solicitor General of the United States.

Robert Heron Bork, Doctor of Laws, *Honoris Causa*, Hon. Robert H. Bork is professor of law at Yale University. As Solicitor General of the United States he is the primary lawyer for the federal government before the Supreme Court of the United States.

MINNESOTA HIGH SCHOOL SETS 4-DAY WEEK

Mr. HUMPHREY. Mr. President, many of our school districts are still concerned about the problems caused by increased enrollment coupled with limited classroom space and a lack of money for new constructions.

Stillwater High School in Stillwater, Minn., is one of them. To cope with this problem, Stillwater is participating in the latest major experiment in Minnesota schools—the 4-day week.

Mr. John Lundquist of Associated Press has written an excellent article which reflects a mix of the pluses and minuses of this approach. Mr. President, I ask unanimous consent that Mr. Lundquist's article from the October 29 edition of the Washington Post be printed in the RECORD.

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

MINNESOTA HIGH SCHOOL SETS 4-DAY WEEK

(By John Lundquist)

STILLWATER, MINN.—On Tuesday, while her sister and most of her sophomore high school friends were in class, Diane Arndt was home making a skirt. Her sister, Joanne, a senior, was back in school after waiting on tables a day earlier to make some spending money.

The two sisters weren't skipping school. They were taking Stillwater High School's new four-day week in stride.

The school operates Monday through Friday, but each student goes four days. Each day is stretched an hour to 7½ hours.

It's the latest major experiment in Minnesota schools, brought on by an increasing enrollment coupled with limited classroom space and a lack of money for new construction.

School officials selected the four-day system as the best alternative after voters rejected three bond issues in four years.

From contacts with school administrators, teachers, student and parents, these observations can be made:

Administrators find the system generally is working well, although they admit there are some "bugs" and it means more work for them.

Teachers are more apt to have some classes of 30-to-35 pupils than 15-to-20, and they may "spin their wheels" at some sessions because they can't inject new lessons when some youths are on their day off.

Pupils count it a mixed blessing. There is more free time for recreation, outside work and special-interest studies. But the four-day operation means less flexibility in scheduling.

Starting this fall, students attend classes on their four days from 7:50 a.m. to 3:50 p.m. with a half-hour for lunch. It meets the state's required minimum of 1,050 hours per school year.

The Arndt sisters appreciate an extra day off, because it gives them a chance to earn money. But Diane finds the new class schedule somewhat upsetting. Her class of 9 or 10 students in Spanish drops to herself and another student one day a week, and she couldn't bend her schedule enough to take a typing class.

Teachers voice some criticism of the four-day program.

Merlyn Erickson, a math-science teacher, complained that the scheduling can create a situation that puts all the students in one of his classes together Tuesday, Wednesday and Friday but only half on hand Monday and Thursday.

"I spin my wheels two days of the week when I have to review while half the class isn't there," he said.

Barbara Mraz, assistant principal, acknowledges there are some scheduling problems, "but we're still shaking it down at this point."

The high school was forced into the innovative program because, while many school districts in the nation report declining enrollments from a lower birth rate, enrollment at Stillwater has climbed at all levels.

After voters rejected the three bond issues, including one for another high school, administrators were wondering how to jam 1,800 students into a building made for 1,550.

Parents emphatically rejected the idea of year-round school, with students in school 45 days and out 15.

So the four-day program was put into effect. A computer matched students with classes.

SCIENCE AND TECHNOLOGY POLICIES IN THE DECADE AHEAD

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an excellent speech at the Medalist Dinner of the Franklin Institute in Philadelphia by Dr. H. Guyford Stever be printed in the RECORD.

As Director of the National Science Foundation and Science Adviser to the President, I think Dr. Stever's remarks on "Science and Technology Policies in the Decade Ahead" will be of interest to my colleagues.

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

REMARKS OF DR. H. GUYFORD STEVER

SCIENCE AND TECHNOLOGY POLICIES IN THE DECADE AHEAD

It is good to be among so many men and women of accomplishment, as we are this evening. We should be grateful for the twenty-two medalists being honored here. Never has there been a time when we needed "winners" more than now—"winners" in the sense of men and women who have made a significant contribution to society, and are continuing to give their all and inspire others to do the same. Such a need is particularly felt in the fields of science and technology. And, therefore, we congratulate you and thank you for your contributions.

But, in the case of these needs, why now? Why science and technology? And for those of you who have been attending the conference discussions here during the past two days on Science Policies in the Decade Ahead, why this decade? What is so special, so crucial about the next ten years? Without attempting to lessen tonight's ambiance, I'd like to focus briefly on these questions, and perhaps suggest some of the directions our science policies might take in these coming years.

Why now? I think we as a nation must engender a sense of urgency in our science policies, not because we face any immediate crisis, or because we are in danger of running out of any particular resource or running into any major environmental disaster within the next few years, but because—to put it bluntly—time is not on our side in many of the things we have to do for the future, and many of the transitions we must make. These transitions, in energy, in industry, in institutional and social changes, and in our international activities, will take time—more time than is generally believed. They will take that time particularly if they are to be made in a thoughtful way based on sound research.

In the case of energy changes, they will have to be carried through their developmental stages and implemented in ways that minimize costly technological blunders and unforeseen harmful environmental impacts.

In the case of industrial changes, they will have to be made in ways that do not cause economic dislocation, but introduce new ways of using energy and material resources that contribute to both our environmental and employment situations.

In the case of institutional and social changes—those in our various levels of government, our educational system, and our public and private business—they will have to be made in ways that take present and future human implications into full consideration.

And in the case of changes in our international relations, they will have to be made, as they are beginning to today, in full con-

sideration of the new needs and demands being made in the world forums.

There are no shortcuts to carrying out these processes. Within our own country they involve not only scientific and technical advances, but thorough exposure to the crucible of the democratic system. On an international level there are different dimensions.

From all this you may gather that I believe we are in for some big changes. You are right. We do face—and as a matter of fact may be well into—a significant transition period, nationally and globally. Mankind is at a turning point. And I think it is one in which the role of science and technology will be crucial—particularly during the coming decade.

I do not feel it is an exaggeration to say that during this period the major science policy decisions that the world's advanced nations make, and the major actions they pursue—together with the degree of cooperation they provide to and receive from the less industrialized nations—could have a major effect on such things as:

The future size of the world's population;

How well fed and nourished that population is;

The economic standard of living of most of the world's people;

The quality of our global environment;

And, generally speaking, social and political conditions throughout the world.

All of these, and many other conditions, will be highly influenced by the directions in which we move in science and technology, and the kind of progress we make in pursuing those courses that come out of our science policy decisions.

Let me be more specific.

If we look at our resource situation—both energy and materials—we see one in which demand is rising rapidly while the supply of many conventional resources is becoming scarcer and more costly. In energy in particular we have been tapping the least abundant resources—natural gas and oil—the most, and consuming them at a prodigious rate. Some economists tell us to depend principally on market forces to handle this situation; that as the price of these resources rises, demand will automatically drop, and as those go even higher economic incentive will stimulate development of conservation measures and alternative resources. This is the way that market forces have always worked—and still do.

But market-induced change can cause major hardships. And in the case of energy supply and conservation in particular we must intervene. The availability of energy is too crucial to too many aspects of our economic and technological systems to allow a slowing down or disruption of supply at any point (even though higher energy costs will force us to conserve, to produce more efficiently, and perhaps live more frugally). The size of the capital plant devoted to our electricity production alone is staggering. Upwards of $75 billion has been invested in it during the past ten years, and some projections show the investment need growing to $235 billion by 1980. Changes in a system of this size cannot be made easily to accommodate a shift away from gas and oil.

In addition, we do not have the time—considering population and social pressures today—to allow development of substitute resources and alternative technologies in the manner and time span historically seen. In the past it has usually taken more than 50 years for a transition from one energy source to another; that is, from the introduction of the new source until it has become the mainstay of the society. Of course, there is no certainty that we can move much faster today. The supply of both current and future energy resources poses many new obstacles we have to overcome. Tapping oil and gas on the continental shelf will require improved technology, and greater care. Extracting geothermal heat and shale oil each present difficulties. And the best uses of uranium, deuterium, and sunlight require not only difficult technological advances but the overcoming of safety, environmental, and socioeconomic obstacles that will take a considerable amount of time and ingenuity.

Nevertheless, we must make every effort to speed up our energy transition. And as part of this acceleration process it is essential that science and technology policy anticipate energy needs and problems and help industry to move ahead of market forces in energy development, lest we get caught in an energy crunch that could have serious implications for our entire economic and social system. What happens in this area of science policy and the research and development it generates during the next decade could determine our energy future for decades to follow and perhaps most of the 21st century.

We face a similar situation with regard to the way in which our industrial society manages its future material needs. Here again science policy can determine the speed and effectiveness with which we develop recycling systems and substitute resources, how we channel today's resources into new and more valuable uses as their scarcity increases, and the ways we can increase the efficiency and productivity of industry. It can also, through engineering research, improve the design and use of its end products so that society in effect can do more with less and improve the quality of life without substantially raising its costs. Toward all these ends science policy should act not to dictate the directions in which we should go, but to stimulate new ideas and innovations and suggest options. We need some truly imaginative leaps in this direction, but leaps based on sound research and development.

I realize this is a big order, and certainly not the responsibility of the science and engineering communities alone. But we should exercise some leadership. I think the public expects it of us for the support they offer—even as they hold us increasingly accountable for the blunders we may make. This is all part of the burden we will have to bear in this new age of accountability, one heavily involving Congress and often State and local government. As as result, we in science are now in politics—we are there whether we like it or not.

The kind of changes that science policies should stimulate in the next decade will have to give major consideration to domestic problems such as the decay of urban areas and the management difficulties of many of our major cities. This is related to the broad problems we face in many fields in learning to deal more effectively with large, complex systems. We hear much talk these days about "diseconomies of scale" and that "small is beautiful"—raising fundamental questions about the efficiency and manageability of large systems. These questions must be faced and answered successfully in the years ahead.

All the answers we seek in these matters should give the utmost consideration to environmental aspects. Contrary to some opinions, Americans are not about to sell out their environment for economic reasons. As a recent national poll indicated, 60 percent of the public thinks it is worthwhile to pay the costs of environmental protection; and that those costs are not economically prohibitive. To date, most evidence shows that the environmental movement has not had a significant adverse economic impact in this country, and is, as a matter of fact, stimulating the development of whole new industries that will conserve energy, recover and recycle resources, and in general improve the quality of life. This is not to say we are getting something for nothing. These advances will only come from input into, and output from, the Nation's research and development—from a range of research in the physical and biological sciences, in engineering and the social sciences. Unfortunately, there is far too little public understanding and appreciation of the variety and depth of that research going on today—and that which will be necessary in the future—to balance our energy-environment-economic needs. Helping to improve such understanding offers an important challenge to organizations such as the Franklin Institute, and one I am sure they are taking quite seriously.

One reason why there is a certain urgency in advancing research and development to meet this balance of needs is tied to the huge capital requirement projected for U.S. business in the coming decade. As reported in Business Week magazine, the figure currently being quoted for that need is $4.5 trillion for the next ten years, usually with the prediction added that we will fall short of that mark by some $650 billion.

What is particularly significant is that a substantial part of that total figure—the $4.5 trillion—will be needed to replace obsolete capital equipment. Some 40 percent of our industrial capacity is already more than ten years old and 17 percent more than 20 years old. Replacing this capacity—which is essential to our economic health and determines how well we fare in international economic competition—is more than a matter of replacement, it is a matter of revitalizing, and in many cases, redirecting, industrial growth so as to fulfill newer and changing needs. Some areas of industry have begun to do this, but so many new ideas are emerging from the laboratory and so many new concepts are being pursued that they could radically affect such things as an industry's productivity, its use of energy, its environmental impact, and its use of resources and the kind of product it turns out.

Many of these new ideas are coming from the chemical and biological sciences which, through different avenues of research, are revealing efficient, low-energy catalytic processes that could replace some of our more energy-intensive industrial methods. Some of these processes employing microbes and enzymes make possible the use as feedstock of large supplies of materials which were previously considered waste and often posed environmental and disposal problems. They also make possible the production of many new products, replacement products at lower costs, and products that are biodegradable and/or recyclable. It has been envisioned that, in addition to the more conventional approaches to using these processes, entire new integrated industrial systems could be based on them—industrial complexes that would take organic waste of all kinds in one end and put out at the other a variety of useful materials and products. These might include everything from new fuels, solvents, plastics, and elastics to textiles, foods, pharmaceuticals, and even recreational equipment. Because of the nature of their energy demands and efficiency such complexes may some day be operating principally on solar energy and pose no waste heat problems whatsoever. The full realization of such a concept may be many years off and does not lessen the need for more rapid development and improved utilization of our fossil fuel and nuclear energy resources now. But much of the research to make such advanced technologies possible is already taking place. And now—during this coming decade—is the time to make the kind of science policy decisions and commitments that could carry us through in this and other new directions.

Admittedly, these will involve some bold and risky commitments, and some sacrifices.

They will involve the Federal Government supporting a strong foundation of basic research and stimulating private industry to do likewise.

They will require the close cooperation of the Government and the private sector in

carrying the results of that research into the innovation and development and beneficial, economic products and services.

And they will call for conceiving and implementing social and economic measures—laws, incentives, and disincentives—that will stimulate early markets for these new products and services.

Such science policy, of course, should be an integral part of our national policy for advancing the country socially, economically, environmentally, and any other way deemed important.

As has been pointed out in our two-day conference, and as we are reminded almost daily, our national science policies have an international dimension of great impact. The science and technology policy decisions we follow in this country influence both our competitive and cooperative positions globally.

The next decade is going to make great demands in both these areas, and both will be important. For example, we are going to see a continued and growing interest in the investigation of the oceans and atmosphere. The oceans are an important source of living resources, and, as we are rapidly discovering, a potential storehouse of valuable minerals. For these reasons, and because traditionally they are open equally to all nations for freedom of passage, the seas are an international commons which we must learn to manage better, and for which we will soon have to reach agreements that will enable them to be used for the mutual benefit of all nations. Time is running out on this important task.

Likewise, the atmosphere is a subject of growing international cooperation and the need for such cooperation. We are already participating in large international research programs, such as the Global Atmospheric Research Program (GARP) to understand better the generation of worldwide weather by the interaction of the oceans and atmosphere. We are also finding, as in the case of the widely publicized stratospheric ozone situation, that our technological activities can pose global threats if not better understood and managed. Therefore, it is going to be essential in the years ahead that we study this and similar situations thoroughly and reach—on the basis of sound scientific evidence—international agreements on such things as the release of chloro-fluorocarbons, the control of stratospheric aircraft, and the management of weather modification programs.

On the international front one of the most important aspects of our science policy decisionmaking is going to involve our relations with the Third World. We are hearing a great deal about this these days, and we shall hear more. These relations will pose some of the major economic and social questions of this last quarter of the 20th century, and science and technology decisions will have a strong influence on their outcome.

There are several reasons for this. One has to do with the fact that science and technology tied to agricultural research and production can influence world food supply by increasing the supply in the developed nations and making surpluses available to others. Another reason is that agricultural research can be pursued in ways that will allow the developing nations to improve their own agricultural production and perhaps someday gain self-sufficiency in food supply. We are moving in both these directions today. But if one considers that more than 90 percent of the world's population growth over the next few decades will take place in the developing nations, and that some 800 million people in these countries are undernourished today, the commitment and work ahead seems staggering.

There are those who still see this food problem primarily as a poverty problem. Give these nations an opportunity to gain their fair share of the world's wealth, they say, and ways will be found to meet their demand for enough food. In order to increase their share of that wealth the nations of the Third World, which hold many of the commodities the industrialized nations require, are seeking more equitable trade arrangements and other advantageous economic agreements. We and other developed nations recognize the needs of the developing world and are going to extend greater cooperation in this direction. But such agreements are only part of the changes that will call for, as Secretary Kissinger indicated in his recent UN speech, "the broadest application of skills, resources, and information" of science and technology. And among some of the instruments which Dr. Kissinger proposed to implement this were, "an International Industrialization Institute to sponsor and conduct research on industrial technology together with governments, industries, and research facilities of developing countries," and "an International Center for the Exchange of Technological Information" to serve as "a clearinghouse for the sharing of ongoing research and new findings relevant to development." Whether or not such specific proposals come into being, I think they are indicative of the movements we will see that will increasingly involve science and technology in the support of new opportunities for some two to three billion people and perhaps more.

All this leaves no doubt in my mind that science and technology policymaking for the coming decade poses economic, environmental, and social questions for us, the likes of which we are just beginning to experience. And it confirms a belief I have long held that the growth of science and technology forces on us not only a need for greater knowledge and rationality, but an even stronger and more binding morality. As the world grows more crowded and more complex, each of us is increasingly affected by the activities of our fellow man. Therefore, the quality of life will increasingly be determined by the quality of individuals the world creates and how they conduct their lives.

And this leads to my final point—and to the issue last discussed in the conference—the effect of science policies on the human dimension. Perhaps it is significant to point out that within the next decade lies the year 1984—the title of George Orwell's classic novel of the totalitarian state. We might reflect on this as we recognize such things as the growing concern with privacy and individual rights in a computerized and electronic society, and increasing interest in social and behavioral science. At the same time that these concerns and interests are growing, we should note the rising pressures around the world to foster individual and civil rights, guarantee religious freedom, safeguard consumer interests, and protect the rights and values of minority groups whether of the different ethnic background or varying environmental or political interests. All this seems to indicate that at the same time that science and technology is creating a world dependent on more organization, planning, and cooperation, it is promoting a counter or dialectic effect that agitates for greater individual and group freedom and assertiveness, more libertarianism and diversity. The result seems to make one wonder at times where we are headed ideologically in the years ahead, and there is a great deal of interest thinking and writing being done on this subject today. But in whatever direction we move ideologically during the next ten years, you can be sure that science will significantly affect and be affected by that movement.

During these remarks many of you will note that I have concentrated on that aspect of science policy which bears on science for policy and not policy for science. But I believe that they both go hand in hand, and if the need for science is felt strongly, and science proves its effectiveness in helping the country meet its need, then the support that science needs will be forthcoming in adequate measure. We have no privileged place in this society, much as we might like to believe. Our fortune and our favor with the public have to be earned—and the competition for such things is very stiff these days.

In reviewing some of the considerations involving policies in the next decade, I hope I have added a few thoughts to the many expressed at this Second Franklin Conference that indicate the importance of science and technology for our next ten years. We in the science and engineering community will have an important role in the human drama that unfolds during those years. While it may not be the central role, it will be a pivotal one—one on which the outcome of much of the future depends. It is encouraging, as this Medal Day demonstrates, that we have men and women in science and engineering whose work and accomplishments continue to raise the prospects and hopes of society. Their positive contributions, and those of other medalists over the coming years, should add to the importance and the challenge of the job that all of us will be called upon to do.

GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, despite the fact that the United Nations General Assembly adopted the Genocide Convention a quarter of a century ago, its relevance to the contemporary state of world affairs is such that the United States must ratify this basic tenet of human rights.

Looking forward to our Bicentennial anniversary, our country must seek to examine our faithfulness to the values upon which the United States was founded. The American ideal of respect for human rights and liberties can never be realized until we are willing to affirm our commitment to international efforts to assure such rights. We, ourselves, have no right to condemn the action of others unless we allow the full moral and legal weight of the international community to fall upon us when we fail to live up to our ideals. This entails ratifying the Genocide Convention immediately.

In a world full of hate and human misery, the United States must stand out as a moral community dedicated to respect for human dignity. To fail to ratify the Genocide Convention is to fail in our obligation to our citizens and to the rest of the world, which looks to us for moral leadership.

THE FEDERAL FLOOD INSURANCE PROGRAM

Mr. GARN. Mr. President, I recently added my name as a consponsor to S. 810, introduced earlier this year by Senator EAGLETON, which would eliminate the more undesirable effects of the present Federal flood insurance program. The program was initiated in 1968 as a voluntary program under which individuals could obtain subsidized insurance under certain conditions. In 1973, the Congress made the program mandatory within "flood prone" areas, designated by the

Department of Housing and Urban Development.

As it now stands, this program consists of the very worst kind of Federal land use planning. To begin with, the designation of "flood prone" areas is capricious and arbitrary. This point is best illustrated by a recent letter to the editor of the Salt Lake Tribune, giving the example of Grantsville, Utah. It appears that in the thirties, Grantsville was designated a "dust bowl" by the Federal Government, and so eligible for Federal assistance. Now, with no change in annual rainfall, Grantsville has been designated by HUD as "flood prone," which means that residents must comply with unrealistic, expensive conditions or be unable to get home financing. I ask unanimous consent that a copy of the letter be printed at this point in the RECORD.

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

[From the Salt Lake Tribune, Oct. 20, 1975]

FEDERAL IMAGINATION

Editor, Tribune: When it comes to stretching "the imagination" you just can't beat the federal government. Example—the City of Grantsville was nearly half a century overcoming the federal designation and public image as the "Great Dust Bowl."

A large dam, nicknamed "Ethiopian Dam," was federally constructed during the extreme drought of the early 1930s to conserve flood waters that never came.

Now, with no additional moisture, the federal government has designated Grantsville as a "flood area," requiring special home owner flood insurance—which must merit the most flagrant insurance rip-off of the century. Unless we convince the federal government to reverse the designation, Grantsville, with flood insurance coverage, can now look forward to a half of a century of overcoming the designation and image of "Great Flood Area."

JACK SMITH.

Grantsville.

Mr. GARN. Mr. President, another program is the severity of the sanctions which are imposed by HUD if towns and residents do not comply. In some cases, zoning laws must be changed; now it happens that local communities in some parts of the country do not have the right to make zoning changes. Since it is apparent to State legislatures that what is involved in this program is Federal land-use planning, the zoning changes are denied, and entire communities find themselves unable to get any form of financing, either for their own development, or for the use of their residents.

And, Mr. President, I am not talking about federally insured financing: I am talking about conventional mortgage and improvements. Unless communities comply with the land use regulations, no financing can be had from any institution which participates in a Federal program, such as the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation. Surely a sanction of this magnitude, applied across the board, in contravention of the principle of local control, is a prime example of the fallacy of uniform, ironclad Federal programs.

Note a further irony, Mr. President. Suppose an individual lives in such a "flood prone" area of a community—which could mean that once in 100 years his lawn gets wet from spring runoff, and he is unable to meet the HUD guidelines. No assistance, of course, not even any financing, but he goes ahead anyway, and builds his house.

He cannot now receive any form of Federal disaster assistance, even if his house is hit by a tornado. What we see here is the use of a Federal sanction to impose a Federal standard on individuals and towns which are perfectly competent to handle their own affairs. We have seen sanctions of this sort before, Mr. President, in the Udall land-use planning legislation introduced in the last Congress. That bill provided that if a State did not adopt a conforming plan, that State would lose all Federal assistance, including highway and airport funds. The citizens of my State were highly incensed at this intrusion into local affairs, and made their displeasure known at the polls. Land-use planning was an important issue in my campaign for the Senate, and my opponent, who was a cosponsor of the Udall bill, felt the strength of the opposition.

The incredible thing to understand, Mr. President, is the lack of attention which has been paid to the identical provisions of this flood insurance program. It is time for all of us to mobilize against the rigidity of the situation, and to make the needed changes. Senator EAGLETON and I can not be said to represent the same part of the political spectrum, but we see eye to eye on this issue. It is an issue on which both parties and all segments can agree. We do not need this particular straitjacket.

Fortunately, we will soon have an opportunity to do something about it. The Senate Committee on Banking, Housing and Urban Development will hold hearing on S. 810 on November 12 and 13. At that time Senator EAGLETON and I will attempt to marshall some of the arguments against the present program, and we invite other Senators to join with us. With a concerted effort, we can all show our constituents that we are able to be responsive to their wishes, and that at least one undesirable Federal program can be eliminated.

MEETING OUR FUTURE RENEWABLE RESOURCE NEEDS

Mr. HUMPHREY. Mr. President, on October 7, 1975, I had the honor of addressing the centennial meeting of the American Foresty Association—AFA. The AFA is a citizen's group dedicated to the wise management and conservation of this country's renewable resources.

The outstanding physician-conservationist, Dr. John Warder, provided the leadership necessary for the formation of the AFA in September 1875. Thirty-five individuals founded the AFA, and today the membership has reached 80,000 members.

Due to the changes in the energy situation over the past few years, America's forests and rangelands are assuming a new and larger importance. We also are beginning to understand the ecological interconnections existing in nature. We need to understand these interconnections, if we are to work with nature and not against it. This means that we must follow a policy that improves nature, while at the same time examining its impact on nature and society. We must also be willing to make the policy shifts needed to meet changing conditions and problems.

The Forest and Rangeland Renewable Resources Planning Act of 1974 provides for a flexible program to meet the inevitability of changing conditions. The 1974 act establishes a process through the Department of Agriculture whereby the executive branch, Congress, and the public analyze the proposals presented as alternative solutions to the problem of improving our renewable resources. This process offers the opportunity to assure that the best policy is developed for the years ahead.

Periodic reviews of program priorities are provided for in the law as an opportunity to implement any significant changes in policy that are required in response to changing conditions. The AFA helped to develop this model legislation.

Mr. President, I ask unanimous consent that my remarks to the AFA be printed in the RECORD.

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

REMARKS OF SENATOR HUBERT H. HUMPHREY

When the first Congress of the United States met, our Nation had barely 3.9 million people. And the forest was viewed as a barrier to development. Exploiting it was a challenge.

When in September 1875 the American Forestry Association was formed in Chicago under the leadership of that outstanding physician-conservationist, Dr. John Warder, the effects of a century of wasteful exploitation of our forest were becoming all too clear.

Credit also should go to the American Association for the Advancement of Science and to the huge cross-section of interested citizens for alerting the American people to the need for the conservation of our renewable resources.

I am here today as a citizen with long and deep interests in the relation between our spiritual and economic well being and the condition of our natural and human resources.

I am a conservationist, and proud to be one.

I also am a professional policy maker—a politician if you wish—one of 100 Senators selected by the voters to translate ideas into national policies.

I am a politician who believes that there is an evolution of policy just as there is for plants and animals. I believe we must try to improve things, while being willing to examine what is evolving.

I also believe very strongly that we should bring people and ideas together in this evolutionary process. I am a Democrat in political philosophy—a member of the Party that believes that an elected government is the peoples' way of fashioning and achieving those goals.

Today let us talk about the Forest and Rangeland Renewable Resources Planning Act of 1974. This Act, which I helped initiate, is dedicated to the principle of policy evolution. It seeks to address the situation on

some 700 million acres of range and grass lands and some 700 million acres of forested lands—two-thirds of the 2.2 billion acres in our United States.

It gives us a nation the ways and means to shape the destiny of our land by helping determine the way we address the issue of our renewable resources.

The Act provides the means to assess regularly our renewable resources—including soil, water, forest and range plants, animals, fish, birds and even the insects.

It then provides the vehicle for focusing public policy decisions on these 1.4 million acres.

What for example, should be the role of the private land owner as well as the Federal, State and local governments?

Another important concept imbedded in the bill is flexibility. In this Act we recognized the inevitability of change and provided the basis for developing improved information on which to gear policies and programs.

We tried to create the machinery that gives us facts so that the fear and uncertainty of change is reduced. And we sought to avoid being caught up by events because we were not looking at what was happening around us.

In this Act we also tried to keep the range of actions within manageable proportions. The Act, recognizes the pivotal role the Department of Agriculture and its Forest Service play in administering forest and range lands, and in aiding the private sector management of similar lands.

It is one thing to recognize that there is a governmental role, but is quite another to be able to respond. A major challenge that we face as a people and as a Nation is to improve our ability to come to grips with issues.

Today, with well over 200 million people in the United States, decision making and policy formulation are far more complex than when we had but 4 million people in our new Nation.

When the AFA was founded, I am told you had perhaps 35 members. They looked at the resource situation, as they saw it, and they hammered out a policy and a program which was a good one. Today you have 80,000 members.

AFA is an excellent example, of how the coming together of a group of people—who are willing to get the facts and bring them to the attention of their fellow-citizens—helped focus on the issues and identify the needs.

The whole system of renewable resource conservation still rests on the foundations that this small band of pioneers helped to design. When they began, lumbermen thought that forest management on a scientific basis was pure folly.

Fire protection was viewed as perhaps useful for mature timber lest it be burned up before it was cut down. The public forest—whether Federal or State was regarded as a public picking ground. The best thing that could happen was to get rid of the trees and convert the land to a farm.

The range lands of the United States were the battlegrounds of the homesteader and the cattleman. The only question was whether the sod would be broken by the plow or by the thousands of cattle and sheep that ranged across the grasslands.

I do not suggest that all that happened was bad, either in outcome or in motivation. But the record is clear that the 35 original members of your association were forward-looking. They said that if man uses the renewable resources wisely, they will help man sustain himself in perpetuity.

Now, 100 years later, we have a much clearer understanding of the fundamental truth of this fact.

This past century has been one of major change. Oil and the internal combustion engine—both reliant on non-renewable resources—have worked changes on our whole way of life.

I am sure that when the first meeting of AFA was held in 1875, a number of your members came on a passenger train whose engine equaled 500 horses. Some probably came via "one-horse power"—a horse, pulling a "Democrat"—the popular two seater shay of the day.

For your meeting here today some came by 727—a jet powered by the equivalent of about 9,000 horses. A few probably came by train pulled by 4,000 horses, and many came by car with a 200 to 300 horse power engine.

Our use of energy these past few decades has been as profligate as our use of wood used to be. When your organization first assembled in Chicago, many of the city streets were cobbled with wood paving blocks. And the rails the trains ran on were ties of now prized and expensive hardwood lumber.

It is clear that the energy events of the past few years are going to change how we view and how we use the forest resources.

America's forests and rangelands are assuming new and larger importance. We are learning to work with nature, but time is not on our side.

We have learned that some resources are renewable. They can be husbanded or used again and again if not abused.

We know that we have a massive job of reclamation on both forest and range land in order to restore the vigor and quality of their resources.

We have learned that the forest and the range have many resources and their uses can be multiple.

And we have learned that there is a value to the quality of wildness.

In addition, we have learned to respect Nature—there are ecological interconnections that we must work with, not against.

In January, 1976, we are going to test ourselves on how to apply what we have learned. Under the Forest and Rangeland Renewable Resources Planning Act, this process already is well under way.

The Department of Agriculture now has in circulation for public study the raw material that every interested citizen is asked to study. In fact, the law—which provides the rules for this test—requires you as citizens to contribute to the body of facts and to the proposals.

In January you will be asked to come forward and tell the Congress whether or not all of the relevant facts are there and whether they are comprehensively displayed. You will be asked in the second part of that test either to pick what you think is the best course, with your reasons, or to suggest other alternatives and back them up with reasons.

And further, you will be asked to help us in the Congress to select the best course to chart for the years immediately ahead.

In this unique and comprehensive test, we in the Congress will likewise be examined on our ability to carry out our responsibilities under this new law.

We will be evaluating your ideas and measuring them against the proposals of the Executive. And, you will have an opportunity to examine the answers we give.

This legislation was the product of many people working together with diverse views. I am confident that when AFA decided to support this legislation, it did so with the understanding that it was making a commitment for its 80,000 members to work actively and continuously toward the improvement of our renewable resources.

This law is not a one-time thing. It provides that annually we can adjust our sights, and that each 5 years we can substantially overhaul our priorities and program. Every 10 years we will have a new comprehensive resource assessment that will give us the base for significant changes in both direction and speed.

I certainly hope that this Act will do more than help us chart the right courses for our renewable resources. It also should serve as a model that can be applied to many other areas.

Last week when I spoke to the Society of American Foresters, I discussed in some detail the West Virginia timber harvesting decision and some of its impacts.

I will not replow that ground today. However, I would like to expand a bit on what I said.

I called on the membership of SAF as professional foresters to express their views and cooperate in positive and constructive reform.

And I call on you as a key citizen group to help work out this issue, as you helped get the Resources Planning Act adopted. I hope that your Areas of Agreement approach will help galvanize all conservationists toward some cooperative solution as to how the National Forests should be managed.

I am prepared to help.

Shortly, I plan to re-introduce Section 201 of the original version of the Resources Planning Act. This will give the public and the Executive agencies a bill on which to focus in order to decide what form new legislation should take.

The fundamental issue we must face is whether forestry should be practiced in the courts, or in the woods.

The next issue we face is whether Congress should write tight instructions into law, or allow the professional resource manager the flexible authority needed to apply the best scientific forestry practices in a manner that assures complete respect for the environment.

My sentiments are similar to those of a former chief of the Forest Service, who told your organization in 1935, "Forestry is a profession that will not tolerate political dominance."

To best resolve these issues, Congress is going to need all of the help that you can give.

In 1905 at the American Forest Congress, Teddy Roosevelt issued marching orders for all of us here today when he said:

"You are mighty poor Americans if your care for the well-being of this country is hoping that well-being will last out your own generation. No man here or elsewhere is entitled to call himself a decent citizen if he does not try to do his part toward seeing that our national policies are shaped for the advantage of our children and our children's children."

We have a right to be confident about the future because we have accomplished so much. We have no right to be complacent because there is so much to do.

For many years it was my good fortune to work closely with Senator Clinton Anderson of New Mexico, both in the Congress and earlier when he was a Secretary of Agriculture. Let me shape with you a thought of his—a philosophy that I share.

"Conservation is to a democratic government by free men as the roots of a tree are to its leaves."

On this occasion which marks your 100th anniversary, I want to join with you in saluting that hardy band of 35 conservationists who set us on the course of wise resource management. Now, as a group with 80,000 members, I hope you will swell your impact to meet the challenges ahead.

I see no reason why we cannot be pragmatic and idealistic at the same time. As the great American conservationist Carl Schurz said:

"Ideals are like stars; you will not succeed in touching them with your hands. But like the seafaring man on the desert of waters, you choose them as your guides, and following them you will reach your destiny."

READING IMPROVEMENT PROGRAM AMENDMENT OF 1975

Mr. BEALL. Mr. President, on October 20, 1975, Senator EAGLETON and I introduced legislation to motivate children to read.

Because of the interest in this measure, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2535

A bill to amend title VII of the Education Amendments of of 1974 to provide for a program of distribution of inexpensive books to schoolchildren

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 "Reading Improvement Program Amendments of 1975".

SECTION 1. Part C of title VII of the Education Amendments of 1974 (20 U.S.C. 1961 et seq.) is amended by adding at the end thereof the following new section:

"INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION

"SEC. 724. (a) The Commissioner is authorized (1) to enter into national contracts with public agencies and private nonprofit organizations (hereinafter referred to as 'national contractors'), which have as their primary purposes motivating children to learn to read, to support and promote the establishment of reading motivational programs which include the distribution of inexpensive books to students and (2) to pay the Federal share of the cost of such programs.

"(b) Each such national contract shall provide that—

"(1) the national contractor will enter into subcontracts with public agencies or private nonprofit community organizations (hereinafter referred to as 'subcontractors') under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift, loan, or sale at a nominal price to children in pre-elementary, elementary, or secondary schools;

"(2) funds made available by the Commissioner to a national contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1), except that the national contractor may retain an amount not to exceed 10 per centum of the total funds made available pursuant to such contract for the purpose of paying the cost of providing technical assistance to subcontractors with respect to the establishment and operation of such reading motivational programs;

"(3) at least one-half of the funds made available by the Commissioner pursuant to such contract will be used for the establishment and operation of reading programs as described in paragraph (2) of this subsection in localities or neighborhoods having high concentrations of children from low-income families;

"(4) national contractors and subcontractors will meet such other conditions and standards as the Commissioner determines to be necessary to assure the effectiveness of the programs authorized by this section.

"(c) The Commissioner shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless he determines that the national contractor or the subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

"(d) For purposes of this section—

"(1) the term 'nonprofit', when used in connection with any organization, means an organization no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual;

"(2) the term 'Federal share' means 50 per centum of the cost of a reading motivational program established and operating pursuant to this section, except that the Federal share may be up to 80 per centum of the cost of any such program which is composed predominantly of children from low income families whenever the national contractor determines, in accordance with criteria established by the Commissioner by regulation, that the operation of such program without such additional payment would not be possible due to the limited resources available to the subcontractor responsible for establishing and operating such program;

"(3) the term 'pre-elementary school' means a day or residential school which provides pre-elementary education, as determined under State law, except that such term does not include education for children who have not attained three years of age;

"(4) the term 'elementary school' has the same meaning as provided in section 801 (c) of the Elementary and Secondary Education Act of 1965; and

"(5) the term 'secondary school' has the same meaning as provided in section 801(h) of the Elementary and Secondary Education Act of 1965.".

SEC. 2. Section 732 of such Act is amended by adding at the end thereof the following new subsection:

"(e) There are authorized to be appropriated to carry out the provisions of section 724, relating to inexpensive book distribution programs for reading motivation, $4,000,000 for the fiscal year ending September 30, 1976, and $9,000,000 for each of the fiscal years ending September 30, 1977 and 1978.".

THE U.S.S. *EISENHOWER*

Mr. NUNN. Mr. President, October 11, 1975, was a significant milestone in the history of the U.S. Navy. On that day, the nuclear powered aircraft carrier, *Dwight D. Eisenhower*, was launched at Newport News, Va., and the keel was laid for its sister ship, the *Carl Vinson*. The *Vinson*, when commissioned in 1978, will join the *Enterprise*, the *Nimitz*, and the *Eisenhower* in providing the United States the most powerful carrier warships in the world.

Due to illness, former Congressman Vinson was not able to be present for the ceremony. It was my great honor to deliver his prepared remarks on his behalf.

Carl Vinson has always maintained that America's first line of defense is adequate military preparedness. As chairman of the both House Armed Services Committee for 14 years and its predecessor, the Naval Affairs Committee for 16 years, Carl Vinson played a major role in determining the defense posture of the United States in the first half of the 20th century. He is credited with founding the two-ocean Navy, a concept which contributed significantly to the U.S. victory in World War II. In light of recent cuts in the fiscal year 1976 defense budget and mounting criticism of defense spending, I believe his remarks are worthy of careful review by every Member of Congress.

In addition, Vice President NELSON ROCKEFELLER, a stalwart supporter of a strong national defense, delivered the keynote address on the occasion of the launching of the U.S.S. *Eisenhower*.

I ask unanimous consent that these two speeches, as well as Adm. Hyman Rickover's introductory remarks made at the October 11 ceremony, be printed in the RECORD.

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

INTRODUCTION OF THE HONORABLE CARL VINSON BY ADM. H. G. RICKOVER

I regret that the Honorable Carl Vinson is unable to attend the ceremony authenticating the keel of our fourth nuclear carrier. However, we are fortunate to have present his great-nephew, the Honorable Sam Nunn who represents Georgia in the United States Senate. Senator Nunn has kindly consented to stand in for his Uncle Carl. However, I do wish to say what I was going to say about Carl Vinson because he's one of our great Americans and you must become acquainted with what he did for this country and I will repeat the remarks I would have made if he were here.

It is a pleasure to introduce the man who honors the Navy by giving his name to our most powerful warship. Just as the carrier is the mightiest ship, so is he in a sense our mightiest warrior, for no other man alive has done so much for the defense of our country and that is literally true.

Titles such as "Father of our Modern Navy" and "Aviation's Elder Statesman" barely describe his contributions during a half-century in the House of Representatives—the longest service of any House Member in our history.

He was first appointed to the Naval Affairs Committee in 1917; by 1923 he was its ranking Democrat. In 1931 he became Chairman. When that Committee became the Armed Services Committee in 1947, he continued as Chairman. He held that position, except for two short periods when the Republicans controlled the House, until he retired in 1965.

More than any other person, he was responsible for the build-up of the U.S. Navy and its air power before World War II. Had it not been for his foresight and wisdom, the United States would not have been as well prepared following the Pearl Harbor attack.

Fleet Admiral Nimitz, Commander of the Pacific Fleet, said of him: "I do not know where this country would have been after December 7, 1941, if we had not had the ships and the know-how to build more ships fast, for which one Vinson bill after another was responsible."

Carl Vinson's philosophy concerning military preparedness is just as valid today as it has ever been: "The most expensive thing in the world is a cheap Army and Navy. History has clearly shown that weakness invites attack."

Recently he was asked what advice he would give to the new members of the House Armed Services Committee. He said "Never allow geographic concerns or narrow constituent concerns, or private or vested interests, or any such interests to influence your vote on issues of national security. Your main concern, always, must be the welfare of the United States of America."

He treated me kindly and listened patiently to my arguments for a nuclear Navy. He backed the policy that our naval strike forces must be nuclear powered.

Needless to say, I would have been proud to introduce that great American, but instead I will now introduce Senator Nunn of Georgia.

OPENING REMARKS OF U.S. SENATOR SAM NUNN

Thank you Admiral Rickover. Uncle Carl, as you know, is in the Milledgeville Hospital, but he told us in strong voice last night "I am holding my own."

His faithful friend and companion of 41 years, Tillman Snead, and his loyal secretary, Clyde Petty, are by his side.

Many of the Vinson family and loved ones are with us today. His beloved Molly Snead is in the audience and will return to him this afternoon. Tillman Snead, III and his beautiful wife, Karen, who in March will make Grandpa Vinson, Great Grandpa Vinson, are here. Tillman's brother and Uncle Carl's namesake, Carl Snead, is also with us.

Tillman and Carl are the sparks that have motivated Uncle Carl for years. They gave his life purpose, and it is fitting that they carve his initials on the Keel in a few moments.

Thus, our God above has, in many ways, made it possible for Uncle Carl to remain in Milledgeville and yet be with us in Newport News, in spirit and in thought.

Now let us hear his exact words of wisdom and love.

PREPARED REMARKS OF HONORABLE CARL VINSON AS DELIVERED BY U.S. SENATOR SAM NUNN

Mr. Vice President, Governor Godwin, Secretary Clements, Mr. John Diesel, Mr. Secretary of the Navy, Mrs. Mamie Doud Eisenhower, Mrs. John Eisenhower, Ambassador John Eisenhower, Admiral Rickover, Members and former Members of the Congress, distinguished guests, ladies and gentlemen:

On November 18, 1973, when the Walter F. George School of Law, my Alma Mater, at Mercer University in Macon, Georgia, celebrated its 100th Anniversary, with it was entwined my 90th birthday.

President Nixon on that day at Mercer University in closing a most forceful and eloquent address said, "As you know, we have just begun to develop nuclear carriers. The first one was named the *Eisenhower*, the second was named the *Nimitz*, the great Naval Commander of World War II, the third is just beginning and it will be called the *Carl Vinson*."

Well, as you can all imagine I was the most amazed and surprised man in America at that moment.

I never dreamed that some day my name would be on one of the greatest aircraft carriers ever to be built.

My cup runneth over—my star has reached its zenith.

Needless to say, I am humbled beyond words that my contributions should receive the recognition that is being accorded me now, and for the life of this ship.

Now, I am here to participate in the Keel-Laying and, notwithstanding my advanced age, I am going to do my level best to be back here at this privately owned shipyard at the christening in the fall of 1978.

In a few moments we will witness the christening of the great *Eisenhower*, on its way to sea.

However, at this moment we turn our hand to another great carrier—the CVN 70—powered with nuclear energy which will enable her to sustain herself at sea without refueling for an unbelievable period of time, on which I will write my initials with an acetylene torch on the keel block.

She will carry many sophisticated aircrafts and will be home for more than 6,000 skilled and highly motivated naval personnel.

When this ship joins the *Enterprise*, the *Nimitz*, the *Eisenhower*, and their nuclear escorts in 1978, our supremacy at sea for the time being will be assured so far as air power is concerned.

America is strong, but she is in danger of becoming weak. This great aircraft carrier will add strength. But it must not stop here.

By the end of this fiscal year, we will only have 490 naval vessels in commission. We are fast falling back to becoming the second greatest sea power in the world.

When that day arrives, and it may be sooner than we realize, we will be forced out of the Mediterranean, the Indian Ocean, the Western Pacific and possibly even the Caribbean.

The time has come for the Congress of the United States to recognize and meet squarely the responsibilities imposed upon the Congress by the Constitution.

The Congress must provide for a strong national defense. I sincerely hope that it will have the courage and foresight to authorize and fund a five-year ship building program that will assure our supremacy on the high seas of the world.

We especially need attack submarines, as well as missile carrying cruisers.

Only with a determination on the part of our people to remain militarily strong, will we survive.

Today marks a step in the right direction. Let us pray that this course of action will continue and that we will not allow ourselves to become a second-class naval and military power.

I call your attention that just two days from now, on October 13th, the United States Navy will celebrate its 200th Anniversary.

Imbued with the spirit of John Paul Jones, the Navy has written on the pages of history a glorious and heroic record.

God bless this wonderful land of ours.

Thank you.

REMARKS OF THE VICE PRESIDENT AT THE CEREMONY LAUNCHING OF THE DWIGHT D. EISENHOWER NUCLEAR-POWERED AIRCRAFT CARRIER

Mrs. Eisenhower, and members of the Eisenhower family, Mr. Vinson, Distinguished representatives of the Congress, Governor Godwin, Secretary Clements, Secretary Middendorf, Admiral Holloway, Admiral Rickover, Mr. Diesel, Honored guests, and men and women of Newport News shipyard—builders of our Nation's entire nuclear carrier force: It is a privilege—it is a high honor—to participate in this unique ceremony as a representative of our great President, Gerald Ford.

We are here on the eve of the Navy's 200th anniversary to hail a most significant and timely investment in the future of America: To launch this awe-inspiring nuclear powered aircraft carrier, proudly bearing the illustrious name of our great military leader and President, Dwight D. Eisenhower; and to lay the keel of a sister-ship most appropriately named and with warm affection for that far-sighted advocate of a strong Navy in war and peace, Representative Carl Vinson.

Together, these mighty vessels evidence the will and the resolve of the United States of America: To preserve an endangered freedom of the seas, and to meet the growing challenges we face with strength and with confidence.

From the beginning of this Nation, we have looked to the sea for our safety, our security, our well-being. Our competence to defend the sea lanes, protect our commerce, shield our coasts, has been crucial to our survival and our success: We won our freedom with French naval support at Yorktown, and spanned vast oceans to tip the scales for the victories of two World Wars.

In World War II, we rebounded from the crushing attack on Pearl Harbor, and the terrible days when American shipping was burning and sinking off our Atlantic Coast, to build the greatest Navy the world has ever known, a Navy that insured Allied victory. That Navy has underwritten our commitment to freedom ever since—with the aircraft carrier as a key. But today we confront an increasingly formidable challenge—and this occasion presents an opportunity to examine that challenge realistically—"to tell it like it is".

During the last two decades, the Soviet Union has been building a totally new Navy: An impressive missile-oriented force, that will include new aircraft carriers, a Soviet Navy that was capable of mobilizing its nuclear submarines, some 200 surface ships and 400 aircraft in three oceans and four seas for maneuvers last April, controlled through a sophisticated, world-wide communications network including satellites.

One must respect Fleet Admiral Gorshkov, the architect of this unique achievement, for what he has accomplished for his country in the short space of two decades. He has transformed the Soviet Navy and effectively integrated it with a total Soviet effort that challenges us in every important element of military strength.

But today, we are increasingly, formidably challenged. This occasion permits an opportunity to examine that challenge realistically, to tell it like it is.

During the last two decades, the Soviet Union has built a totally new Navy, an impressive, missile-oriented force that will include two new aircraft carriers; a Soviet Navy that was capable of mobilizing its nuclear submarines, some 200 surface ships and 400 aircraft in three oceans and four seas for coordinated maneuvers last April, all controlled through a sophisticated worldwide communications network, including satellites.

One must respect Fleet Admiral Gorshkov, the architect of this unique achievement, for what he has accomplished for his country in the short space of two decades. He has transformed the Soviet Navy and efficiently integrated it with a total Soviet effort that challenges us in every important element of military strength.

The Soviets have developed the most comprehensive intelligence complex the world has ever known, while we run the risk of destroying our own intelligence system with headlines.

(Applause.)

They have a massive investment of scientists and resources in military research and development that pares away our qualitative lead in strategic missiles, sophisticated aircraft, and modernized armies.

In the fact of all this, while the Red Fleet has been growing, ours has been cut in half, back to the days before Pearl Harbor.

What of detente? Under the skillful leadership of President Ford and Secretary Kissinger, we have made solid progress towards reducing the risks of global destruction and building a more peaceful world. They are keenly aware that in a complex, competitive, ideologically-divided world, we can achieve the benefits of detente only if we maintain our will as a free people, only if we are strong militarily, economically, and politically.

Freedom of the seas is crucial to that strength in all these categories; therefore, the strength of the United States Navy is critical to the future of freedom in the world.

(Applause.)

Militarily, we have security pacts with some 40 nations. Our NATO lifeline across the Atlantic is essential to the defense of Western Europe. Our close security relationships with our Western Hemisphere neighbors has just been reaffirmed. Our presence in the Mediter-

ranean and other seas is a strong influence for stability and peace in areas of turmoil and danger.

Economically, we rely on the sea lanes for 99 percent of our overseas trade, vitally affecting the jobs and the living standards of all Americans. Our dependency on imported energy and raw materials is still growing dangerously. Our allies are even more dependent upon our open sea lanes for their energy and their resources, which affect not only their standard of living but their freedom itself.

Politically, we are witnessing the use of naval forces to support political goals by those who still firmly believe that ideological struggle is objectively inevitable.

Admiral Gorshkov has observed in his writings how political goals can be achieved by merely threatening to initiate military operations. Soviet warships are now a constant presence in strategic ocean areas and off the shores of world trouble spots.

Seven years ago, Admiral Gorshkov announced, and I quote his words, that "Sooner or later, the United States will have to understand that it no longer has mastery of the seas." Three years ago Admiral Gorshkov observed, I quote, "History shows those states that do not have naval forces at their disposal have not been able to hold the status of a great power for very long."

Thus, today, we launch the *Eisenhower* and lay the keel of the *Vinson* with realistic appreciation that the price of liberty is not cheap, that our strength is the only basis of detente, and that the preservation of American ideals, with all that they mean for the dignity of the individual as a spiritual being and the welfare of mankind, demands sustained devotion to freedom and sacrifice on the part of all of us.

Let these great ships stand to sea in the name of human freedom, glorious symbols of the renewed Declaration of Independence from tyranny, triumphant proof that an awakened America sails forth into the Third Century, dedicated anew to the preservation of life, liberty, and the pursuit of happiness.

I thank you.

Mr. TALMADGE. Mr. President, I associate myself with the remarks of my colleague (Mr. NUNN) in paying tribute to the Honorable Carl Vinson.

In all the history of our Republic, no other Member of Congress has done more to guarantee the United States a strong and ready defense establishment than Carl Vinson, former chairman of the Armed Services Committee of the House of Representatives. It is fitting indeed that a nuclear-powered aircraft carrier be named in his honor, and I extend to Chairman Vinson my heartfelt congratulations. Carl Vinson is an outstanding statesman and a distinguished citizen who has served his State and Nation above and beyond the call of duty, and the aircraft carrier *Carl Vinson* will be a splendid addition to the U.S. Fleet.

SENATOR MATHIAS ADDRESSES CRITICAL ISSUES FACING OUR COUNTRY

Mr. HATFIELD. Mr. President, one of our colleagues, Senator CHARLES "MAC" MATHIAS, spoke last week at the National Press Club. His speech touched on a number of critical issues confronting our country as we near our bicentennial. Senator MATHIAS, as we would expect, provided a clear analysis of several important issues in his comments at the Press Club.

I particularly was impressed with his comments about how the political parties have not really addressed the issue of improving the significance of human life.

I call the attention of my colleagues to this speech of our distinguished colleague from Maryland. It makes worthwhile food for thought for us all.

I ask unanimous consent that this speech, given before the National Press Club on October 30, 1975, be printed in the RECORD.

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

SPEECH BY SENATOR CHARLES MCC. MATHIAS, JR.

The press has long been revered as an American institution. In 1787 Thomas Jefferson wrote" . . . were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hestitate a moment to prefer the latter."

This, of course, was written before Jefferson had held a high elective office. After he had assumed the Presidency, his views were somewhat modified. In 1807 he wrote to John Norvell that "nothing can now be believed which is seen in a newspaper. Truth itself becomes suspicious by being put into that polluted vehicle." He added that "the man who never looks into a newspaper is much better informed than he who reads them."

It is unfortunate that Jefferson was not exposed to the creative genius of daytime television so that we could have his views on that as well.

We meet today in the shadow of a momentous occasion in the life of the republic. 1976 marks the Bicentennial of the signing of the Declaration of Indepndence and, 1976, is also a Presidential election year. These two events serve as touchstone for my comments today.

On the one hand there is the Declaration of Independence, a glorious statement of the humane principles that underlie the republic. Both as a reminder of that which is best in our traditions and as a check list of unfulfilled aspirations, it acts as a needle on a compass directing us on a course of action that is true to the finest of our ideals.

The coincidence of a Presidential election during the Bicentennial, on the other hand, focuses our attention to the machinery of government on the means for accomplishing the goals articulated in the Declaration. How adequate are our institutions as a vehicle for turning the promises of 1776 into reality for the generation of 1976?

The answer, I would argue, is mixed at best. There *is* much to be proud of as we move into our Bicentennial. We are strong, we are at least relatively well off, and the aftermath of Watergate allows us to assert that we are capable of self-correction.

But, there is also the negative side. Our people, I believe, do not sense a purpose or direction to our national life. There has been a failure of leadership for which all of us in public life—including you in the media—must take some responsibility. Throughout the nation there is a call for leadership that must be—but is not being—met. In particular, we must articulate the tough issues of our day in ways that can translate into public dialogue. This is not taking place and all of us share the blame.

I should like to focus today on the political parties for I believe they have singularly failed—both internally and in competition with each other—to raise and define many of the crucial issues facing us. Let us look at but some of these issues.

They have failed on the issue of crime. Major crime rose 148% under the Kennedy and Johnson administrations. Under President Nixon's administration, criminal activity was not only on the rise in the White House, but in the school house. While crime increased an additional 30% on the streets of America, assaults on students in schools rose 83% and drugs and alcohol abuse in school rose 37.5%.

No-knock raids by Narcs in the night are not the answer. We not only have made no significant effort in combatting crime, but we have not even begun to understand what causes it. It has been years since political parties seriously asked why America's prisons have been allowed to remain graduate schools in the criminal arts instead of providing industrial type employment within prison facilities so that workers can learn meaningful jobs and support their families while they are in prison?

Our political parties have failed on the issue of jobs. The promise of the Employment Act of 1946 is unfulfilled. Eight million Americans today are unemployed and looking for work, and neither party has come up with the only viable answer, a job for every American ready, willing and able to work.

America's political parties have failed on the issue of welfare reform. From 1964 to 1975, Federal, State and local welfare expenditures rose from $5.6 billion to more than $37.7 billion. Today one person in every six in New York City is on welfare. The present welfare system has wasted money. But it also has wasted human lives. It has created a cycle of dependency that feeds people and keeps them alive. But it gives them no hope for a better tomorrow.

Our political parties have failed on the issue of tax reform. If you earn $8,000 a year working in a steel mill, you pay the full tax. If you earn $8,000 a year buying and selling General Motors stock, you pay only half as much tax; and if you earn your living busily clipping coupons from municipal bonds, you may pay no tax at all. Both parties give lip service to tax reform—but no real tax reform has been enacted. My colleague, Senator Hatfield, has proposed a simplified tax system with no loopholes. It has been given thoughtful consideration and a decent bipartisan burial. I believe that such a tax plan could be modified to incorporate a negative income tax sufficient to permit a dismantling of much of the present welfare system. For all willing to work, we should guarantee jobs. For those unable to work, a negative income tax would treat poverty for what it is—an economic disability, rather than a social disease.

Despite all of the rhetoric, our parties have failed to surmount bureaucratic red tape. Businessmen are confronted with more than 50,000 pages of federal regulations which appear each year in the Federal Register. I am told that the ICC has more than 43 trillion railroad rates on file without an index. Professor Moore has calculated that the ICC has cost consumers up to $7 billion a year in excess freight rates. Its delays in the Rock Island merger unquestionably contributed to the bankruptcy of that railroad. And what do you think they are doing now? They are asking Congress for more regulatory authority. Unfortunately reform is at the bottom of the political shopping list. The tragic fact is that both parties know that you can get more attention playing garbage man for a day than you can by wading into the complex and tedious area of regulatory reform, even though in the long run, it could save America's consumers billions of dollars.

Our parties have tragically failed to deal with the problem of race relations in America. Race relations today may very well be worse than they were a decade ago. South Boston may only be a more visible aspect of

that problem. The problem of race relations has been allowed to fester by the lack of creative thinking in the political processes. Everything is over simplified with code words and slogans. You are either for busing or you are against it; you are either for racial quotas or you are against them. While tied up in such simplistic approaches, our political parties have failed to explore the use of new tools to promote equal opportunity, such as civil damages which have been effective in the antitrust area. Worse yet, there are important questions which neither party is even willing to ask. We must consider, for example, whether the EEOC has inadvertently provided a disincentive to locate manufacturing plans in the inner cities thereby compounding the employment problems of the very people it was designed to help.

Our political parties have failed on the issue of health. If the Republicans have a health program, I don't know what it is. As for the Democrats, repudiations are stamping out ideas faster than they can sprout. We are making a grand campaign issue of health while thousands of Americans continue to live in counties with no doctors at all, and other Americans suffer from tragic illnesses because they cannot afford proper medical care.

Our parties have failed to improve the quality of life in urban America. Urban renewal has torn up neighborhoods and repackaged the slums in glass and concrete cages where a man cannot get his shoes fixed or buy a beer. If technocrats of the future have us living with artificial grass under giant domes, there may be air conditioning and all the amenities of modern living. But without trees, grass, wind and rain, without buildings on a human scale, life will not be enriched. Chickens may thrive in automated hen houses, but man will not.

Every weekend, our highways are filled with people trying to escape the sterile life of the city and renew their communion with nature. Our goal should be to develop cities so that they will be suitable for the full expression of human potential.

While regional planning and metropolitan government provide certain economies of scale, they are often too remote and unreachable. They make people feel powerless and frustrated. Parks, recreation, zoning and other matters of neighborhood concern can be left to neighborhood control—an important first step if we are to turn services areas into communities.

But the greatest failure of our political parties is the failure to improve the significance of human life. American youth are protesting the dehumanization of society. Their sisters are on drugs and their mothers are on valium. They live in look-alike houses, eat artificial food, and often end up in meaningless jobs. There is a loss of community, a loss of self-reliance and a loss of purpose. Microbiologist Rene Dubos has stated:

"Cultural homogenization and social regimentation resulting from the creeping monotony of overorganized and overtechnicized life, of standardized patterns of education, mass communication, and entertainment, will make it progressively more difficult to exploit fully the biological richness of our species and may handicap the further development of civilization."

The failure of our political parties has been accompanied by a rise in the number of persons who register as Independents. In 1964, 22% of the registered voters were Independents. Today this has grown to 32%. More interestingly, the percentage of Independents increases with education. Among Americans with only a grade school education, 21% are Independents, while 38% of college graduates are Independents. The percentage of Independents is also higher among the upper income groups and among young people. For those under 30, 45% are Independents as opposed to 40% Democrats and 15% Republicans.

Being an Independent today may not so much reflect apathy, as a disgust with the alternatives. Independents may be like Jefferson who said, "If I could not go to Heaven but with a party, I would not go there at all." Bill Moyers has added that "of course there will be no partisanship in Heaven: no Democrats, no Republicans, no socialists, no libertarians, no conservatives, no liberals, no radicals. Just us Baptists."

Not only are most Independents disaffected with our political parties, but millions of Americans are only nominally registered as Republicans and Democrats. For them the parties are nothing more than flags of convenience.

I would warn both parties that there will be a major political realignment in 1976 if they do not respond now to the basic concerns of this country. I have been to the streets of Boston and the union halls of Baltimore and the people out there couldn't care less what party you belong to.

Americans are no longer willing to accept a political party as the lesser of evils. They are no longer willing to accept the old pol technique of never mentioning issues or moving so fast that issues don't arise and contradictions can't be spotted. Nor will people continue to accept thirty-second subliminal spots of daisies or giant saws cutting off the Eastern Seaboard. And they won't accept parties which have no vision for America. The pap that comes out of both National Committees is a fraud on their contributors. I have seldom been able to use any of it, and it would be a sad day if anyone was elected to high public office who did.

On the Democratic side there are nine candidates at last count. Several more wait in the wings.

As they push and shove from state to state, it might be expected that they would stumble onto the issues, but so far they seem to be stumbling over each other. No clear directions seem to emerge and no new confidence is being instilled in the political leadership of the country.

But on the Republican side it is harder and the outlook dimmer. It is not merely a matter of President Ford's fascination with a very real threat on his right that is limiting debate among Republicans. It is time to recognize the attrition that has debilitated the Republican Party. In 1964 when Edward Bennett Williams left the Party and five or six years later when John Lindsay and Ogden Reid left the Party it was easy for the regulars to say "Good riddance—those are just the rats leaving!"

But it wasn't only the restless, bright, liberal young men who were leaving. It was also thousands of thoughtful, serious, concerned and moderate women and men of every age and economic status. Many more didn't even bother to drop out—they went into hibernation. And the trend continues. One straw in the wind is the new freshman class of 1980 at Goucher College—with students who will admit to being Republicans down 7% from last year.

And so the intraparty debate grows more and more tepid, and less and less relevant. And so a great creative force is wasted and dissipated at a time it is most needed.

If the political parties are to survive, they must become more than election vehicles.

They must do more than follow public opinion polls.

In the last analysis they must begin to do what is right, to provide for the full development of the potential of every American.

We can provide jobs for all those willing to work—and we must.

We can tax all income the same—and we must.

We can become blind to race—and we must.

We can rejuvenate our cities and schools—and we must.

And we can improve the significance of life for each individual—and we must.

As Americans, we have a unique capacity for regeneration. The Civil War, the riots in our cities and Watergate, rather than destroying us, were followed by a renewal of our institutions.

Yet, we also have the capacity for change. As a revolutionary people, we broke the bonds and traditions of the Old World. We have reached across the frontiers of time, space and knowledge. We have brought new ideas to the world in science, industry and democracy.

Like young trees, we have been ready to shed old bark for new growth. Do we dare to be revolutionary still?

If our parties do not respond, there are precedents for what must happen. Republicans and Democrats, like Whigs and Federalists, will pass into history as others emerge who speak to modern man.

Long shadows are cast across the land—there is too much decay in our cities—

Too much crime in our streets—

Too much cancer in our bodies—

And too much discontent in our hearts.

But if you listen in the quiet of the morning, or the stillness of the night, you can hear a sound—it is the energy of the people.

The surging of hopes unfilled.

The striking of visions unreached.

The burning of desires unmet.

It is the sound of a great people. They are saying, with leadership we can reach across the valleys of fear, and build the bridges of hope. With leadership we can work together, dream together, and achieve together to make a better land.

THE FOOD STAMP REFORM ACT OF 1975—S. 2451

Mr. KENNEDY. Mr. President, I am honored to join our distinguished colleagues, Mr. DOLE and Mr. MCGOVERN, in introducing a bill that will improve and equalize the existing food stamp program.

The food stamp program has been the subject of substantial public debate for a very long time, in the Congress and in the administration.

Originally enacted in 1964, its purpose was to provide needy families with the opportunity to purchase nutritionally adequate low cost domestic food products. It has accomplished this objective, in most instances; however in doing so, along the way, it has also caused critical concerns, demanding changes to ensure that the needy are clearly the beneficiaries of the program.

With the administration of any new program, there are certain to be "growing pains." The food stamp program has been no exception. While it has been in existence for little more than a decade, it has had an interesting history. During the first year, only 110 counties participated in the program in the country. Most counties still used the food commodity program.

Yet between 1965 and 1971, the program grew to include almost 15 million persons, virtually replacing the food commodity program entirely. The substantial growth in the rise of food stamps very pointedly emphasized its need. By 1974, the number of persons using the food stamp program had risen to 19.5 million. This rapid rise in the program's use parallels the rise in the unemployment rate,

which had reached 9.2 percent in 1974. The serious state of our national economy focuses attention on the food stamp program.

It is now claimed that too many people are using food stamps who do not need them. With widespread use, there is believed to be widespread abuse. And so there is now a call for a critical reappraisal of the food stamp program. With the food stamp reform bill of 1975, we intend to make the program available only to the needy and in such a way as to eliminate bureaucratic hassles and recipient degradation. These are unpleasant features of the program that have for too long been associated with public support programs.

In addition, there is a need for reducing the cost of administering the program. The public criticizes the management of the program and its cost to the taxpayer.

With this new bill the cost of administering the program will be reduced substantially with the introduction of a standard deduction which will be used for all families across the board. That procedure will erase the double standard used to automatically provide benefits for some food stamp recipients but not for others. So that all families earning up to $9,000 are eligible for food stamps regardless of their participation in public assistance programs.

Household income for purposes of the food stamp program will be the gross income of the household less a standard deduction of $100 a month applicable to all households and an additional deduction of $25 a month for any household where there is at least one member who is age 65 or older.

This important new provision would also eliminate the tedious process used in the current program in determining food stamp costs for the participants, and would eliminate those high income persons who manage to qualify using erroneous deductions.

In eliminating the nonneedy from participation in the food stamp program, this bill restricts students from higher income families from participation, thereby reducing the cost of the program.

Another important feature of the Food Stamp Reform Act would eliminate the cash transaction in the purchase of food stamps. This has important implications for the food stamp program participant who has had to wait in long lines during inclement weather to purchase food stamps and especially for those recipients who are unable to get to the food stamp office. This is another major step in eliminating some of the degradation associated with public support programs.

Food stamps will be issued to families without the cash transaction. The family who has normally paid $100 for $200 worth of food stamps will receive $100 worth of food stamps without having to purchase them.

It is the intent of the Food Stamp Reform Act of 1975 to make food stamps available to only those persons in the most need and to upgrade the program in such a way that it is more responsive to the needs of the recipient. The food stamp program is an important and much needed program which assures that needy people can receive nutritionally adequate diets.

I am pleased to join our colleagues in supporting a bill that will accomplish that goal.

WARREN COMMISSION REPORT

Mr. SCHWEIKER. Mr. President, John Hart Ely, who served as an attorney on the staff of the Warren Commission wrote a thought-provoking article in last Thursday's New York Times. Although I do not agree with all of Mr. Ely's conclusions, I do concur that many important questions remain unanswered about the role of U.S. intelligence agencies in investigating the assassination of President Kennedy for the Warren Commission. That is precisely why Senator GARY HART and I have been designated by the Senate Select Committee on Intelligence Activities to study the effectiveness of the FBI, CIA, and other agencies in working for the Warren Commission. And these are the questions we hope to answer in the weeks ahead.

Mr. President, I ask unanimous consent that Mr. Ely's article be printed in the RECORD.

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

ABOUT THE EVIDENCE

(By John Hart Ely)

(The evidence reviewed above identifies Lee Harvey Oswald as the assassin of President Kennedy and indicates that he acted alone in that event. There is no evidence that he had accomplices or that he was involved in any conspiracy directed to the assassination of the President.)

McLEAN, Va.—I served on the staff of the Warren Commission. And although it is voguish to say otherwise, I think we wrote a good report. I continue to be amazed at how many "new" discoveries that appear in critical literature were discussed in the report, and at how many people are prepared to dismiss the report without having bothered to read it.

Attention-getting criticism has proved easy; we knew it would be when we published, in 26 volumes, the great variety of testimony, other evidence, speculation and rumor that had come before us.

But devising a coherent and credible theory to explain what happened in Dallas on Nov. 22, 1963—one that isn't forced to hypothesize a number of duplicate Lee Harvey Oswalds or a diobolical command center with absolute control over the thoughts and actions of the thousands of persons involved in the events and their investigation—has proved quite a different matter.

For all its inevitable loose ends, the Commission's account of the evidence in those 26 volumes remains, eleven years later, the only really coherent account that has been put forth.

Recently, however, another set of issues has begun to surface—having to do not with the way the Commission analyzed the information to which it had access but rather with the way the commission obtained, or, more accurately, the way it was provided its information.

The Commission, of course, lacked real investigative resources of its own and was therefore heavily dependent, at least for leads, on the Government's existing investigative agencies.

To the extent that we could, we checked the information we were furnished against other information we had from the same or other sources, but such cross-checking was obviously of limited value.

Naturally we were troubled by this investigative dependence to an extent, but there did not seem to be any plausible alternative way of proceeding. With a staff comprised almost entirely of lawyers, we were not structured as an investigative agency; analysis, asking the right questions, and evaluating the alternative answers to them was what we were obviously suited to. And that simply seemed to be that.

Eleven years later, it seems that should not simply have been that. Why, then, did we not make an issue of it? How could anyone, no matter how inexperienced in matters of investigative politics, have been so oblivious to the risks of reliance on the existing agencies for information in a matter like this?

The explanation, I think, is that this was 1964, not 1975. We were all more innocent a decade ago. Since that time, to our collective sorrow, we have learned many things. We have learned, contrary to what once seemed common sense, that persons in high places will, at substantial risk to themselves, cover up for the misdeeds of subordinates who seem of little consequence.

We have learned that investigative agencies are not the monoliths we once thought they were; that schemes of substantial moment are planned and sometimes executed at relatively low levels; that they may be carried out by persons who are in no true sense "members" of those agencies but rather independent contractors with an on-again off-again sort of association, and even that people can be led to think they are working for such agencies when in every official sense they are not.

In 1964, one had to be a genuine radical to take seriously the thought that other Federal agencies were withholding significant information from the Warren Commission. In 1975, it would take a person of unusual naiveté to ignore that possibility.

I confess I personally am only partly reconstructed: I still cannot take seriously the notion that Government agencies were involved in President Kennedy's assassination.

I suspect that the facts, even assuming they could all be learned, would disclose a suppression of nothing more sinister than evidence of inadequate vigilance on the part of the agency or agencies concerned.

But however that may be, it is important to distinguish the issue of how the Warren Commission analyzed the information it had from the issue of what information others decided it was and was not to get. It seems to me unlikely that the data we had before us would be analyzed any better a second time than it was the first. Nor does a second analysis seem likely to attain any broader credibility. (I don't know who there is with credibility to match the late Chief Justice Earl Warren's). That is why I have always resisted suggestions that the investigation be "reopened."

But an investigation of how the Commission got its information, of what it was and was not provided, would not be a reexamination, for the simple reason that it went unexamined at the time.

Perhaps his is naive in itself: Perhaps there is no realistic possibility that those in possession of the facts bearing on this issue will ever reveal them. But even that is something we are entitled to know.

Certainly I can imagine no reason why those of us who worked on the report should resist efforts to investigate the mechanisms by which the Commission was provided (or not provided) information. Every American is entitled to be angry about the recent disclosures and accusations, but perhaps our entitlement is the greatest of all.

THE PARTNERS OF THE AMERICAS PROGRAM

Mr. McGEE. Mr. President, the Partners of the Americas program was established by the Agency for International Development in 1964 as a private sector component of the Alliance for Progress. I was an original supporter of this idea and urged its adoption by the Agency in 1974.

Since that time, the Partners have been a mechanism through which private citizens of the United States and Latin America work directly together, not as donor-receivers, but on a people-to-people basis. As a result, I believe understanding and cooperation in the Americas has been significantly improved, while specific continuing self-help programs of economic, social, and cultural development has been carried out.

Since June 30, 1974, the administrative and servicing functions of the Partners have been carried out by the National Association of the Partners of the Alliance—or NAPA as it is more commonly known—a private, nonprofit organization. There are currently 43 U.S. state partnerships paired with 43 counterpart areas in 18 nations of Latin America and the Caribbean.

Partnership projects emphasize the volunteer exchange of technicians and the implementation of programs in such areas as education, sports, medicine, mental health, rehabilitation, agriculture, culture, business investment, tourism, environmental protection, and emergency relief. A number of these programs also involve cooperative self-help development programs such as the construction of schools, the improvement of hospitals, the training of technicians, the improvement of communications, and a host of similar activities.

In 1967, the Wyoming-Goias, Brazil program was founded. As a result, significantly support for the Partners' effort has been developed in my State. Some of our projects include cooperation with the Instructional Services Division of the State Department of Education in which Wyoming Partners prepared a text for use in secondary schools in Goias. Dr. Dale Harding, superintendent of the Evanston, Wyo., schools, established a community education and school construction program in Goias.

In the area of rehabilitation and special education, Dr. Owen Barnett, State Director of Vocational Rehabilitation, recently returned from his second trip this year to Goias, where he assisted in the initiation of a vocational rehabilitation program. While in Goias, Dr. Barnett conducted audiometric testing for hearing-impaired children and helped to develop a low-cost rehabilitation program.

These are just a handful of examples of the quality of work being accomplished by the Wyoming Partners program.

Except for NAPA service staff, the thousands of program participants are all volunteers and include educators, businessmen, physicians, students, housewives, agronomists, civic club leaders, and legislators.

Although these programs cost the U.S. taxpayers only minimal amounts, the program has far-reaching results. It is, therefore, even more important now that this country has become more sensitive than ever before to how our foreign aid dollars are used. The Partners stand as an exceptional example of what can be accomplished with a relatively small amount of Government money, coupled with efficient, enthusiastic private volunteers. This success is due to the Partners working in consultation and cooperation with their Latin American counterparts.

A severe cutback in funding by AID of the Partners for fiscal year 1976 is proposed, as well as the idea of completely discontinuing funding for the Partners after fiscal year 1976. The proposed funding cutback amounts to 50 percent of the fiscal year 1975 AID funding level and comes at a time when the Partners are contributing more than ever to people-oriented programs. To terminate assistance could well mean the death of this program.

Therefore, Mr. President, I support language found in the House International Relations Committee report on H.R. 9005, where the committee noted the following, which I ask unanimous consent be printed in the RECORD.

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

REPORT OF THE COMMITTEE ON INTERNATIONAL RELATIONS TOGETHER WITH ADDITIONAL AND SUPPLEMENTAL VIEWS ON H.R. 9005

PRIVATE INSTITUTIONS AND VOLUNTARY ORGANIZATIONS

The committee continues to endorse strongly the policy adopted in 1973 foreign aid reforms that "U.S. cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies."

Pursuant to that objective, the committee has included in this legislation a number of provisions directly aimed at assisting and enhancing the work of private institutions and voluntary organizations. Among them are:

An earmarking of $20 million for development of cooperatives in the less-developed countries;

Establishment of a minimum amount title II food commodities in order to assure long-term continuity of supplies for distribution programs of the private and voluntary organizations (PVO's).

Creation of a new title XII designed to enlist more fully American universities with capabilities in agriculture in the work of rural development in poor countries; and

Authorization of a new program of "intermediate technology" appropriate to less-developed countries to be carried out through the private sector.

In the context of its desire to see greater use made of private entities in AID's programs, the committee noted with appreciation the humanitarian work overseas of American private and voluntary organizations. During the past year, the planning and management skills of some of these agencies have been assisted by AID through a new program of development program grants. Similarly, the overseas programs in food production and nutrition, population planning and health, and education and human resources development of some of these agencies have been expanded through operational program grants. The committee heard testimony from PVO's on the need to expand further their overseas programs. The Agency confirmed that it may not have budgeted sufficient funds to cover PVO requests for operational program grants in fiscal year 1976.

Rather than consider an amendment which would mandate AID to make available for operations purposes the sum of $10 million in addition to its budgeted request, the committee agreed that its report should reflect a request that the Agency make available for this purpose from other funds available to it the maximum possible amount above its fiscal year 1976 request, and that AID should strive for a level of $25 million for this purpose in fiscal year 1977.

It should be noted no separate funding resource exists with AID for the exclusive funding of operational program grants to PVO's. As a result, the organizations compete for such funds with projects submitted from a variety of sources, including U.S. Government departments and agencies, developing country governments, universities and foundations, and private consulting firms. AID, in moving to honor the committee's request, may need to take internal administrative steps to assure that more funds will in fact become available for operational program grants in the coming 2 years from permissible accounts within the Agency. Should the amount of funds ultimately made available by the Congress for fiscal year 1976 be somewhat less than the congressional presentation requests, we would urge that high priority be given to insuring the availability of funds for this purpose.

While a higher dollar figure for operational program grants for fiscal year 1976 has not been stipulated by the committee, a target level of $25 million in fiscal year 1977 has been indicated. This is designed to provide for the orderly but rapid expansion of private and voluntary organization programs desired by AID, the committee, and the private and voluntary organizations themselves. It is intended to help accelerate the fulfillment of the mandate of the Foreign Assistance Act of 1973 toward a broader partnership between AID and the private agencies in their humanitarian work overseas.

This year the committee also heard testimony from the National Association of the Partners of the Alliance, Inc. (NAPA), a voluntary organization operating in Latin America. The committee is aware of the activities undertaken by NAPA in providing development assistance on a voluntary and people-to-people basis. In providing the services of voluntary technicians through the vehicle of partnerships between groups in the various United States and geographical areas in Latin America, NAPA serves the interests of both the United States and Latin America. The committee notes that the value of the goods and services provided by NAPA's volunteers greatly exceeds the amount of funds provided by AID for support of NAPA's program. The committee is concerned that volunteers greatly exceeds the amount of $250,000 for fiscal year 1976 for support for NAPA's program is inadequate. Because NAPA has demonstrated its effectiveness in Latin America, and has pledged itself to "New Directions" goals, the committee believes that AID support for NAPA's program should be substantially increased for fiscal year 1976 over the level budgeted. Furthermore, the committee is concerned that proposed termination of AID assistance to NAPA after 1976 is premature. To terminate assistance could well mean the death of the program. The committee emphasizes that the value of NAPA's program is such that AID support of NAPA should be continued beyond 1976.

REGULATORY OVERKILL IN ENERGY

Mr. FANNIN. Mr. President, perhaps no field has suffered more from regula-

tory overkill than energy. Government overregulation of the petroleum industry is the primary cause of America's current shortages of oil and natural gas. Rather than encourage the oil and gas companies to increase exploration and step up production of new domestic reserves, the Congress, through punitive legislation, and the Federal agencies, through price and allocation control programs, have retarded new energy supply development. Instead of trying to work with the administration on formulation of a long-range national energy policy aimed at national self-sufficiency, the Congress has been playing politics with our energy crisis.

No one is more aware of the shortcomings of the Government's energy control measures than Mr. Charles J. DiBona, executive vice president of the American Petroleum Institute. In remarks prepared for the recent Conference on Regulatory Reform jointly sponsored by the American Enterprise Institute and the Hoover Institution, Mr. DiBona discusses various aspects of Government regulation and its effects on our country's energy situation.

First, he breaks down regulatory programs into the categories of productive and counterproductive regulation. Productive regulation covers such things as the conservation of reservoir energy, strategic reserves, antitrust laws, and some environmental measures. Examples of counterproductive regulation are local laws on the size of tank trucks and underground storage tanks and Federal entitlements and crude oil pricing programs, gasoline allocation, and rationing.

While distinguishing both kinds of regulation, Mr. DiBona stresses that the relevant question "is not whether to regulate business enterprises such as companies, but what kinds of regulation on balance will prove beneficial." He argues that regulations which: First, establish and enhance certain market conditions that improve resource use and foster competition; and second, provide the best and most efficient means to that end are beneficial—or "productive"—and should be encouraged. On the other nand, regulations which do not provide single standards for all businesses competing in the same industry and which promote industry concentration, prevent free entry for new competitors and hinder profitability are not beneficial—are "counterproductive"—and should be discouraged or repealed.

As Mr. DiBona points out, in approaching energy regulation, Members of Congress and regulators ignore certain basic facts about the petroleum industry, its highly competitive nature and modest or relatively low rate of return. In addition, efforts to break up or change the structure of the industry or to reinstate price controls will prove counter-productive. As experience has shown, regulation of oil and natural gas has been injurious to producers, refiners, and retailers; costly to consumers who, in the long run, must pay higher product prices and hidden costs of inefficiencies and supporting the bureaucracies; and harmful to America's long-term energy needs and interests.

Mr. President, I ask unanimous consent that the text of Mr. Charles DiBona's statement of September 10 at the session on power-energy regulation be printed in the RECORD.

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

REGULATORY OVERKILL

(By Charles J. DiBona)

I. INTRODUCTION

I feel very much at home with the subject matter here today—regulation.

The fact is that the petroleum industry is probably one of the most heavily regulated industries in the nation today. Or, at least we were up to Sunday night, August 31st. We may be still, but I guess that will have to be clarified today, or some day soon, on Capitol Hill.

Oil people are governed by regulations—local, county, state and federal—in everything they do. Looking for the minute at just the Federal regulations that bound us through August 31, government could largely dictate to oil people where they could look for oil, where they could locate pipelines to move it, where they could put refineries to process it, what they could make in the way of products, to whom they could sell the products, where, in what quantities, and at what price.

This pattern of regulation, I believe, has greatly reduced the efficiency and the effectiveness of the petroleum industry.

This is not to suggest tha. the people in our industry think that all regulation is bad or that we are the kind of people who advocate a return to a laissez-faire economic system. But we feel that regulation of the petroleum industry has simply gone too far and is now in the phase of "regulatory overkill."

What I would like to do today is to talk about four aspects of regulation:

1. Productive regulation;
2. Counterproductive regulation;
3. Some principles by which we can identify which is which; and
4. Three persistent errors that lead to counterproductive regulation of the petroleum industry.

II. SOME EXAMPLES OF PRODUCTIVE REGULATION

Let me first cite a few very simple examples of what is certainly productive regulation.

The petroleum industry starts the long process of finding oil with seismic exploration. This involves the use of explosives. Step one is to get permits.

It is certainly productive to have a permit system on the local level regulating the activities of people who are handling explosives, transporting them in populous areas, and using them in places where people could be upset or even injured.

Here are some other examples of local regulations.

Crude oil is a sticky, smelly substance. It is hard to move and hard to store. It usually occurs with salty water, sulfur and gas which produce another whole list of handling problems. Crude will burn and, under certain conditions, may even be explosive. It's not much to look at and isn't what you like to run into at a beach picnic.

It's reasonable, therefore, for the public to expect that oil people will keep crude oil out of their way, and protect them from the hazards of fires, odors, spills. This is regulated chiefly at the local level and, generally, is effectively accomplished throughout the United States. Some states have laws of this type and, of course, the Federal government has regulations covering navigable waterways under its jurisdiction.

On the State level. Each state is reasonably concerned with the efficient exploitation of its mineral resources, whether on private or public land.

Oil and gas are produced from underground reservoirs and the energy of the reservoirs—the trapped pressure of the reservoir as distinct from the oil and gas itself—is a vital part of our petroleum resources. The conservation of this reservoir energy increases the total oil and gas recovered.

We feel that regulations that bring about the conservation of reservoir energy are productive. Under a proper legal framework operators conserve reservoir energy in their own self-interest. But the history of the oil business has had some dark chapters—mostly in the nineteenth century, but some in the twentieth as well—where the legal concept of the right of capture plus impatience overruled common sense and reservoir energy was wasted to the disadvantage of us all.

On the Federal level. As a nation, we have learned that imported oil can be cut off. Events such as the Arab embargo of 1973 should teach us to provide a reasonable reserve of readily available oil that can act as a stopgap should such an incident again occur. We in the oil industry have supported the proposals for security storage. We hope that our involvement will be by contract. Nonetheless, the nation's plan must have the force of law and be binding on all.

As believers in the market system and in the idea that competition is the best economic regulator, we feel that strong Federal anti-trust laws, vigorously enforced, are productive.

Since protection of the environment is frequently a matter that transcends state lines, we believe that it is productive for the Federal government as well as State governments to be involved in the regulation of activities that can affect the environment.

So there are seven examples from among the dozens and dozens that exist of regulations that we consider productive.

III. SOME EXAMPLES OF COUNTERPRODUCTIVE REGULATION

Now let's look at the other side of the coin. The petroleum industry is the unhappy target of a huge number of counterproductive regulations, some of which started out productively.

Let me illustrate that. Regulations of the size of tank trucks and the size of underground storage tanks at service stations are certainly a proper exercise of local authority. But in some localities the limits were held to very low levels. Why? To protect the local owners of small, inefficient trucks and stations from competition. So a good regulation can become a bad one.

On the state level, laws and regulations have been passed that segregate petroleum installations to heavy industrial zones. This is reasonable. But now some states have passed regulations that effectively prevent building petroleum installations anywhere. The rationale varies, but the effect is the same: other states must find homes for the installations that the regulating states keep out. We believe this kind of action is both unreasonable and counterproductive. We know, of course, that the electric power industry shares this problem.

On the Federal level three examples of counterproductive regulation come quickly to mind.

Allocating crude oil among refineries

During the 1973–74 oil embargo the supply of crude available to various refineries in the nation differed substantially. Some companies had access to domestic crude or to crude imported from secure foreign sources so that their supplies were only slightly affected by the embargo. Other refineries that had depended heavily on crude oil from Arab countries found their supplies cut back severely.

In a well-intentioned effort to spread out

the shortage the Federal Energy Office (predecessor to the FEA) established an allocation program requiring those refineries with relatively large supplies of crude to sell some of their supply to those refineries relatively short of crude. The maximum price the selling refiner could charge for crude sold under this program was the weighted average price of its total crude supply. The idea was to even out both supplies and costs of crude oil among refineries during the embargo.

However, in their concern to manage the shortage, the regulators forgot that the way to solve the shortage was to get a larger total supply of crude. Under the allocation program, there were powerful incentives for individual refiners to cut down their purchase of imported oil which reduced the total supply of crude available to consumers.

Foreign oil was selling, on average, at prices substantially above domestic price-controlled oil. Thus, refiners that had relatively little domestic crude had an incentive to reduce their imports and buy oil through the allocation program at a price less than the import price.

Refiners with large supplies of domestic oil, on the other hand, found themselves forced to sell oil at a weighted average acquisition cost when the last barrel they bought from foreign sources cost them substantially more. Thus, refiners with relatively large supplies of crude were also encouraged to cut back their imports of foreign oil.

What was the result? The allocation program actually discouraged foreign oil imports during the embargo. This was the opposite of the national interest.

These deficiencies in the allocation program were subsequently pointed out to the FEO and prompted FEO to issue still more regulations designed to correct the problem they had created.

New pricing regulations were designed to allow refiners who sold oil under the allocation program to recover their "losses" on such sales. In fact, a firm that conscientiously followed these new regulations could more than recover their losses on forced sales—and this practice became known as "double-dipping."

When all this came to public attention, who was criticized? The oil companies, of course.

The point of this example is simply that regulation to solve one problem often creates a second problem. The result is an expanding mass of regulation that gets even more complicated and further divorced from the objectives it was designed to attain.

Two-tier pricing of crude oil

Under authority granted in the Emergency Petroleum Allocation Act, the FEA has maintained a two-tier price system for crude oil in the U.S. As you have been hearing so often lately "old" oil, from properties in production prior to 1972, was price-controlled at $5.25 per barrel. Imported oil, "new" domestic oil, stripper well oil and "released" oil are exchanged at world market prices.

Because refineries have varying access to these sources of oil, the cost of crude to different refiners varies markedly. To offset these differences, the "entitlements" program was started. This program makes the supply of price-controlled domestic crude oil available proportionately to all refiners. This practice results in refiners with relatively large supplies of "old" crude oil making payments to refiners with relatively small supplies of old crude oil.

Most supporters of these price controls feel that this policy prevents OPEC from setting domestic oil prices and weakens the cartel.

However, an analysis of the situation suggests that the current system of price controls and entitlements actually works to strengthen the OPEC cartel in both the short and long run. By holding the domestic price of old oil and thus the average price of all oil consumed, under the world market price the U.S. is encouraging consumption in both the short and longer run. And, the price control on old oil is discouraging the longer run supply expansion from old oil fields.

Ironically, the old oil price ceiling provides a subsidy to OPEC oil importers. Because of the "entitlements program" that accompanies the price ceiling, those refiners importing oil at the market price are given a share in the pool of price-controlled oil. This practice subsidizes the importation of every barrel of foreign oil and increases the total imports into the U.S.[1]

The supply of old oil is a stock that has been tapped to yield flow over time. But normal aging of the wells reduces the flow. The quantity of "cheap" price-controlled old oil will decline steadily without further investment and can only be replaced with new domestic oil or foreign oil at market prices. Thus, the effect of keeping a price ceiling on old oil will disappear anyway.

The benefits of such a program can only be relatively short run and must be weighed against the costs of not encouraging the development of our own resources and allowing consumers to continue to overuse a resource that we price domestically below the world market price.

Again, we see a program designed first to control prices and later to even out costs to refiners. While the two-tier pricing and entitlements program may generally achieve those objectives, the longer run objectives of energy policy are being thwarted. The price controls and entitlements program are encouraging domestic consumption subsidizing the importation of foreign oil, and discouraging domestic supply expansion on "old" oil properties. All of these impacts contradict the generally agreed upon objectives of domestic energy policy.

Natural gas pricing

While I have given some examples of specific recent instances where regulation has caused problems for oil companies, I would be remiss not to mention the longer history of price regulation of natural gas where the long run impact is clearly evident. We point to this example as a place where reform is needed and as an example of what could happen to the oil business under continuing counter-productive regulation.

Natural gas producers have been subject to interstate price regulation since 1954. Rate regulation prevented prices from rising in response to growing demand, presumably in an effort to benefit consumers. As a result, there was less incentive to expand supply at the same time that the lower prices encouraged consumption. Since the late 1960's there has been a decline in natural gas reserves, greater diversion of gas to uncontrolled intrastate markets, increasing curtailments of service to "interruptible" customers and refusals of service to new customers. The effort to hold prices below a market clearing level has created a shortage which imposes great costs on the economy.

What is ironic about the natural gas situation is that some individuals view the problem as insufficient regulation instead of too much and unwise regulation. Thus, rather than freeing the market price to allocate the existing gas supply and encourage new supply development, some observers would propose to expand controls to intrastate markets and to allocate supplies to customers. It is true, again, that regulation breeds regulation.

Regulation by historical precedent

Markets are very efficient at matching up buyers and sellers through a process of constant adjustment. Attempts to regulate markets typically utilize some historical base period, freeze a set of conditions as of that base period, and then provide a mechanism to consider special cases.

This is the procedure that was used during the oil embargo. Gasoline supplies were allocated to regions according to the supplies received in 1972. Essentially each wholesaler was to supply the same quantity to the same retail dealers as in the 1972 base period.

The system did not work well for the simple reason that it was based on a static concept while the world is changing. Population growth rates differ, weather patterns change, tastes change, and marketing patterns are altered. As a result, during the embargo, some areas had no gasoline lines while other areas had horrendous lines at service stations.

One specific example of how this system misallocated gasoline was the absence of lines in upstate Vermont while tremendous lines were encountered in New York and Boston. The reason was that in 1972 (the base period) skiing conditions in Vermont were excellent and lots of gasoline was bought by skiers. In the winter of 1974, skiing conditions were terrible and few skiers went to Vermont. However, the 1972 base period gasoline supply went to Vermont, eliminating the need for local residents to ration a short supply by arbitrary closings and long lines.

The mechanism by which dealers could seek a greater gasoline alloction was to file a "form 17" with the FEO. It is reported that thousands were filed but the FEO did not get around to acting on these until the spring of 1974 when gasoline supply was plentiful and allocations were not necessary.

One cannot help but suggest that the price system could have done a much better job of allocating supplies and eliminating long lines at gasoline stations than any system based on historical precedent.

IV. SOME CRITERIA BY WHICH WE CAN DISTINGUISH PRODUCTIVE FROM COUNTERPRODUCTIVE REGULATION

Let us turn now to some criteria by which we can distinguish productive from counterproductive regulation.

Government is an institution whose specific purpose is to regulate the conduct of members of the society. In a sense, government is regulation.

The relevant question therefore is not whether to regulate business enterprises such as petroleum companies, but what kinds of regulation on balance will prove beneficial.

I will propose two criteria which I believe can be used to distinguish such kinds of regulation.

Economists are fond of arguing that under certain conditions market processes will yield the highest possible return to the society's limited resources. They also sometimes argue that if these conditions are met and market processes are allowed to operate, individuals will have greater personal freedom to choose for themselves amongst alternatives than under any other socio-economic system.

The conditions the economists have in mind have to do with (1) the specification and enforcement of rights to use resources, (2) competition among buyers and sellers, and (3) the bringing to bear of the consequences of actions on their initiator.

Better identification of who has what rights, less restraint on competition and stronger ties between actions and responsibility for the consequences of those ac-

[1] The subsidy works approximately like this: "Old oil" at $5.25 per barrel accounts for about 40 percent of the U.S. consumption. When a barrel of oil is imported at the market price, the importer is "entitled" to buy 0.4 barrels of old oil at the regulated price. Thus, the subsidy is equal to 0.4 times the difference in price between old oil and foreign oil. Subsidy=0.4 ($14.50–$5.25=$3.70).

tions all enhance the ability of market processes to yield socially desirable outcomes.

I submit the judgment that a regulation that establishes and enhances these conditions is proper, legitimate and productive. It is a regulation that will virtually always prove beneficial on balance to the society.

This, then is our first criterion.

A second criterion follows immediately.

Is the regulation the right one? Is it efficient? Let us suppose that a particular regulation does actually improve resource use, reduce restraints on competition or better bring to bear the consequences of actions on their initiator. Is that regulation the most efficient means to do so?

Regulatory choices should be made not only on the judgment that they improve an existing situation, but also on how well those choices compare to other alternatives. Regulatory overkill sometimes has occurred not because it was wrong for the government to change an existing situation but because the wrong regulatory choice was made.

The following example illustrates what I am saying. As you know, the oil industry operates off the coast of the United States, both in its drilling and producing activities and via tankers carrying imports of crude and refined oil. On occasion, oil spills occur that damage the surrounding environment as well as coastal commercial and residential interests.

Federal, state and local governments have moved to specify legal liability for such damage as well as to require that contingency funds be available to compensate those harmed.

These regulations have accomplished the specification of legal liability for oil spill damage, have better specified rights to the use of offshore waters, and have more closely aligned the consequences of actions with the actions themselves. This is proper regulation by my first criterion.

Further, contingency funds make sense where there is danger some offshore operators may not be able to compensate those damaged when a spill occurs. Thus, this too is proper regulation under my first criterion.

But there has been a proliferation of such funds. As of last summer, the U.S. was party to two international oil spill compensation funds, there were two such funds at the Federal level and six at the state level.

In addition, proposals existed to establish two new international funds, two more national funds, four more state funds, and various regional funds.

This proliferation I would call regulatory overkill.

A clear alternative is the establishment of one giant fund at the Federal level to replace the many previously legislated funds. Such a fund can accomplish the same objectives more efficiently than the multiple existing and proposed compensation funds and hence would be good regulation by my second criterion.

V. THREE PERSISTENT ERRORS THAT LEAD TO COUNTERPRODUCTIVE REGULATION

Let me comment here on three persistent ideas that are advanced in support of continued economic controls on the U.S. oil industry. All three are wrong.

First is the idea that there must be a double standard in every regulation that says in effect, "We must make it tough on the big guys and help the little guys."

This idea is illustrated by a bill now before the Senate which provides different selling prices for three kinds of producers of natural gas. "Small producers" may sell at a price fifty percent over the controlled price; so-called "independent producers"—companies with less than a billion dollars of assets—can sell at a price equal to the new domestic price for crude oil on a BTU basis; and finally just plain "producers" will sell at a fixed price prescribed by the FPC under a cost methodology spelled out by Congress. Can anyone guess which gas will be bought first?

The most polite thing we can say about such a proposal is that it is a "hodgepodge."

Regardless of how the idea is characterized, however, it is clearly nonproductive in our economy. There should be a single standard for all who compete.

The second idea I'd like to talk about claims that there is no competition in the oil industry, and that controls are needed to offset what is called "the monopoly power of large oil companies."

About the only evidence ever offered in support of this bafflingly incorrect contention is that several U.S. oil companies are among the largest corporations in the country.

I would simply point out the old, but true, observation that size and monopoly power are not necessarily synonymous. In petroleum there are many large and small firms competing for business. Available research suggests that there is no basis for government intervention because of monopoly power. The competitive nature of the petroleum industry is clear when three factors are examined: first, the lack of concentration; second, the freedom of entry for new competitors; and, third, the history of modest rates of return.

There are more than 10,000 producers of crude oil, 131 refining companies, and over 15,000 wholesalers of petroleum products competing for business. No firm controls more than 11 percent of the national volume at any of the levels of industry operation. In fact, the petroleum industry is less concentrated than the average for all U.S. industries and considerably less concentrated than most other important industries.

There are no barriers to prevent the entry of firms that might want to begin to operate in the petroleum business. The use of joint ventures in both bidding for leases and in production has served to lower entry barriers to crude oil and natural gas production. Thus, not only is there active competition from existing firms but also the frequent injection of additional competition from new firms.

And the profits of the industry—when compared with other industries—have been moderate on average, another sign of competition. Over the 10-year period, 1965–1974, the average return on stockholder equity for the petroleum industry was 13.4 percent, slightly more than the average return for all U.S. manufacturing (13 percent) but less than the return on mining (14.7 percent). 1974 profits jumped to a 19.9 percent return. But the unusualness of that year is shown by a comparison of the first half of 1974 which produced a 20.1 percent average rate of return with the same period of 1975 when the average rate of return was 11.9 percent.

A more instructive measure of petroleum industry profitability is return on total assets. In the first six months of 1975 this stood at 6.1 percent down from 11.1 percent in the same period of 1974.

More evidence could be cited. However, it is sufficient to say that no empirical study has yet been able to refute the hypothesis of a workably competitive petroleum industry. Numerous independent economic studies have documented the competitive nature of the industry.[2] It seems unreasonable to continue controls or to pass legislation changing the structure of the industry where a viable competitive structure already is operating.

The third erroneous idea we find is one that assumes that prices to consumers in a competitive industry can be reduced in the long run through controls.

Price controls, to be legally enforceable, must provide for the recapture of costs plus a reasonable return on investment. The experience of our nation with price controls has shown that controlled prices eventually go only one way—up. The consumer pays increased costs that would occur anyway under a market price system, but he must pay for two other costs. First, the cost of inefficiencies which would be eliminated under market price competition but which thrive under price controls, and second, the cost of supporting the huge bureaucracy and the huge special information systems necessary to run the controls.

For example, Sun Oil Company reports it is spending 280,000 man-hours annually on Federal government forms.

Another oil company figures it is sending 400 reports per year totalling 24,000 pages to the Federal government and 400 more reports to various states.

Still another oil company calculates it has 115 *technical* people tied up full time on reports to the Federal government.

Another company had to write, test and install 22 new computer programs just to produce data the FEA has required.

And a small refiner tells us that out of his 135 total employees in plant and office, three or four work full time on FEA reports.

In the short run it may be possible to redistribute income from producers to consumers via price controls. But, even then, some if not all of the redistribution is dissipated as competing consumer groups try to secure what they consider their fair share of price-controlled oil. But even if we grant short term consumer gains, the long run effects inevitably are fewer domestic petroleum reserves and less production, and hence higher petroleum prices and imports.

Such consequences have been well-documented in other industries that have experienced price controls, so that the argument is not merely theoretical. Further, estimates of reduced future production from the present system of oil price controls range from several hundred thousand barrels to well over a million barrels daily, so the magnitudes are not trivial.

I question how many consumers given full information about the consequences of oil price controls would opt for their continuation.

SPANISH SAHARA RECOLONIZED

Mr. KENNEDY. Mr. President, at the moment, a new drama is being acted out in the decolonization of African States. The Spanish colony of Spanish Sahara is being buffeted from several sides, in an effort by at least three nations to gain control over what are potentially valuable resources in this desert nation.

This issue has now reached the flashpoint, where diplomacy could easily give way to open fighting. This would be in no one's interest, and could easily lead to heavy loss of life and needless human suffering.

U.N. Secretary-General Kurt Waldheim has been tireless in his efforts to

---

[2] Recent studies include: Edward W. Erickson and Robert M. Spann, "The U.S. Petroleum Industry," in The Energy Question, Vol. 2. edited by Edward W. Erickson and Leonard Waveman, 1974, pp. 3–24; Thomas D. Duchnesneau, Competition in the U.S. Energy Industry, 1975; Jesse W. Markham, "The Competitive Effects of Joint Bidding by Oil Companies for Offshore Lease Sales," in Industrial Organization and Economic Development, edited by Jesse W. Markham and Gustav F. Papanek 1970, pp. 116–135; and Edward J. Mitchell, U.S. Energy Policy: A Primer, 1974, especially pp. 85–103.

head off a direct confrontation, and to find a way of resolving this crisis by peaceful means. Yesterday, the U.N. Security Council urged all parties to avoid actions that "might further escalate the tension in the area," and reaffirmed its support of the Secretary-General's efforts.

Spanish Sahara is far from the United States and its principal concerns. But I believe that we should join in demonstrating our support for the efforts of the U.N. Secretary-General, and indicate our concern that one form of colonization not be replaced by another. The world community should not stand by as the wishes of the people of the Spanish Sahara, themselves, are ignored.

I ask unanimous consent that an editorial on this subject, from the Washington Post of October 30, be printed in the RECORD.

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

[From the Washington Post, Oct. 30, 1975]

SPANISH SAHARA RECOLONIZED

The situation in Spanish Sahara is as rich in ironies as the place itself, on Africa's northwest shoulder, is in phosphates. The imperial power, Spain, which has yet to offer such a boon to its own people, has been ready to conduct among the colony's 60,000 mostly nomadic people a referendum on self-determination. Not just noble impulse but the distraction of its own succession crisis presumably dictated this stand. But Morocco, a Third World state ostensibly dedicated to decolonization, has wished simply to grab Spanish Sahara and annex it. The World Court has denied Morocco's claim to sovereignty over the territory, and the United Nations' own decolonization committee has spoken for its self-determination. But this has not stopped King Hassan. He apparently has one eye on Spanish Sahara's vast phosphate reserves and the other on the appeal of the territory to Moroccan nationalism. The other day he threatened to send 350,000 "unarmed Moroccans on a peace march" into Spanish Sahara and—not incidentally—thereby to fend off Algeria's claim to a slice of its own. This threw the United Nations into a swivet, and the Secretary General was dispatched to find a way out.

We have full confidence that the Secretary General will perform his mission well. But we cannot forbear from dwelling briefly on the double standard being applied. Morocco's motives, and its partner Mauritania's, not to speak of its rival Algeria's, are entirely imperialist: they variously seek natural resources, real estate, influence in a neighboring land. If the United States or another Western country were asserting any such interest in Spanish Sahara (and none is), the sky would be dark with denunciations of their wickedness and guile. In this instance, however, because the predators are themselves former colonies and credentialed anti-colonists in good standing, only a few peeps can be heard—from some black African states. Morocco is determined to throttle self-determination in Spanish Sahara, to the point of demanding to truck in up to 30,000 Spanish-Saharans-for-a-day to participate in a phony referendum. Even Morocco's Communists are reported backing King Hassan on this issue: the class war has been momentarily stilled. The Soviet Union, author of the original (anti-Spanish) resolution urging Spanish Saharan independence in 1960, is silent now. The United States is "neutral" on the sidelines.

We hold no particular brief for the people of Spanish Sahara: in fact, we know little about them. We merely note that their decolonization is evidently leading to recolonization, a status beneath that which they enjoyed before. If it is an outrage of modest proportions in a world with many other cares, it is nonetheless an outrage, no less so for being perpetrated by "good" Third World states.

NEW YORK AFL-CIO 1975 CONVENTION

Mr. JAVITS. Mr. President, on Friday, October 31, 1975, I had the privilege of addressing the New York State AFL-CIO at its annual convention. Our New York labor federation has a long and proud history of commitment to betterment of the working conditions for New York workers. Of course it is now vitally concerned about the financial status of New York City and the State, which I discussed in my address.

I ask unanimous consent that my remarks be printed in the RECORD.

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

REMARKS BY SENATOR JACOB K. JAVITS

First of all, let me take a moment to thank this great organization and the many friends I have among you for your support during my 1974 campaign. It was, as I am sure you will recall, not an easy race for me, and your support was truly valuable. I wish also to express my gratitude to A. Phillip Randolph, Ron Feldman and Arthur Harckham, who served as the officers of the "Labor for Javits Committee".

One of my proudest achievements in public life has been to earn the support and trust of the trade union movement—and equally important—to work with you toward enactment of the great social legislation that helps to make America a better and more productive place to live for all of us. We have worked together on many fronts—education, health, manpower, labor standards legislation like pension reform, OSHA, and minimum wage, to cite just some of the areas that come immediately to mind. They are all within the jurisdiction of the Committee on Labor and Public Welfare, on which I sit as the ranking Republican. Working closely with Senator Harrison Williams, the Chairman of the Committee, we have built a track record of which I, and I hope you, are very proud, because directly and through your Washington representatives you rightfully have been very much "part of the action" in these struggles.

The struggle all of us are most concerned about today, of course, is the economy of New York City and the entire State, and of New York's capacity to produce jobs for every working man and woman. Maintaining the jobs we now have, and creating the thousands of additional jobs we must have in the near term future—as well as maintaining the huge Federal taxpaying capacity of New York—vitally depends on the health of the City and our State. Also, at the very least, there is a real risk to the nation's economy depending on the economic health of the City and our State; I therefore firmly believe that there is a direct and unavoidable Federal responsibility to help to restore New York's economic viability. There is much to be done, and with your continuing support, we will resolve this crisis together. I call on you, as never before, to support the steps that must be taken now.

The most immediate problem is that of restoring the financial integrity of America's premier city—New York City. I cannot accept the view expressed by the President two days ago that this great city must be humiliated by defaulting on its financial obligations through bankruptcy. The consequences that would follow, for the city itself and for other municipal governments across the country, would be disastrous—and the risk to the nation's economic recovery very grave. I assure you that our Federal system of government is not offended by recognizing the economic reality that the future of our urban centers is of paramount national interest—we are all citizens of the United States too.

Over five months ago I introduced the first legislation in the U.S. Senate to provide loan guarantees to any U.S. cities facing the threat of bankruptcy because of the current recession. Six weeks ago I submitted amendments to this bill to address the ever-worsening economic prospects of New York City. This bill offers what I believe to be the best Federal response to this economic crisis, the creation of an emergency loan guarantee mechanism.

I commend my colleagues who support the loan guarantee approach and understand its urgency and importance, especially Senator Proxmire of Wisconsin and Senator Stevenson of Illinois and Senator Packwood of Oregon all of whom worked so actively. We must find a way to erase the line now drawn between those who support this Federal legislation and those who would rather see New York City default and bankrupt. Let's ask the President and others who oppose this legislation how they can justify their stance against a measure that only asks for a bridge of Federal credit that allows the City and State to help themselves, and it involves no Federal cost as it is generally agreed the City will pay its bond and noteholders in time.

I have no argument with those who say New York City must put its house in order as a prerequisite for temporary Federal assistance under new legislation. We all know by now the root causes of the City's economic decline, and that some of them are of its own making. The skeptics, however, cannot ignore what has already been done by the State and the City working closely with responsible labor representatives. Labor should be commended generally for its spirit of cooperation in this crisis. Albert Shanker has already displayed statesmanship for his role in temporarily averting the City's default. I know that similar efforts will be undertaken by labor organizations in the same spirit of civic devotion to New York City. Thousands of city employees have already been laid off and more will be; wage increases have been curtailed; City services have been cut back across the board; vital capital projects have been halted. The impact on workers, including police, fire, and hospital workers, and other critical public employees has already been substantial. This year the City's municipal employment level has declined by more than 10 per cent.

The exact impact on private employment is as yet unknown, but there is no question that it will be enormous. The building trades are painfully aware that their already high unemployment rate of 20 per cent threatens to increase by massive proportions because of the cutback in City and State construction projects. The loss of jobs involved in cutting back industrial parks, marine terminals, office centers, the Convention Center, the Westside Highway and other construction jobs, approaches a staggering total.

We cannot allow New York City's financial crisis and the nation's current recession to combine to erode even future jobs and even the future tax revenues needed for public services. It is grim enough to consider the prospect of reduced fire and police protection, overcrowded classrooms, and understaffed public hospitals. But, consider for a moment the quality of life both in Now York City and the State if we fail our own future. The

more than one half million jobs that have been lost since 1969, and the unemployment at highs unprecedented in the post-war period, will seem mild by comparison.

So, I ask my friends in the labor movement to reaffirm their commitment and support for the solution to this crisis—in all types of self help including a fair share of investment money from pension funds. I pledge to you that I will do everything possible in Washington to bring about a solution and to fulfill the trust you placed in me a year ago at this time.

The quest for full employment also entails the problems besetting the nation's economy as a whole.

This morning I also want to share with you my thoughts on the pace of the Nation's economic recovery and my proposals for a new and major manpower initiative.

I don't have to tell you that the proclaimed "end" of the nation's worst recession in 35 years is more a statistical phenomenon than a fact of economic life. While real GNP and pre-tax profits have risen sharply in recent weeks, very little has yet to trickle down to labor.

In July 1975, real spendable average weekly earnings of workers were lower than they were in 1972.

There were 7.8 million persons unemployed in September, essentially unchanged from the levels prevailing since July. The unemployment rate was 8.3 per cent, only six-tenths of one percentage point below the recession peak.

Significantly, the unemployment rate of experienced wage and salary workers is still above 8 per cent, while that of household heads—an important indicator of the health of the labor market—actually turned up again in September.

In recent months the American economy has operated far below its potential—on an annual basis of $133 billion below to be exact. Since the third quarter of 1973, this recession has cost the U.S. and its people over $200 billion in lost GNP, which can never be recovered. This amounts to an incredible $3,400 for every American family.

Regrettably, Administration and congressional initiatives to deal with this problem do not nearly go far enough. The size of the Federal budget deficit is preoccupying to the point of an obsession. There is a reasonable risk to be run and I am not asking for more than a reasonable risk and shared cuts across the board including defense. But it makes little sense to propose tax reductions to help the economy with one hand, and to demand drastic spending reductions on the other hand. Such a program leads merely to a transparent bubble of short run euphoria instead of to basic economic progress. Moreover, the program would, more than likely, cause the unemployment rate to rise again in mid 1977, and put the economy through the wringer of another—and perhaps worse—serious recession. This is "stop-go" economic policy at its worst!

The Federal government cannot afford to reduce permanently it revenue base. We must retain the flexibility we may need in the future to move decisively and rapidly to provide job-creating funds for recession-wracked industries and regions. I am convinced that sustained economic recovery and a speedy return to full employment do not rest only on budgetary policy.

I maintain that the surest way to balance the Federal budget and prevent inflation, while at the same time restoring full employment, is to bring about rapid production and economic recovery. For that reason, I support extension of the Tax Reduction Act of 1975 through all of 1976 as is.

Since the Tax Reduction Act may benefit the economy only after an undetermined lag, I intend to propose a broad manpower program designed to create one million jobs immediately. As part of a comprehensive new employment package, I intend to propose a new job creation program; subsidized loans for projects with higher than average labor intensity; tax incentive credits for creating more jobs; and accelerated Federal government purchases of durable goods. Taken together, these new programs can provide the stimulus that the economy needs without creating a new inflationary push. By instituting public service employment programs during periods of high unemployment, the Federal government can and should use its resources to create and continue jobs that fall victim to a recession. These basic tools will give business a boost, and bring about more employment.

The unemployment rate continues to be a "lagging indicator" of the economy. Even as other economic indicators show positive signs, unemployment is predicted to remain over 7 per cent for the next year or two, even by the most favorable projections.

In light of this intolerable unemployment forecast, a program to create jobs is essential now for our country's economy. Other than unemployment insurance we have no significant program protecting unemployed persons adversely affected by insufficient productions. The manpower initiative I will introduce will be a temporary measure designed to operate during periods of high unemployment.

My program is to be targeted specifically at those men and women in the labor force who have been directly affected by the slow pace of economic recovery, and by its general failure to return the nation to full employment. This program is not intended to replace present manpower programs that are designed to assist the structurally unemployed and the poor. Such programs ought to be continued and expanded.

I am pleased to be identified as a leader in the manpower field, and to have authored the Comprehensive Employment and Training Act. There has been criticism and misunderstanding about CETA and its progeny, Title VI, the new public service employment program created by the Emergency Unemployment Assistance Act of 1974. The problems of administering a new program, and most important, the increased strain on employment because of the 1974–75 downturn of the economy, have caused legitimate concerns. The intent of the original CETA legislation was to provide comprehensive manpower assistance to those who have never been in the labor market, the structurally unemployed and the economically disadvantaged. I do not plan to abandon those most desperately in need of training and jobs. The original transition goals in the legislation should be enforced and not waived or ignored. Training programs must be directed to projected identifiable jobs that will be needed and useful. The problems of the structurally unemployed must be a priority, and I shall continue to work to improve and strengthen CETA's manpower training components in addition to the manpower legislation I will introduce.

The new manpower legislation which I will introduce shortly deals with the recovery from recession. It creates an expanded temporary job program to allow laid off workers to gain employment until they have found jobs again in the private sector. The program will be open to those unemployed for three months or more. Those who have exhausted all unemployment benefits, and whose family has no other sources of income, will be given preference. Funds will be allocated based upon an unemployment formula for projects lasting up to one year, so that it would not create a permanent addition to municipal payrolls.

Individuals, nonprofit organizations, and community action agencies will submit proposals for work projects that would benefit the community and would not otherwise be done. Local governments could also submit proposals for work projects; however, these must be in keeping with the temporary nature of the job creation program, and not simply result in an increase in the size of the municipal payroll.

Recreation and conservation projects, mass transportation, and the rehabilitation of inner-city areas, could all benefit under this project approach. Under this manpower legislation, projects will be evaluated in cost, the service to the community, and the number of people to be employed. The need for increased community participation and input in designing projects is recognized, and it is hoped that innovative proposals will be developed and given priority. The competition of ideas for projects is recognized, and it is hoped that innovative proposals will be developed and given priority. The competition of ideas for projects will invigorate the community and have a direct effect on those who need community rehabilitation projects.

I believe that government ought to be the employer of the last resort for those who lose their jobs through no fault of their own, as well as for those with a history of long-term unemployment. It is government's responsibility to provide full-time jobs at decent wages for these unemployed men and women on whom our real economic strength depends.

The Congress cannot afford to wait until 1983 for the restoration of full employment! American working people are not interested in Pyrrhic victories over inflation; and I am not interested in economic theories or policies that suggest that long-term price stability can be achieved only by long unemployment lines.

You also know that your work cannot stop with economic remedies. Much work still needs to be done in the area of protective labor legislation generally. I will continue to be in the forefront of these matters as they are considered by the Senate. We have to plow some new ground as in the area of National Health Insurance legislation which should have been enacted many years ago. We must also carefully evaluate and take some strong steps to bring up to date some of the social programs we have all taken for granted.

Take, for example, workers' compensation, one of our first great social insurance programs. Because it had been initiated and administered at the State level, there has always been a pretty strong "hands-off" policy. In the mid-fifties, for example, Congress specifically prohibited the Labor Department from spending funds on developing a model workers' compensation law. Even the slightest hint of Federal interest, much less involvement, was immediately slapped down as an interference with State prerogatives.

In 1968, I took a look at what had resulted from that hands-off policy and I was shocked. Despite all sorts of almost universally agreed upon standards, most State laws were way below even minimal standards of decency. Over half the states, for example, had maximum limits on benefits for permanent total disability that were below the poverty level. What had started as a system to aid workers cope with work-related disability injuries had turned into a gigantic rip-off of workers, the main rationale of which seemed to be keeping employer costs down, rather than humane treatment of injured workers.

All of this was confirmed by the National Commission on State Worker's Compensation laws which was established under legislation I authored in 1970. And based largely on the Commission's report and recommendations, Senator Williams of New Jersey and I have joined in sponsoring legislation to establish Federal minimum standards for all state workers' compensation laws. Our bill doesn't wipe out state laws or agencies—that would be a tragic mistake—but it does mandate

Federal minimums in areas like income replacement, medical and rehabilitation benefits, that may be inserted within the existing state systems, subject to review in the Federal courts. It also provides for the establishment of Federal standards in the area of occupational disease to ensure that our workers' compensation systems respond promptly and uniformly to the discoveries now being made about the toxicity of various substances. What happened in the case of "black lung", which most states have refused to recognize as compensable until decades after most European countries had, must not be allowed to happen again.

As a result of the National Commission's report and our bill, there has been lots of improvement in State laws during the past few years. But many, if not most (including our own New York State law), still fail to comply with the Commission's recommendations and I am convinced that the only way to ensure compliance is through Federal legislation.

But make no mistake about it—this is not going to be an easy fight. Much of the business community is lined up to fight this legislation, just as it has fought improvements in many states over the years, and the only way we can succeed in mustering the votes is by showing that the people most affected by it, namely the workers, really care about it.

The fact that you really care—about New York, about your country, and about your fellow workers—is why I am here to discuss these serious issues here today. I know that the challenge will bring out the best in you. Your long tradition of full commitment to social progress and full opportunity for all can lead to nothing else. I, too, welcome the challenge, and look forward to working with you so that next year at this time we can point with pride to our solid accomplishments.

DR. WILLIAM MIDDLETON

Mr. CRANSTON. Mr. President, on September 9, Dr. William Middleton, former Chief Medical Director of the Veterans' Administration's Department of Medicine and Surgery, died after a heart attack at his home in Madison, Wis. Dr. Middleton was 85 years old.

Dr. Middleton's exceptional medical career spanned 65 years, during which he distinguished himself as a physician, scientist, teacher, administrator, and humanitarian. For more than half a century, he was associated with the veterans' medical care program, and played a major role as physician and researcher in improving rehabilitation programs for combat-injured veterans, in treating tuberculosis and mental illness, and in exploring the causes and treatment of hypertension. His work, of course, benefited all Americans.

Dr. Middleton was one of the original members of the VA's Special Medical Advisory Group, established by Congress after World War II to advise the Administrator of Veterans' Affairs on the care and treatment of disabled veterans. In 1955, Dr. Middleton was appointed Chief Medical Director, the highest-ranking medical official in the VA, a position he held until 1963. Dr. Middleton was the only person in the VA's history to serve two 4-year terms as Chief Medical Director.

Mr. President, nothing illustrates Dr. Middleton's career-long devotion to the welfare of America's veterans more clearly than the fact that at the time of his death last month, he was still actively caring for ill and disabled veterans as a "distinguished physician" at the VA hospital in Madison, Wis. He was a dedicated physician, a warm and friendly human being, and a gentleman whose contribution to American medicine and to the VA will never be forgotten.

Mr. President, I ask unanimous consent that an article on Dr. Middleton, from the Washington Post of September 11, 1975, be printed in the RECORD.

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

GUIDED RESEARCH PROGRAMS IN VETERANS HOSPITALS: DR. WILLIAM MIDDLETON, EX-VA MEDICAL DIRECTOR

Dr. William S. Middleton, 85, chief medical director of the Veterans Administration here from 1955 to 1963, died Tuesday in Madison, Wis.

An overseas veteran of both world wars, he had been associated with the veterans medical program since 1922, when he was an attending specialist in tuberculosis to the former U.S. Veterans Bureau.

The only VA chief medical director to serve two four-year terms, Dr. Middleton was active on the staff of the VA Hospital in Madison until his death.

His contributions to the VA medical program involved improved rehabilitation for combat-injured veterans and revolutionized treatment of tuberculosis, mental illness and hypertension.

He guided the development of the research programs at VA hospitals and clinics. The agency's highest research award, presented annually since 1960, is named in his honor.

Dr. Middleton was one of the original members of the VA special medical advisory group, established by law after World War II to improve the care and treatment of disabled veterans.

The group played a leading role in establishing the VA and leading medical schools in this country.

While Dr. Middleton was chief VA medical director, an organized program for VA hospital care of long-term aging patients also was established.

Born in Norristown, Pa., Dr. Middleton received his medical degree from the University of Pennsylvania in 1911 and interned at Philadelphia General Hospital.

He became an instructor in clinical medicine at the University of Wisconsin medical school in 1912, and an assistant professor in 1915.

During World War I, he was on active duty with the U.S. Army Medical Officers Reserve Corps and served with both the British and American expeditionary forces. He received the Victory Medal with seven battle clasps.

Returning to the University of Wisconsin medical school, he became an associate professor in 1925, a professor in 1933 and dean of the medical school in 1935. He was named dean emeritus in 1960.

Dr. Middleton returned to active duty with the U.S. Army Medical Corps during World War II and was chief consultant in medicine for the European Theater of Operations from June, 1942, to July, 1945.

For this service, he was awarded the Distinguished Service Medal, the Legion of Merit with Oak Leaf Cluster, the Order of the British Empire (officer) and the French Croix de Guerre with Palm.

Dr. Middleton, who was a regent of the National Library of Medicine, held a number of honorary degrees.

He was a past president of the American College of Physicians, the Central Society for Clinical Research and the American Association of the History of Medicine. He also was an honorary fellow of the Royal Society of Medicine and a fellow of the Royal College of Physicians in London.

Dr. Middleton was a member of the American Medical Association, the American Association for the Advancement of Science, the Association of American Physicians and the American Society for Clinical Investigation.

He also belonged to the American Clinical and Climatological Association, the Association of Military Surgeons of the U.S., the Society of U.S. Medical Consultants to the Armed Forces, the Society for Experimental Biology and Medicine, and was a member of Phi Beta Kappa and the American Legion.

He is survived by his wife, Ruth Addams Middleton, former assistant director of VA nursing service, of the home in Madison.

THE VOCATIONAL REHABILITATION PROGRAM

Mr. BEALL. Mr. President, as a member of the Senate Subcommittee on the Handicapped, I wish to take this opportunity to congratulate the distinguished Senior Senator from Maryland (Mr. MATHIAS) on receiving the Special Public Service Award from the National Rehabilitation Counseling Association at its National Conference in Cincinnati, Ohio, and to place in the CONGRESSIONAL RECORD his remarks at their recent meeting.

Over the past several years, Senator MATHIAS has shown keen personal interest in the vocational rehabilitation program. He has been most cooperative in supporting Federal legislative initiatives to both improve the program and provide adequate funding to meet the needs of rehabilitating the Nation's handicapped citizens.

As a member of the Senate Appropriations Committee, Senator MATHIAS personally appeared to testify in behalf of full funding for the State-Federal vocational rehabilitation program. As many members of the Senate know, the research and training funds for fiscal year 1975 for the vocational rehabilitation program were increased to authorized levels mainly due to the specific efforts of Senator MATHIAS' work in the Senate Appropriations Committee.

In addition to vocational rehabilitation, Senator MATHIAS has introduced important legislation, which I cosponsored, regarding adequate funding and programing for the education of handicapped children. The House-Senate conference committee of which I was a member, recently reached agreement on S. 6, the Education for all Handicapped Children Act of 1975. This bill would extend the present Mathias-Beall handicapped formula for assistance and then distribute funds under the new program. Senator MATHIAS also has a keen interest in the improvement of our entire health care delivery system.

Senator MATHIAS has previously been recognized by the Maryland Rehabilitation Association and the Mid-Atlantic Region of NRA for his legislative efforts in behalf of rehabilitation and our handicapped citizens.

Senator MATHIAS, in his remarks, points out that America's disabled citizens have not achieved the basic human rights to which all Americans are entitled.

In his address, Senator MATHIAS listed

goals "to remove the obstacles to the pursuit of a full life guaranteed in our Constitution to all our citizens, be they handicapped or be they whole."

The list of "basic human rights" proposed by Senator MATHIAS includes:

Education for every citizen with a disability "to the fullest extent to which he or she is capable, through the regular channels of education."

Training for vocational or avocational pursuits.

The right to work at any job for which he or she has the qualifications and the interests.

Barrier-free access to public facilities such as mass transit systems, shopping facilities and public buildings; and

Access to medical care, including the special medical assistance required because of the disability.

As Senator MATHIAS pointed out, a recent estimate shows only one-third of those who could benefit from vocational rehabilitation were in fact being served. He also noted budget problems at the State level, leading to slowdowns and deferrals which are hitting hardest at new applicants for rehabilitation programs. "It is frustrating for us to see the most severely handicapped go without help that could make them sufficiently productive to make it worth their while, as well as returning them to society as tax producers rather than burdens to others", Senator MATHIAS noted.

Needless to say, I am extremely pleased to bring these remarks to the attention of my colleagues. As a member of the Labor and Public Welfare Committee, I look forward to continued leadership from Senator MATHIAS and I shall continue to work closely with him to meet the basic needs of our Nation's handicapped citizens.

I ask unanimous consent that Senator MATHIAS' remarks be printed in the RECORD.

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

REMARKS OF SENATOR CHARLES McC. MATHIAS, JR.

I am most pleased and honored to have been invited to address this, the fourth general session, of the 1975 annual conference of the National Rehabilitation Association.

It is important for all Americans to note that this is the 50th anniversary year of the National Rehabilitation Association, and recognize the leadership role this association has had in the creation, implementation, and expansion of the rehabilitation movement in the United States.

Throughout the past 50 years, millions of handicapped Americans have been able to benefit from vocational rehabilitation services because of the leadership, advocacy, and legislative initiatives of the National Rehabilitation Association.

Yet, in spite of this record of accomplishment, I believe the next 50 years will present an even greater challenge for the rehabilitions movement for much remains to be done if all handicapped Americans are to indeed enjoy all the good things America had to offer. The fact several million American citizens still do not share the fruit of the productivity of our economy, because of physical or mental handicaps, leaves a large task ahead which will demand even greater leadership from the National Rehabilitation Association in the years ahead.

As a member of the United States Senate, and as a private citizen, I fully recognize that citizens with disabilities have not enjoyed fully the fruits of our society. Alternately, they may have been stereotyped by disability label, forced to form separate and unequal subcultures, or they have been thrust into our mainstream institutions without adequate preparation.

Neither alternative is proper. All citizens, including those with disabilities, enjoy the rights and privileges of our Constitution. Definitive guarantees, however, are needed by citizens with disabilities, so that adequate access to basic freedoms can be assured.

Much of the "handicap" faced by citizens with disabilities is man-made, both physically and psychologically.

I believe it is proper for members of the National Rehabilitation Association, then, to strive to remove barriers, both physical and psychological, so that citizens with disabilities can lead fuller and more meaningful lives. In doing this, the National Rehabilitation Association must recognize that first and foremost, citizens with disabilities are citizens; persons with rights and obligations.

Citizens with disabilities do not wish to be set apart from the mainstream America by virtue of their disability, nor do they wish to avoid their responsibilities. I hope that you as members of the National Rehabilitation Association will work hard to remove the obstacles to the pursuit of a full life guaranteed in our Constitution to all our citizens, be they handicapped or be they whole.

I hope that you as members of the National Rehabilitation Association will work actively to achieve for all citizens with disabilities the basic rights to which all American citizens are entitled. In doing so, you can assure that obstacles to a full and meaningful life for all citizens with disabilities can be removed.

I will remind you that there are several basic human rights which every citizen should enjoy. These basic rights include:

1. Every citizen with a disability should have the right to receive medical care for the protection of his or her well-being, and such additional special medical assistance as is required because of his or her disability.

2. Every citizen with a disability should have the right to receive an education to the fullest extent to which he or she is capable, paid for and provided through regular channels of American education. They should have available special educational help as needed by virtue of their disability.

3. Every citizen with a disability ought to be able to receive training for vocational and avocational pursuits as are dictated by his or her interests and talents.

4. Every citizen with a disability should have the right to work at any job for which he or she has the qualifications and interests, including sheltered and other subsidized forms of employment, if such is appropriate to their needs.

5. Every citizen with a disability should have access to barrier-free public facilities, including polling places, public buildings, general mass-transit systems, supplemental mass-transit systems, social and recreational facilities, shopping facilities and entertainment opportunities.

I would now like to turn for a few moments to some legislative concerns regarding the Rehabilitation Act of 1973 (Public Law 93-112) and the Rehabilitation Amendments of 1974.

I am very pleased with the 54 year old program of vocational rehabilitation and positive economic effect that it has had on our country.

The Rehabilitation Act of 1973 and the 1974 amendments have created an environment in which we can assure the disabled of this country that with effective implementation of this legislation, the handicapped can be provided with the training and opportunities necessary to engage in gainful employment and become productive members of our society. However, I do share some of your concerns about the ability of the State-Federal rehabilitation programs to meet the current demands for vocational rehabilitation of the severely handicapped in our States.

It is because of these concerns that I urged my colleagues to provide appropriations for basic State grants in the full amount authorized, namely $720 million, for fiscal year 1976. I am pleased that they agreed with my recommendation. I fully realized that it is indeed difficult, in these times of extremely high inflation and pervasive economic uncertainty, to ask for more money before the Congress, but the realities of the new mandate that priority be given to the rehabilitation of the severely handicapped must be taken into consideration. We must provide the means whereby we can assist first those who, in many cases, heretofore, were relegated to what can be only described as custodial stagnation if we are to meet the mandates of current rehabilitation legislation. Its costs, however, are great. But they must be met. It is frustrating for us to see the most severely handicapped go without help that could make them, if not as productive as those without their handicaps, certainly sufficiently productive—(here I am speaking solely in an economic sense), to make it worth their while, as well as the taxpayers.

However, I believe one must not speak, only in economic terms. Vocational rehabilitation is not only an economic necessity. It is a humane necessity if we are to guarantee that handicapped persons can be employed and can stand tall, knowing that they are again self-sufficient and are repaying in taxes what their rehabilitation cost.

I am readily aware that even under optimum conditions and support thus far, the number of disabled individuals being reached by the vocational rehabilitation program has been but a small portion of the total population of handicapped individuals who could be benefited by such services. During his tenure as acting commissioner of the rehabilitation services administration, Corbett Reedy estimated that only one-third of those who could benefit from vocational rehabilitation were being served. Again in the past year, many State rehabilitation agencies have found it necessary to slow down or defer service programs, especially for new applicants. This is the inevitable result of the increased emphasis on rehabilitation of the severely disabled, a group for whom vocational rehabilitation requires more time and more effort. We must provide the means to continue this effort!

There are two specific sections in the current rehabilitation legislation in which I have a special interest.

The first is that of innovation and expansion grants. The increased emphasis on the rehabilitation of the severely handicapped does entail an increased burden upon the State rehabilitation agencies, its personnel and its facilities. It is because of this increased burden that the innovation and expansion grant program, which has always been significant, takes on an even greater importance. As you know, the Congress appropriated $23 million for innovation and expansion grants for fiscal year 1976. I realize that this amount was in conflict with the administration; since the administration recommended nothing whatsoever for innovation and expansion grants in rehabilitation.

I must say, that it is indeed puzzling that the administration should choose to invest no funding for this useful and consequential program when the President stated, in signing the Rehabilitation Act, that "its funding

levels, which are adequate, do not abrogate the fiscal disciplines essential for a non-inflationary balanced budget." If the administration is indeed serious about realizing the potential of the Rehabilitation Act, it could evidence that intent by supporting the funding levels, which the President himself referred to as both "adequate" and "non-inflationary."

Adequate funding for innovation and expansion grants are important in that they allow for experimentation by the State rehabilitation agencies to find new methods and ways of serving the severely handicapped. The innovation and expansion grant program is designed to better "leading edge" in giving direction to future services and programs to handicapped individuals. It deserves to be fully funded.

The other specific area in which I have a great personal interest in the rehabilitation program, is that of *research*. Suffice it to say that while we all live in a more practical world, one of applying methods and procedures developed elsewhere, we must be mindful of the extent to which we are all dependent upon our colleagues in the field of research for the great strides that have been made in rehabilitation. I believe that for the research program in rehabilitation to have a measurable impact, we needed the full $32 million authorization for the fiscal year 1976. Unfortunately, my colleagues felt they could only provide $24 million. But that amount will greatly help. For without adequate research, we cannot continue to make the strides that will be necessary to rehabilitate our severely disabled citizens.

I would like to briefly touch on one more concern. As I mentioned previously, for more than fifty years, the State Vocational Rehabilitation Agencies in the various States have been providing Rehabilitation Services and rehabilitating thousands of handicapped persons, thus making it possible for these people to reach their vocational goal. The unique State-Federal partnership that exists between the State Vocational Rehabilitation Agency and the Federal Government has been extremely successful throughout its history and a model that numerous other agencies have attempted to emulate.

However, it now appears that we have now reached a point in time and a situation that not only is threatening the successful, traditional vocational rehabilitation program as we know it, but one that has the potential of endangering the entire rehabilitation movement in the United States. A recent law enacted by the Florida State Legislature has reorganized the Florida State Department of Health and Rehabilitative Services. The law organizes the department into an "allied services" posture, completely destroying lines of authority, minimizes fiscal control, and provides for no real accountability system. The new organization has the potential of making a "generalist" out of the rehabilitation counselor thus completely destroying the profession of rehabilitation counseling and eliminating the professional rehabilitation counselor who has been the key in the vocational rehabilitation process. This new law allows funds to be diverted from one program to another, thus creating the possibility that rehabilitation funds could be diverted to other purposes than providing services to handicapped people in the State of Florida.

The new Florida law reorganizing the Department of Health and Rehabilitative Services may well be in conflict with the Federal Rehabilitation Law. In fact, the Governor of Florida has recognized the conflicts between the two laws and has requested the U.S. Secretary of Health, Education and Welfare to waive Federal law requirements.

This alarming situation should be of great concern to the Congress who has made clear its position with respect to the proper delivery of services to handicapped citizens by State Vocational Rehabilitation Agencies. The Congress has fully recognized the importance and value of cooperating with various agencies in the private and public sector to help assure that adequate, quality services are provided to disabled persons. However, the Congress in the Rehabilitation Act of 1973, clearly spelled out that there are certain conditions it considers absolutely essential in any State Vocational Rehabilitation Program.

The new law in the State of Florida that reorganizes the Department of Health and Rehabilitative Services may well violate, to some degree, each of the stipulated basic provisions of the Rehabilitation Act of 1973. If this is the case, it also appears that the scope and quality of services to disabled people in the State of Florida will be significantly diminished. Congress should act immediately, through additional oversight hearings to determine if the Florida reorganization plan has national implications to the detriment of other state vocational rehabilitation agencies, and to the provision of rehabilitation programs to handicapped people.

In spite of the organizational problems, funding problems, and the ever present need to continue to improve the service delivery system, I hope that the members of the National Rehabilitation Association will never lose sight of the fact that the essence of rehabilitation must retain its focus upon the individual, his dignity, his uniqueness, his inviolable right to function at a level consistent with his capacity.

The continued success of the rehabilitation movement is directly related to how well you continue to understand and respect the individuality and uniqueness of the person. Accommodation and adjustment should remain the mechanisms of rehabilitation; counseling the essential tool of rehabilitation; and the maximal realization of individual potential must remain its goal. But the essence of rehabilitation, its most distinguishing characteristic, is its recognition and respect for the dignity of man. The legislative future of vocational rehabilitation, as well as the movement itself, must never lose sight of this goal.

"FACE THE NATION" DISCUSSES NEW YORK CITY'S PROBLEMS

Mr. ALLEN. Mr. President, on Sunday, November 2, along with the distinguished senior Senator from New York (Mr. JAVITS), I participated in the CBS program, "Face the Nation." Reporters questioning us were George Herman, George F. Will, and Robert Schakne, and the entire program was devoted to a discussion of New York City's problems.

Because of the widespread interest in this subject, I ask unanimous consent that the transcript of "Face the Nation" for Sunday, November 2, be printed in the RECORD.

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

TRANSCRIPT FROM FACE THE NATION AS BROADCAST OVER THE CBS TELEVISION NETWORK AND THE CBS RADIO NETWORK, SUNDAY, NOVEMBER 2, 1975

HERMAN. Senator Javits, Senator Allen, New York City is coming rapidly up on the next in its series of payment crises. Will there be legislation in Congress to help it out in time? Senator Javits?

Senator JAVITS. I believe there will be, because I believe the Congress is impressed with the fact that there is no reason why New York should be allowed to go down the drain or be compelled to go into bankruptcy. The city can be saved, and the state can be saved, and that's the big vacuum in President Ford's outlook. He doesn't realize that if the city goes, the state is likely to go.

HERMAN. Senator Allen?

Senator ALLEN. I do not believe that there'll be any such legislation. This legislation that is proposed merely postpones the day of reckoning. It sets a bad precedent. It's just like giving alocohol to an alcoholic on his pledge that he's going to quit drinking. I think that Congress realizes this, and I do not believe that Congress will yield to the pleas of the—of the New York politicians.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on Face the Nation, with Senator Jacob K. Javits, Republican of New York, and Senator James B. Allen, Democrat of Alabama. They'll be questioned by CBS News Correspondent Robert Schakne, Syndicated Columnist George F. Will, and CBS News Correspondent George Herman.

HERMAN. Well, we have a sharp difference of agreement. Senator Javits thinks there will be legislation; Senator Allen thinks there will not. Senator Allen, a lot of people seem to think if there will not be legislation to help New York City, it's largely going to be because of your doings. Is that correct? Are you sort of the leader of the bloc to stop—

Senator ALLEN. Well, I wouldn't say that. Senator Harry Byrd of Virginia is taking a very active interest in seeking to defeat this legislation. We both believe that it would be bad for the nation, it'd be bad for local governments generally, be bad for New York City, it'd be bad for the people, it'd be bad for the taxpayers, and it will just postpone the day of reckoning, unless New York is to become a ward of the federal government. And I don't suppose anybody wants that.

WILL. Senator Javits, if New York City does get federal aid, it will largely be because of two fears. One is the fear that it'd have a bad effect on the economy, and the second, that there might be payless paydays and even civil disorder in New York. If such fears produce federal aid for New York this time, won't the city of New York be able to use such fears forever to avoid the necessity of balancing its budget?

Senator JAVITS. That is not the case at all, and for this reason. New York is going to be subjected to great privation. There have already been 31,000 employees released, and there will—and there should be more. And the people of New York are now the highest taxed in the nation, and they're going to continue to be taxed enormously. New York capital improvement projects cannot go forward, and won't for years, under the regime which the state is already imposing. New York, which has been so proud of home rule, will not run its own affairs for at least five years, and must cut its costs by at least eighteen percent to balance its budget in three years. It's got a very Spartan regime, and the future of New York could never be in any way promising if it had to continue this way; so that the city has got to pull itself out, and will. It is not a bail-out. It is the most condign repentance which any American city has had to endure, including those that went into default in the Great Depression.

Senator ALLEN. Senator Javits, I might say that the Wall Street Journal, which I assume is the oracle of the financial community, takes a different view. They say that if you do bail out New York, you'll have Mayor Beame coming back in a very short time asking for more and larger guarantees, that the only sound way to handle this is for New York City to go into bankruptcy, where they'll have the power to get concessions from the big labor unions, where they'll get the opportunity to cut back. And they say the cuts won't be made unless they go into bankruptcy.

Senator JAVITS. Well, now, the cuts have to be made, or they cannot get any federal guarantee on the tough board which the federal government has put up—will absolutely guarantee that. So the Wall Street Journal can fume all it wishes about its ultra-conservative positions but it can't deny the facts. And the Bank of America, which—

HERMAN. Senators, we have our own questions, as well as those raised by the Wall Street Journal.

Senator JAVITS. Well, let me just say what the Bank of America——

HERMAN. Why don't we get Mr. Schakne's question in first, and then we can return to some other newspaper's question. Let that—let that Wall Street Journal question you on its own time.

Senator JAVITS. All right.

SCHAKNE. Senator Allen, I take it you hold the position that a default in New York will not seriously harm the rest of the country, but the argument has been made that indeed it will, that—the argument has been made by major banks. The Bank of America today said it would have national implications. In addition, Federal Reserve Chairman Arthur Burns said that recovery will be hindered. You can get scenarios that the consequences of default will be very, very serious. Doesn't that worry you?

Senator ALLEN. Well, yet Chairman Burns is recommending bankruptcy. He recommended that to the Senate Committee on Banking. I don't suppose anybody will know the full consequences of default by New York City until we experience it. Actually, they're in de facto default now, as everybody knows. Now I do not believe that it would hurt. We see——

HERMAN. What does that mean, Senator?

Senator ALLEN. I don't believe it would affect the ability of sound municipalities to——

HERMAN. No. I mean what does de facto default mean?

Senator ALLEN. Sir?

HERMAN. I don't understand the——

Senator ALLEN. Well, they're not able to pay their obligations without coming to the federal Treasury for assistance. That's the reason I say they're in de facto default now. They wouldn't be here today; we wouldn't be on this program right now if New York City was not in de facto default.

SCHAKNE. But how can you be so sure, Senator, that other cities will not have trouble marketing their bonds——

Senator ALLEN. Well, we see them in the market place right now. We see them in the market place right now.

SCHAKNE. But they're paying huge interest rates in many cities.

Senator ALLEN. Well, no, the state of Maryland was able, just the other day, to sell 85 million dollars worth of bonds at 5.27 per cent interest—five point two seven. That's a very low rate of interest any way you look at it.

SCHAKNE. But you can—aren't you picking and choosing which city——

Senator ALLEN. Well, I don't know of any others that have paid exorbitant rates of interest except New York City, which has been paying about ten per cent. So I think you'll find the financial community, right up until the time that New York goes into actual bankruptcy—you'll hear them say that this is having a bad effect on the economy, a bad effect on the municipal market; but you're going to find them changing their tune, once New York goes into bankruptcy, to, why, it hasn't hurt us at all.

Senator JAVITS. Well, now, in the first place, New York is not in any default, de facto or otherwise in the—and that's a very, very serious charge which is completely baseless, and indicates the kind of argument we're getting. Second, fourteen mayors appeared before the Joint Economic Committee and testified that they had to pay a minimum of two points, or two per cent, more on their paper, and that they believed the whole municipal market—for cities—we're talking about cities—would have to be shut down. And Chicago, just the other day, couldn't sell its bonds; and yet its senator, Senator Percy, brags about what great shape Chicago is in, because of Mayor Daley. Now I'll take the word—if I may, Senator—I'll take the word of the Bank of America, the largest bank in the country, and a California, not a New York bank, which says default in the national interest should be averted: New York would be punished, surely, but the punishment cannot be localized; the entire nation would suffer. Now there's no reason whatever for pulling the plug on New York's first city, when it will cost the nation nothing to save it, and when it's saved Lockheed and is about to save Penn Central and lots of other commercial concerns.

HERMAN. Here we go again. We're going to have the battle of the editorials. I see Senator Allen—

Senator ALLEN. That's certainly interesting, saying it's not going to cost the Treasury anything, because initially they're going to put four billion dollars into this, and then they'll be coming back for more.

Senator JAVITS. I'd like to answer that.

Senator ALLEN. You had something about the Bank of America. This is what Mr. Eliot Janeway, one of the foremost economists in the country, had to say this morning—says "demagoguing about default has become the name of the political game about New York." The reality behind the posturing is that New York City's bankruptcy has been established for months. So if that's not de facto bankruptcy, I don't know what is.

WILL. Senator Javits, you're accepting the position that some strings must be attached to federal aid given to New York, and let me ask you about a few specific strings. Thirty-one per cent of New York City's assessed valuation is in apartments that are rent-controlled, and that restricts the growth of its tax base. Do you think the federal government should require repeal of rent control?

Senator JAVITS. No, I cannot say that, because the federal government should require what is necessary to the financial health of its people. It should not punish its people when it isn't necessary.

WILL. Two hundred—

Senator JAVITS. And I don't believe—just a second—I don't believe that with the economies, which are in—definite in the plan—the plan will not be approved otherwise, and the guarantee will not be forthcoming otherwise, it will be necessary to have this drastic elimination of rent control; and the United States should not be a stalking horse for a people who've been after eliminating it for years. The vacancy rate in New York is still too low to accept an abandonment, the complete abandonment of rent control.

Senator ALLEN. That's not in the bill, by the way, Senator Javits.

Senator JAVITS. Well, it's in the Senate bill, and the Senate committee has the power to do it.

HERMAN. Well, we're never going to get through the list of amendments that George Will has to propose if we have a—

WILL. Another possible string that could be a requirement—that those among the 220,000 students at the city university who can pay tuition should pay a tuition comparable to what they pay in Michigan or Wisconsin or at other state universities. Would you be in favor of that?

Senator JAVITS. I am in favor of reviewing the tuition problem in connection with the possible entry of the city university into the state university, but I'm not simply for accepting the condition of elimination because 32 million dollars has already been cut out of the budget of the city university, which is the exact amount of tuition that would be paid. So the other students are dividing the burden. Now whether it's desirable to go beyond that, I'm not going to foreclose right now. But I certainly wouldn't accept the fact that that's got to go out the window.

WILL. Okay, I think you've rejected two possible strings. Would you—

Senator JAVITS. I haven't rejected a thing, sir. I've qualified how they're to be applied with some intelligence and not to serve the will of those who have been seeking to eliminate these things for years, long before the financial crisis.

WILL. Would you suggest a specific string the federal government should attach to its aid?

Senator JAVITS. Yes, the specific string must be, in my judgment, the restructuring of the debt of the city of New York, which will be done; the balancing of its budget within three years, which will be done; and a renegotiation of the pension agreements with the New York unions. Those are certainly—there may be others that I'm not thinking of this minute. In addition, let's remember that the city has already met one of the big strings, which is to increase the fare of its people. And let us remember that in New York, about half the people have less than the median national income. That's the position to which the city has been reduced, increase that fare from 35 to 50 cents.

HERMAN. Are you basically through your list of conditions? I don't mean to interrupt, but I want to get to Senator Allen.

Senator JAVITS. No, my fundamental point is really two. One, and I'd like to answer what Senator Allen has said, it is unnecessary because the federal government is asked to give a guarantee, and the taxable real estate in New York is worth $100 billion. And everybody that testified before us in the Congress has admitted that New York will ultimately pay. Now if the federal government's guarantee is called, it will not pay in cash—it will issue bonds, long-term bonds, so under no circumstances is the federal government at hazard unless it lets the city go. If it does, and then it foots the bill for the damage, which the President indicates he will, then it is really at risk.

SCHAKNE. Can I ask Senator Allen—your contention is that the federal government should not pay for New York's sins, but the argument is made that if the city does default, in fact, legally and technically, that the federal government will have to pay more than its loan guarantee costs. For instance, a billion dollars shortfall in cash—

Senator ALLEN. I haven't made that argument, and I haven't made that concession, because I believe if New York City can get a moratorium on its debt—you know, it is taking in over $11 billion a year, its budget is 12.2, and it's taking in within $600 billion (sic) of that, so it will have plenty of money if it can get a moratorium on its debt.

SCHAKNE. But if it has a moratorium on its debt in December alone, it will be short something close to $300 million for its payroll, vendor payments, and other things—a billion dollars in its payments other than debt, between now and next month.

Senator ALLEN. Well, of course if it goes into bankruptcy, the trustee could issue certificates, conditioned on the tax anticipation, and have plenty of money.

SCHAKNE. But suppose no one bought them—why would anyone buy bankrupt—

Senator ALLEN. Because it would be a saleable security, because it would come ahead of everything else, and would be a lien on the anticipated tax revenue. I believe New York has the financial know-how, the fiscal know-how, to solve its problems. It's the capital of the financial world, it has the best financial brains in the country there, and I believe they can work this out—

SCHAKNE. How?

Senator ALLEN.—and I believe that voluntary bankruptcy is the solution.

Senator JAVITS. Well, why run all that risk—

HERMAN. May I pursue something with Senator Allen for a moment, Senator Javits. We asked Senator Javits at some length about strings to be attached to any federal bail-out legislation. Is there any set of strings which would make guaranteeing or assisting through legislation the City of New York—is there any set of strings or conditions which would make such legislation acceptable to you?

Senator ALLEN. No, but I don't think the way to approach it is with strings, because you're going to find—

HERMAN. Is there any way of conditioning it?

Senator ALLEN. You're going to find—well, just remain aloof from it, because it is a local problem, and if we take over New York City——

HERMAN. The answer is no.

Senator ALLEN. You're going to come out——

HERMAN. You wouldn't accept it with any——

Senator ALLEN. Well, I want to state this—the imposing of conditions has already made Senator Javits irate right now. The imposing of these conditions would make New York City politicians and people mad at the federal government, and they're going to claim that the federal government, even though it lends a helping hand, is the villain, so if we leave them to work out their own problems, which I think they have the ability to do, I believe that's the best in the long run, and I believe that will be of benefit to the citizens of New York. I believe I'm standing up for the citizens of New York, because they've been ripped off by the politicians, and have been ripped by by the big banks, and have been ripped off by the municipal labor union leaders, and I might say they've been ripped off by the bond service companies as well, the bond——

HERMAN. You said this a number of times in the Senate and various writings—what I'm trying to get is, without worrying about the feelings of the people of New York, I gather from what you say that you would not support legislation to assist New York, whatever conditions or strings were attached to it?

Senator ALLEN. No, it's not necessary, and it would lead to the nationalization of all of the municipal deficits throughout the country, and it would lead us down the primrose path of national bankruptcy, in my judgment.

Senator JAVITS. I'd like to answer some of those things. The main one is that it's a great day when Jim Allen is going to stand up for the eight million citizens of New York, and the implication is that I'm not, and that he knows better than we do exactly what is good for us; and secondly, about this temporary financing, without which the city could grind to a halt or have tremendous commotion, which you mentioned, Mr. Schakne—the bankers have testified before us time and again that nobody will buy New York paper. Therefore only the federal government stands in the way, and let us talk about the federal government for just one minute. This is the government of all the people of the United States, including the eight million in New York, and it is unfair to divide the country, and it is divided, according to a survey this morning, by 49 who say don't help New York, but 42 percent who say do. Now that's a lot of people, and it includes most of the young. And finally, what the President has failed to tell the American people, and this is critical, is that the Governor of New York says that if New York City goes, we are likely to go. And this is a union of states, and we have not let a state go, and the least the President can do, in fairness to the nation, is to say we will not let New York State go, we will finance New York State so that it doesn't go. The minute he says that, it changes the whole situation, both for the state and the city.

SCHAKNE. Well, why doesn't the state do some things it has been argued in testimony before Congress that it has not yet done—like assume the welfare burden, as 49 other states do.

Senator JAVITS. The state cannot assume the welfare burden because the welfare formula developed in the Congress by senators who think just like Senator Allen does, is very harmful to New York and comparable states because it gives us 50 per cent of the welfare burden and most other states up to 80 per cent. The state can't do it; it hasn't got it.

SCHAKNE. But the state can take over New York City's share of the welfare burden, as, say, the State of Illinois takes all of Chicago's welfare burden by an act of the state legislature.

Senator JAVITS. But it hasn't got it. It is $600 million a year, and the state is nearly down the drain now, and that's not my opinion, it's Moody's and Poor's, the people who rate state bonds. That's why I say what I do. Let the President in all fairness tell New York State—we won't let you go, now you take care of New York City; that's a very different tune than he's been singing up to now.

WILL. Senator Javits, New York is a wealthy state, and New York City is a wealthy city within that state, and the median family income is about the national average; the median family income of black families is above the black median family average. The welfare caseload, measured by Aid for Dependent Children, is lower than in Baltimore, St. Louis, Washington, Philadelphia, Newark and other cities. How is it New York can't pay its bills?

Senator JAVITS. I'll tell you exactly. There are three reasons for that. One is it's got a 12 per cent unemployment. Two, it suffers from many iniquities and wrongs of the past, but I challenge any American to say that that is a reason for punishing eight million people, five per cent of the population of the United States, in round figures. And thirdly, and very importantly, New York has taken a welfare load, because from the South in the 60's came well over a million migrants, and from Puerto Rico, American citizens entitled to go anywhere, came, roughly, between 750,000 and a million. They replaced the taxpaying population; they are a welfare population. And with all the chiseling or anything else anybody wants to accuse welfare people of, the highest conceivable figure anybody mentions is 15 per cent—that still leaves 85 per cent of the lame, the halt, the blind, the poor, and the helpless. And New York, unlike other states, including Senator Allen's Alabama, pays $80 a person a month—that ain't no fortune to a mother who is getting federal-state-city aid, whereas Alabama pays $20. Now I'm not casting stones at Alabama, but I say that's not profligate, as far as New York is concerned.

HERMAN. Something has been cast at Alabama, and I think Senator Allen deserves a little time. I have a specific question I want to ask you, if it doesn't interrupt what you were planning——

Senator ALLEN. Well, I wanted to say—Senator Javits talking about punishing New York. Well, he's the man who's advocating this legislation, which he says punishes New York. Now I'd like to point out that this legislation that has come out of the Banking Committee will certainly perpetuate this shortfall there in New York, because it carries over New York's old nemesis which is short-term credit. This bill limits the term of this borrowing to one year, and a $4 billion guarantee would not be able to be paid at the end of one year, and it would freeze in their short-term borrowings that has brought them to this state of affairs.

SCHAKNE. It could be rolled over.

HERMAN. You give New York City no chance, if they are given a brief respite of any kind, of getting its house in order? You think it is going to continue to be an alcoholic, so to speak?

Senator ALLEN. I see no chance whatsoever, except by the long-range method of going into bankruptcy and standing on their own feet. I believe that's the way to do it. In the long run this is best for the average citizen of New York. Now Senator Buckley takes a long-range view, and he's got the courage and the statesmanship to stand up in an election year and say that it's best for the people of New York to solve this thing on a long-range basis. And much as I admire Senator Javits, whom I feel is one of the greatest senators from the standpoint of ability—I'll have to take my hat off to Senator Buckley, who has the courage to say let's solve this thing on a long-term basis, and I stand with him.

HERMAN. Senator Allen, you, as did Senator Javits, voted for aid to Lockheed Corporation, when it was in trouble.

Senator ALLEN. Yes.

HERMAN. The President referred to that as probably a mistake. Do you think it was a mistake?

Senator ALLEN. No, I don't think so. That did no violence to our federal system, and certainly Lockheed was a defense supplier, and you know, government doesn't produce anything. Lockheed was producing something. Also we have the precedent that in the Depression, 4,770 local government units went under, and the government did not come to their rescue, and the RFC did lend to thousands of private enterprises in order to keep jobs going. Now then too, this has been a great investment for Lockheed and the American taxpayer because they have——

HERMAN. In mid-Lockheed, Senator, I have to choke you off. Thank you very much for being with us, Senator Allen and Senator Javits, on Face the Nation today.

ANNOUNCER. Today on Face the Nation, Senator Jacob K. Javits, Republican of New York, and Senator James B. Allen, Democrat of Alabama, were interviewed by CBS News Correspondent Robert Schakne, Syndicated Columnist George F. Will, and CBS News Correspondent George Herman. Next week another prominent figure in the news will Face the Nation.

THE NEW YORK SITUATION

Mr. TUNNEY. Mr. President, we have reached the point of no return for New York City. If the city receives no Federal aid, if it is unable to make a fresh start in marketing its municipal securities, the overwhelming likelihood is that the city will default by December 1 or sooner.

It is also clear that the choices available to the Federal Government have come down to two: First, to try to prevent default; or second, to permit default and try to pick up the pieces afterward. Risks are attendant upon whichever course is chosen. At the very minimum, the result of Federal action should be to force New York's politicians and fiscal managers to return the city to a solvent state.

For months now, debate has raged on the fate of New York City. On the one hand, the President and many others insist that default will not be difficult for the United States to bear. On the other,

big city mayors, economists, and others maintain that default will imperil not only New York City, but the State of New York, the borrowing power of other local governments throughout the United States, and ultimately, the Nation's fragile recovery from the most severe recession since the Great Depression.

It is my view that the potential disaster of default by New York City is far more dangerous to the welfare of the Nation than minimal costs to the Federal Treasury of guaranteeing New York's obligations.

The financial collapse would have dire consequences. First, the State of New York could be exposed to grave dangers of default on its own obligations. Through its Financial Emergency Act to bail out the city, the State has entwined its future with the city's. The State must borrow $3.5 billion during the spring to meet its own needs, a task which will be difficult if not impossible if the city defaults. If both the city and the State were to plunge into default, the economic stability of the entire Nation would be threatened.

Second, default by Nation's largest city inevitably will affect the borrowing market for other cities, counties, and local governments throughout the country. The Los Angeles Times, in a long and thoughtful article on October 29, describes the impact on the Nation's city, State, and local governments from the New York situation, even in advance of default. Governments with impeccable credit ratings are paying higher interest rates to purchasers of their securities and notes. In my home State of California, where the State and many local governments have exemplary records of fiscal management, interest rates have climbed. In fact, only last week, the Los Angeles Department of Water and Power has projected that it may have to pay rates up to one-half percent higher on November bonds than it paid in May, specifically attributing the increase to the situation in New York. Taxpayers will be faced with millions of dollars of new taxes—new property taxes, new sales taxes, new user fees, new income taxes—to pay inflated interest rates on local governmental bonds.

Third, the default of New York City would work untold economic hardship on tens of thousands of private investors scattered throughout the country. Over one-half of the bondholders of New York City are persons with incomes of $25,000 or less.

Finally, default could cripple police, fire and other fundamental services in our biggest city. The arithmetic is stark. Between December and March alone, the city will fall $1.2 billion short of its needs for cash even if it does default and it does not pay a dime of interest on its obligations. In addition, it is now conservatively estimated that the city's revenue base would be eroded by default by more than $1.2 billion between now and June. Thus the city is going to have to meet at least $2.4 billion of bills between now and June with money it would not have. Most of that money will go for provision of essential services. And that financial shortfall will be perpetuated for the next several years, regardless of what happens, but especially in case of a default.

To prevent anarchy and chaos in New York City, the Federal Government undoubtedly, would be the insurer of last resort. It will have to subsidize essential services, and maintain the basic necessities of community survival. Even President Ford recognizes that, although he is remarkably opaque when it comes to specifying details, "the Federal Government will work to assure that police, fire, and other essential services for the protection of life and property in New York are maintained."

If indeed, the Federal Government were to underwrite basic services, the cost could far exceed the cost of averting default. Somewhere over $2 billion will be required before next June, and New York's default could commit the Federal Government to additional billions of dollars of aid for years to come.

Various proposals have been presented to the Congress to prevent or ease default. One which particularly impressed me was advanced by James Abrams, an expert on municipal finance with Allen and Co., an investment banking firm in New York City. His plan would have two facets—first, conversion of the $2.8 billion in short-term notes naturing by the end of fiscal year 1976 into securities with 10-year maturities, paying off at negotiated interest rates, with no return for at least 5 years; second, the purchase of 15-year New York City issues in the amount of $1.2 billion by the Federal Reserve Board or the Federal Financing Bank.

The merits of this plan are considerable. It is simple, direct, restructures much of New York City's debt, and it leaves the Federal Government with long-term obligations which are secure, and which might even be sold for a profit at a later date.

The proposal reported by the Senate Banking Committee reported by the Senate Banking Committee contains many of the strong features of Abrams' proposal. It reforms the debt of New York City, and it requires long-overdue reforms in the city's administration. It imposes hard-fisted conditions on the city preceding the guarantee of Municipal Assistance Corporation bonds.

Most important, this program of bond guarantees need not cost the Federal Treasury and the American taxpayer 1 cent. The psychological stimulus of the guarantee, if it does nothing else, should encourage investors and restore New York City to the municipal money markets. Once investment is revived, the city should be able to pay off its obligations without the need of a single Federal dollar.

This approach would permit New York City to pull itself out of the hole that, in part, was dug by the swirling ebbtide of our economy in the last few years. The city confronts gargantuan pressures for services to the millions who live, work and travel there, and its tax base, because of its reliance on business taxes, has been harder hit than many communities by the precipitous erosions of inflation and unemployment.

The bill would guarantee the city's loans and allow it to work out its own redemption through a return to selling its own notes and securities. Additionally, it would insist on tough, relentless reforms whereby the city would avoid possible profligacy in the future.

The legislation would establish a three-person Emergency Municipal Debt Guarantee Board—Secretary Simon, Secretary Dunlop, and Chairman of the Federal Reserve Board Burns—with the authority to guarantee up to $4 million in MAC bonds during the remainder of fiscal 1976, $3.5 billion during fiscal year 1977, $2.5 billion during fiscal year 1978, terminating with $1.5 billion for fiscal year 1979.

To qualify for the guarantee, the legislation insists that New York must do the following: First, it must present a plan for balancing its budget by 1978, including adjustments in its costly pension schedules, and must turn over its fiscal affairs to the State—which has been done already; second, it must open its books to the Federal Government; third, the State must in turn pay a guarantee fee of up to 3½ percent, and must pass new taxes which would cover half the anticipated deficit of the city until it balances its budget—an amount estimated to be about $400 million per year; fourth, finally, and perhaps most importantly, the city and State must take steps to reform the structure of city and MAC debt. The pending legislation would require that 65 percent of all MAC debt and 40 percent of city debt to mature in this fiscal year be converted into bonds and securities of 5 years' maturity or more. Moreover, the section would require that nonguaranteed bonds be bought by private investors in maturities of 5 years or longer to the maximum extent possible.

In sum, the preconditions of any loan guarantees squarely place the burden on the city to restructure its own credit and meet its own obligations. If it should fail in its plans, all the guarantees under the legislation could be withdrawn at the end of a fiscal year.

The question before the Congress now is whether to accept the massive and expensive uncertainties occasioned by a default, or to attempt to minimize New York's fiscal crisis by a direct intervention now which could protect private capital markets throughout the Nation.

HARTFORD CIVIC CENTER PLAZA

Mr. RIBICOFF. Mr. President, last week Mrs. Ribicoff and I went shopping in the new Civic Center Plaza in our hometown of Hartford, Conn. It was an exciting experience.

Added to the basic civic center, its sports arena, and convention facilities, is a series of specialty stores of the highest quality and greatest variety. The key store is Luettgens Ltd., under the ownership and management of William L. Luettgens. Bill Luettgens, one of the country's outstanding merchants, showed us around his beautiful and well stocked new store. The personnel is of the highest caliber. The merchandise supplies the needs of every shopper.

A complete description of this store may be found in the October 22, 1975, issue of Women's Wear Daily, and I ask

unanimous consent to print this article in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered

(See exhibit 1.)

Mr. RIBICOFF. The new Civic Center Plaza is a remarkable example of an imaginative city government and responsible leaders in private industry working together in a unique commitment to the survival of the inner city.

The activities centering around the center have transformed Hartford from an 8 a.m. to 5 p.m. city into a place which all its residents can enjoy for 24 hours a day.

Singular praise should go to Councilman Nick Carbone and to John Filer, chairman of the board of Aetna Life and Casualty Co., for their good faith, determination, and hard work in making this noble experiment a reality.

Special commendation should also be given to Gene Ross and Don Conrad of Aetna; Jack Dollard of the Knox Foundation; Stan Schultz of the Downtown Council; and former Councilman George Levine.

My commendation and praise go to all who have made such a success of the Hartford Civic Center.

The article follows:

[EXHIBIT I]

Civic Center Plaza, Hartford, Conn., is the location of one of the most encouraging exercises in confidence in the economy since the onset of recession.

On Thursday, William L. Luettgens will open Luettgens Limited, a two-floor, downtown store of 70,000 square feet. It will be both the largest locally-owned-and-managed specialty store begun in the area in many years and a singular example of its type and size starting from scratch anywhere in the country.

Luettgens, president of the new enterprise, and a native of Hartford, retired as senior vice-president and director of personnel and customer services at G. Fox & Co. in October, 1973 at 58. He was with that store for 38 years, rising from stock boy during a summer vacation from the University of Cincinnati which he quit after completing his freshman year. He became a salesman and was promoted through a wide variety of buying and operation posts to vice-president and general manager of operations and then to his senior vice-presidency.

Bill Luettgens had no plans to work after his retirement. He thought his time would be filled with his grandchildren, 3, 7 and 8. However, it wasn't long before "they were ready to kill me, and I to kill them." He started to write a book—"a series of vignettes about life and how to motivate people but I lost interest in it after five chapters. Four months following my retirement, I knew this wasn't for me."

He joined a friend in a personnel and consulting business, thinking he would work only two or three days a week. He found himself occupied full time and "this didn't stimulate me either."

In August, 1974, Luettgens "had a dream to open a big store." He signed a 20-year lease on a percentage arrangement with Aetna Life & Casualty, owner of Civic Center Shops, part of the Hartford Civic Center, a 7½-acre urban redevelopment undertaking. Aetna contributed certain leasehold improvements which will be paid off in rent. Financing came from a local bank as well as his own funds.

At 60, Luettgens has embarked upon a career as chief executive and sole shareholder of the retail corporation.

All women's, men's, juniors', accessories and gift departments at moderate-to-better price ranges will be represented. Infants' wear and some children wear up to size 6X will be carried plus kids' toys, games and furniture. There will be a Granny Botique providing gifts for children, a Guilty Conscience Shop of gifts from $1,000 down to $4.95, and a unisex hair and beauty salon. The store will not have boys' wear.

Luettgens' executive staff comprises John P. L. Gillespie, vice-president and general manager, formerly G. Fox operations manager; John A. Spicola, vice-president and general merchandise manager, formerly G. Fox branch store manager; David MacNeil, controller, formerly senior accountant at Casual Corner headquarters; and George Brown, store superintendent, formerly assistant to G. Fox's downtown store manager.

Five buyers include Jean Kirby, sportswear, formerly Casual Corner assistant buyer; Alice Willis, designer, contemporary and intimate apparel, formerly G. Fox better dress buyer; Debora Murtha, cosmetics and accessories, formerly G. Fox branch store department manager; Ronald Brueggman, shoes, formerly vice-president and Eastern division manager, Wohl Shoe Co., and Ronald Pitt, men's wear, formerly G. Fox, department manager of men's sport coats and slacks. Corky Miller, fashion consultant, was formerly a sportswear buyer at B. Altman.

The staff, which will total about 140 "when they've all gone through our training program," will consist of 125 salespeople and 15 office and other operational personnel.

Store hours are 10 to 9 Monday through Saturday.

The store head projects first-year volume of more than $4,500,000 "just to make a profit" and of $7 million "to make substantially more." Taking inflation into effect, he expects sales in the next five years to increase appreciably in the same space.

Luettgens believes "our concept will be salable in branches in other urban New England redevelopment programs as soon as the success of this store is assured."

The store is the anchor tenant of two floors, each containing 110,000 square feet, of a four-story building. Fifty-three specialty stores and restaurants are fellow tenants. The fourth floor is office space.

The Luettgens store, logo and packaging have been designed by Norwood Oliver Design Associates, New York. All store space opens on a central core or atrium built around an open well rising from the ground floor to the center's skylight 53 feet overhead. The well contains an exposed elevator with a half-cylindrical, glass-enclosed cab connecting all four floors of the building. The atrium is the hub of the wheel serving all departments separated only by movable fixturing. At the outside mall entrance are escalators to the two floors of retailing.

Each of the five "worlds" of 20 shops is given its own ambience although warm earth tones establish a total personality.

The Civic Center Shops mall is physically connected with 88,000 square feet of convention and exhibition area, a 12,000-seat coliseum, a 22-story Sheraton-Hartford Hotel, and a 500-car underground garage.

Among other retail tenants are Ann Taylor, Jaeger, Pappagallo, Wrangler Wranch, Lady Madonna Maternity and Hallmark. On the level below Luettgens is "The Market"—four food stores and a liquor bar. On the street level is "The Promenade"—seven self-service ethnic restaurants with common seating area. In addition to Luettgens, NODA is the designer of one of the restaurants, a bake shop and an art and ceramics gallery.

Aetna is also a partner in the hotel. All other facilities are owned by the city. Nearby are G. Fox and other retailers which combine with Civic Center Shops to lend added vigor to what Norwood Oliver describes as a "Shop and Stroll" downtown.

Oliver prefers the term "shop and stroll—activities and experience scaled down to the comfort of the human factor," to malls—"massive, cold, inarticulate." He believes Mama and Papa stores, which can't afford to be in the larger malls, will go into many smaller centers, now being planned, in both reclaimed downtown and suburban areas and be protected against duplications. The big malls, he concedes, "are not dead; in fact, some of them are being expanded, making them even more monolithic and intimidating."

Oliver has a degree in industrial design from the University of Illinois. Before he went into business for himself, he was with the store design division of Raymond Loewy Corp. for 11 years, most recently as director. NODA has designed four Lord & Taylor branches in the past five years, the latest of these the Northbrook, Ill., store opening next February with 126,000 square feet. He is also the designer of a Shillito branch of 120,000 square feet in Florence, Ky., to open in February, 1977. Among other projects is the redesign of a former Sears, Roebuck store of five floors in the J. C. Nichols center in Kansas City, Mo., into about 60 little shops, theatres and office space. He is also working on plans for a Doylestown, Pa., branch of Hess's—a one-floor store of 120,000 square feet to open next August.

Oliver's philosophy of store design:

"For years, store designers allowed the merchants (merchandising and buying staffs) to dictate their needs. However, during the past few years, extraordinary pressures on buyers have caused a revolution in store design. Stores have had to reflect an increasingly insistent requirement for fad versus fashion in fixturing and merchandise presentation. The display man, in origin a window trimmer, has had to become an expert in visual merchandising.

"Store planners have come into their own through development of flexible, functional fixtures tied in with general design and decoration. This is different from the former approach of the merchandise man setting forth his requirements, then throwing it in turn to the design department and to the decorating department. In effect, this was a veneer on top of a veneer. It is now understood that all of these must work concurrently.

"We are using a lot of theatrical approaches to design—for example, stretched canvas for ceilings and curtain walls. Today, merchandise presentation requires niches, alcoves, breakups of vertical hangings, different ways of shelving goods. The aim is both flexibility and cost savings.

"If the designer and the retailer can define the basic profiles they wish to project, there is a very happy marriage and the result is a more satisfied customer and, hopefully, more dollars and profit per square foot."

FINANCIAL DISCLOSURE BY SENATOR TUNNEY

Mr. TUNNEY. Mr. President, because of my firm belief an officeholder should disclose completely his income and holdings, I submit the following report on my income and on my assets and debts.

It lists my taxes, the loans I owe, my car, my homes in a total disclosure of my finances.

I ask unanimous consent that the material be printed in the RECORD.

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

INCOME (GROSS—1974)

Salary from the United States Senate	$42,500
Honoraria	25,875
Property Rental	7,800

STOCKS AND BONDS—1975

865 shares of Washington Group, Inc.**
1500 shares of Lord Simcoe Hotel, Ltd.

CAPITAL GAINS—1975

$8,980 from sale of Washington Group, Inc. stock.

CURRENT REAL ESTATE INTERESTS—1975

Residence, Property Tax Assessed—Market Value, and Property Taxes

Northwest, Washington, D.C.—$123,721; $2,264.10.

Los Angeles, Calif.—$71,200; $2,517.71.

Two mortgages at Riggs National Bank; Washington, D.C.

OTHER ASSETS—1975

Ancient coin collection;
1972 Pontiac LeMans;
Household furniture;
Books.

TAXES PAID IN 1974

Federal	$10,023
California	2,901

LOANS—1975

Security Pacific National Bank	$15,000.00
Riggs National Bank; Washington, D.C.	5,500.00
Senate Employees Federal Credit Union; Washington, D.C.	5,088.68

TWO-HUNDRED-MILE FISHERIES ZONE

Mr. STEVENS. Mr. President, last Friday the Senate Foreign Relations Committee conducted public hearings on a bill that I am privileged to cosponsor S. 961—the Magnuson Fisheries Management and Conservation Act. For many years I have actively sponsored and supported efforts to affectively protect and conserve U.S. fisheries resources. S. 961 would accomplish this difficult task by establishing a 200-mile U.S. fisheries zone; as well as providing for a procedural and a substantive framework within which fisheries management regulations can be developed and implemented.

Any individuals who do not understand either the problems facing the U.S. fishing industry or the purposes and intent of S. 961 have erroneously stated that this legislation would cause the termination of the ongoing U.N. Law of the Sea Conference. In addition, many opponents to this legislation claim that it violates international law. I believe both of these allegations are erroneous and are based upon a misinterpretation of the Law of the Sea negotiations and international law on the subject of coastal State control over adjacent fishery resources. In my testimony before the Foreign Relations Committee, I addressed the issue of the relationship of S. 961 with the Law of the Sea Conference and international law. I ask unanimous consent that my testimony before the Senate Foreign Relations Committee in support of S. 961 be printed in the RECORD.

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

Mr. Chairman, I very much appreciate the opportunity to testify today in support of S. 961, the Magnuson Fisheries Management and Conservation Act. I believe this legislation is critically needed to enable the United States to adequately and effectively control foreign fishing activities within a 200-mile fishery zone and would provide the basis for a revitalized and dynamic U.S. fishing industry.

S. 961, a bill that I have cosponsored, would extend, on an interim basis, U.S. jurisdiction and management authority over fisheries resources to a distance of 200 nautical miles from the base line of the U.S. Territorial Sea. In the case of anadromous species spawned in U.S. waters, such jurisdiction would extend throughout the migratory range of each applicable species. Such legislation is necessary to enable the United States to adequately protect and conserve fishery resources adjacent to our coast. Existing domestic legislation and bilateral and multilateral international fisheries agreements are clearly inadequate to achieve this objective.

While all the members of this Committee are aware of much of the data concerning foreign fishing activities off our coast, I think it is informative to briefly review this information to appreciate the enormity of the problems facing the United States fishing industry While world fish landings have tripled since 1938, from approximately 50 billion pounds to over 150 billion pounds, U.S. landings in the same period rose only slightly, from 4.3 billion pounds in 1938 to 4.7 billion pounds in 1973. The volume of fish harvested off the U.S. coast has increased dramatically from approximately 4.4 billion pounds in 1948 to 11.6 billion pounds in 1973. Here again, landings by U.S. vessels remained virtually constant throughout the 25-year time span while the foreign catch in U.S. coastal waters increased to an annual level of 7.9 billion pounds, a figure that represents nearly 70 percent of the commercial U.S. coastal fish harvest.

In the same 25-year period consumption of fish products in the United States has more than doubled, from 3.1 billion pounds in 1948 to 7 billion pounds in 1973. Under existing growth patterns, this figure could increase by an additional 3 billion pounds by 1985. Nearly the entire growth in U.S. fish consumption has been supplied by imports that are often harvested in U.S. coastal waters by foreign fishing fleets, processed in the home port of the foreign fishing vessel, and exported for sale to the United States.

Today, the United States imports over 60 percent of its fish product needs. In 1974 alone, the U.S. balance of trade deficit in fishery products alone amounted to nearly $1.5 billion. It has been estimated that if imports of foreign fisheries products were replaced by domestic production, the additional economic impact on the U.S. economy would approach $3 billion and result in an increase of 200,000 man-years in employment.

As a result of virtually unrestrained harvesting of U.S. coastal fishery resources, particularly by large-scale foreign fishing fleet operations, at least 14 fish species of interest to U.S. fishermen have been overfished and their continued economic viability has been threatened.

As impressive as these statistics may be in indicating the need for the United States to take some positive action concerning conservation of its coastal fishery resources. I am well aware of the need to consider additional factors when considering the advisability of this legislation. One such concern that has frequently been mentioned by those individuals opposing the passage of S. 961 is the potential effect such legislation would have on the ongoing U.N. Law of the Sea Conference. I have closely followed the progress of the LOS Conference, from its genesis in 1967 through the progress made at the Geneva meeting this Spring and the ongoing preparations for the upcoming New York session. I unequivocally support this effort to achieve international agreement on a new Law of the Sea regime. The events of these last 8 years, however, lead me to conclude that the prospects for a rapid settlement of the many ocean issues before the Conference are remote at best.

This conclusion is not surprising when one considers that there has yet to be any final agreement on any of the over 100 issues presently before the Conference. Adding to the difficulty of reaching agreement is the fact that nearly 15 nation states are participating in the Conference, each seeking to achieve a regime that best serves their own national interest. In addition, the cumbersome rules of procedure adopted by the Conference and the announced objective of seeking agreement on one comprehensive treaty rather than a series of separate agreements dealing with specific topics mitigate against any rapid settlement emerging from the Conference. Immediate and decisive action, however, is needed to protect and conserve U.S. fisheries resources. Solutions to the many and critical problems facing the U.S. fishing industry cannot depend upon unduly optimistic projections for a rapid and responsive agreement at the U.N. Law of the Sea Conference.

I find statements to the effect that passage of S. 961 would jeopardize what chances currently exist for any settlement at the Law of the Sea Conference unpersuasive. As I have indicated earlier, the prospects for any agreement emerging from the Conference in the near future are not very optimistic. This evaluation is unaffected by any decision the United States makes regarding its fishery jurisdiction. In addition, areas of disagreement at the Conference are focused on other issues and not upon the question of coastal state control over fishery resources. In fact, the positions contained in S. 961 closely parallel those contained in the single negotiating text that emerged from the 1975 Geneva session. S. 961, therefore, is reflective of the positions of the vast majority of nations attending the Conference concerning the question of coastal state jurisdiction over fishery resources.

Additionally, it must be noted that S. 961 is an *interim* piece of legislation that would terminate upon the implementation of a comprehensive Law of the Sea treaty which the United States has signed or is a party to. It is thus clearly not intended to preempt any international agreement concerning fishery resources but is designed to conserve and protect U.S. fishery resources pending an international settlement on the question. S. 961 protects U.S. and international interests in the living resources of the sea. U.S. coastal waters contain upward of 20 percent of the world's living resources and positive U.S. action to protect and conserve these resources, as exemplified by S. 961, pending international settlement on the question of coastal state control over fishery resources, not only protects the resource for the United States but also for the world community at large.

Another position that has been put forth in opposition to S. 961 concerns the issue of its legality under international law. Proponents of this position argue that S. 961 is in direct violation of both the 1958 Convention on the High Seas and the 1958 Con-

**Blind Trust at White, Weld & Co., Inc.; c/o Mr. Thatcher M. Brown, Jr.; 55 Water Street; New York, New York dissolved April 15, 1975.

vention on Fishing and Conservation of the Living Resources of the High Seas. Here again, I find this position unpersuasive. Neither of these conventions specifically provide any language concerning the limitation of either the territorial sea or a coastal state fishery jurisdiction zone. In point of fact, a subsequent international conference was convened in 1960 to address these two deficiencies in the 1958 conventions. As was the case in all previous international conferences, agreement on these two critical areas of international law of the sea eluded negotiators. As a result of these failings, one must look to customary international law in an attempt to ascertain what indeed is international law concerning the territorial sea and coastal state jurisdiction over fishery resources.

As members of this committee are well aware, the customary international law of the sea has a rich and long tradition and has been the product of mutual accommodation, reasonableness, cooperation, and a process of claims and counterclaims. Under generally recognized principles of customary international law, the former laissez faire treatment of living resources of the sea has been replaced by a recognition of the need and duty for states to take positive action to conserve these resources. A fair statement of fact is that customary international law with respect to the question of the limits of coastal state jurisdiction over the living resources of the sea is in a state of flux.

As the International Court of Justice recently stated in the 1974 fisheries jurisdiction case, no rule on the maximum limit of coastal state fisheries jurisdiction appears to have yet emerged to be finally established in international law. The fact that nearly 40 coastal states of the world have already unilaterally extended their exclusive fishery jurisdiction zones beyond 12 nautical miles provides additional substance to this statement by ICJ. Given this uncertainty in international law concerning the limits of coastal state jurisdiction over fishery resources, the positions taken at the Third U.N. Law of the Sea Conference concerning this very issue take on added significance.

While I would agree that the proposals and statements made at the Conference concerning this issue do not in and of themselves constitute customary international law, they are strongly indicative of a new consensus on the question of fisheries jurisdiction, particularly, as I indicated above, when combined with the fact that customary international law is currently in the process of being remolded. The action taken under the provisions of S. 961 can best be seen as being in concert with this rapidly emerging principle of customary international law.

Additional opposition against S. 961 has been voiced by those individuals advocating increased reliance on existing bilateral agreements as a means to solve U.S. fisheries problems. As with the ongoing efforts by the U.S. to reach an international settlement of fisheries problems at the U. N. Law of the Sea Conference, I fully support efforts to negotiate more effective bilateral fishery agreements. I am also aware, however, as is the case with the Law of the Sea Conference, of the enormous difficulty faced by U.S. negotiators in reaching acceptable and effective international agreement on fisheries issues. Past efforts to reach such agreement, either on a multilateral or bilateral basis, have clearly been ineffective. While I am aware and fully support the State Department's increased efforts to achieve more equitable bilateral fisheries agreements, I remain unconvinced that this process, alone, will prove sufficient to the task at hand. Basic institutional and substantive difficulties associated with existing bilateral agreements mitigate against any long-term reliance on the effectiveness of this course of action to solve the problems facing the U.S. fishery resources. In addition, any progress that might be forthcoming from such negotiations can reasonably be expected to take years to achieve. We simply cannot continue to delay in our response to the problems associated with U.S. fisheries.

I must point out that passage of S. 961 would not obliterate the need for the U.S. to reach either multilateral or bilateral agreements with foreign states concerning fishery resources. As you are undoubtedly aware, S. 961 provides that foreign states may continue to fish in the U.S. 200-mile zone, but only for those species that cannot be optimally utilized by U.S. fishermen. In addition, the United States would be able to charge reasonable fees to foreign states for the right to fish for such U.S. species and would be able to clearly establish a strong conservation program to ensure that fishing activities do not harm the resource. Thus, S. 961 would greatly facilitate the process of reaching effective bilateral agreements with foreign states concerning U.S. fishery resources.

In closing, I wish to indicate that S. 961, in my opinion, provides the United States with an effective means to conserve and protect U.S. fishery resources. Passage of such legislation would not detrimentally affect U.S. interests, either at the U.N. Law of the Sea Conference or in the international community at large. In addition, S. 961 does not violate any existing provisions of international law and is clearly reflective of the positions put forth at the Law of the Sea Conference and developing customary international law. It is my hope that the Senate will very shortly act favorably upon this legislation, as did the House with respect to a companion bill, H.R. 200.

Thank you, Mr. Chairman.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 9005, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments, and from the Committee on Agriculture and Forestry with further amendments.

The amendments of the Committee on Foreign Relations are as follows:

On page 3, beginning in line 9, strike out, "There is authorized to be appropriated to the President to carry out section 491, $25,000,000 for each of the fiscal years 1976 and 1977".

and insert in lieu thereof:

"In addition to amounts otherwise available for such purposes, there is authorized to be appropriated to the President from time to time such amounts as may be necessary to provide availabilities for obligations for disaster relief and rehabilitation assistance authorized by this section: *Provided, however*, That availabilities of funds which have not been previously obligated shall at no time exceed $20,000,000. Amounts appropriated hereunder shall remain available until expended".

On page 4, at the end of line 12, strike out "and".

On page 4, line 13, strike out "639" and insert:

"639; and"

"(7) by striking out the word 'Sahel' from the section caption; by inserting in section 639B, as amended by clause (5) of this section, the letter '(a)' immediately after the section caption; by striking out the word 'supports' in such section and inserting in lieu thereof 'reaffirms its support of'; and by adding the following new subsections at the end thereof:

"(b) The President is authorized to furnish assistance, on such terms and conditions as he may determine, to carry out a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

"(c) In developing this long-term program, the President shall—

"(1) consider international coordination for the planning and implementation of such program;

"(2) seek greater participation and support by African countries and organizations in determining development priorities;".

"(3) begin such planning and implementation immediately; and

"(4) devote sufficient resources to such program by 1985 to reduce the need for more costly measures later.

To meet these objectives, the President shall submit to the Congress, together with the fiscal year 1977 budget materials, a comprehensive proposal for carrying out the provisions of this section.

"(d) There are authorized to be made available to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes $50,000,000 for the fiscal year 1976 and such sums as may be necessary for fiscal year 1977, from the funds made available pursuant to section 103(e) of this Act, which amounts are authorized to remain available until expended.";

(8) by adding the following new section immediately after new section 494B:

"SEC. 494C. Angolan Airlift.—In order to assist persons who seek to escape from the conditions of civil and military turmoil presently existing in Angola, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to facilitate the movement of persons from Angola by aircraft. There are authorized to be appropriated for the purposes of this section, $20,000,000 for the fiscal year 1976. The President shall submit quarterly reports during such fiscal year to the Committee on Appropriations of the Senate and to the Speaker of the House of Representatives on the programming and obligation of funds under this section.".

On page 7, line 3, after "and" insert :"by".

On page 8, in line 7, after "assistance" insert "to needy nations".

On page 10, in line 3, strike out "and".

On page 10, beginning with line 5, insert:

(2) by inserting immediately after "the Senate Committee on Agriculture and For-

estry" each time it appears "and the Senate Committee on Foreign Relations"; and

On page 10, at the beginning of line 9, strike out "(2)" and insert "(3)".

On page 11, in line 8, after "distribution" insert "of food commodities".

On page 11, in line 10 after "Act", strike out "subject to the policies, procedures, restrictions, and other provisions applicable to funds provided under" and insert "and which programs are directed at and likely to achieve the policy objectives of".

On page 12, in line 2, after "terms", insert "under this title".

On page 13, in line 16, strike out "30" and insert "20".

On page 14, in line 4, strike out "may" and insert "shall".

On page 14, line 6, strike out "70" and insert "80".

On page 14, in line 8 after "from", strike out "significantly changed" and insert "critical and unforeseeable".

On page 15, at the end of line 16, strike out "one and a half million" and insert "1,300,000".

On page 15, in line 19, strike out "one million" and insert "900,000".

On page 16, in line 15, after "(3)" insert "such agreement provides that".

On page 16, in line 16, strike out "are" and insert "will be".

On page 16, beginning in line 18, strike out "in accordance with the limitations, restrictions, and other provisions applicable to funds provided under such section."

On page 17, at the end of line 5, after "designees", insert "(who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate)".

On page 18, in line 6, strike out "Congress" and insert "House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations".

On page 19, beginning with line 3, insert:

"REPORTS REGARDING IMPLEMENTATION OF RECOMMENDATIONS OF WORLD FOOD CONFERENCE

"SEC. 213. The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than ninety days after the date of enactment of this section with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population."

On page 21, in line 24, strike out "$628,800,000" and insert "$603,800,000".

On page 21, at the end of line 25, strike out "$760,000,000" and insert "$735,000,000".

On page 23, in line 5, after "legislation," insert "which are received by the United States on and after July 1, 1975".

On page 23, in line 12, after "purpose," insert "subject to appropriate participation by other donors".

On page 23, in line 14, after "103A," insert "providing long-term development assistance to drought stricken areas of Africa in accordance with section 494B".

On page 23, in line 16, after "loans" insert "and grants".

On page 24, in line 18, strike out "$248,100,000" and insert "$243,100,000".

On page 24, in line 19, strike out "$280,600,000" insert "$275,000,000".

On page 24, in line 24, after "planning," insert "either in separate programs or as an element of health programs".

On page 25, in line 19, after "305." insert "(a)".

On page 26, beginning with line 14, insert:

(b) Of the amount authorized to be appropriated under section 105, not less than $1,000,000 shall be available to support the southern African student program and the southern African training program, for the purpose of providing educational assistance in south Africa.

On page 28, in line 19, strike out "$99,550,000" and insert "$92,400,000".

On page 28, in line 20, strike out "$104,500,000" and insert "$96,000,000".

On page 29, begining with line 5, strike out:

COST SHARING

SEC. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: "and except that the President may waive this cost sharing requirement in the case of a project or activity in a country which meets the United Nations' criteria for relatively least developed countries".

On page 29, in line 19, strike out "308" and insert "307".

On page 30, in line 4, strike out "309" and insert "308".

On page 30, beginning with line 7, strike out:

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

SEC. 310. Part 1 of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

"SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of the right to life, liberty and the security of a person, unless—

"(1) the President determines that such assistance will directly benefit the needy people in such country and reports such determination to the Congress together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country; and

"(2) neither House of Congress adopts, within 30 days (excluding days when both Houses are not in session) after receiving such report, a resolution stating in effect that such House objects to furnishing such assistance to such country.

"(b) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States.".

and insert in lieu thereof:

HUMAN RIGHTS AND DEVELOPMENT ASSISTANCE

SEC. 309. Part 1 of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following section:

"SEC. 116. HUMAN RIGHTS.—(a) The Congress recognizes that the economic assistance and development programs authorized in this Act are most likely to be successful where individual economic and political choices can be freely expressed, where an open opportunity exists for citizen participation, and where basic human rights are respected.

"(b) Where the Congress, by simple resolution of either House, indicates concern regarding denial of basic human rights in a potential recipient country, the Administrator primarily responsible for administering part 1 of this Act shall transmit to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House a detailed description of how proposed assistance under this chapter can be provided in a manner which will accomplish the purposes of this Act without contributing to the perpetuation of practices inimical to human rights.".

On page 32, in line 11, strike out "311" and insert "310".

On page 32, beginning with line 13, insert:

"(1) by adding the following new section 208A:

"'SEC. 208A. CRITERIA TO MEASURE PROGRESS IN DEVELOPMENT.—(a) United States programs of bilateral development assistance shall be increasingly concentrated on those less developed countries which are making maximum efforts to (1) carry out land reforms and cooperative arrangements designed to insure that persons who make their living from farming hold, as owners or in ownership-like tenure, all or substantially all of the land they farm; (2) seek to achieve a greater degree of self-sufficiency in food production; (3) reduce infant mortality; and (4) control population growth. The President shall establish appropriate criteria to measure progress by recipient countries in meeting these objectives.

"'(b) The President shall endeavor to bring about the adoption by international development organizations in which the United States participates of criteria which would make assistance through such organizations conditional on satisfactory progress by recipient countries in carrying out land reforms, achieving a greater degree of self-sufficiency in food production, reducing infant mortality, and controlling population growth.

"'(c) The congressional presentation materials for development assistance programs proposed for the fiscal year 1977 and each subsequent year shall contain detailed information concerning the steps being taken to carry out the provisions of this section.'".

On page 33, in line 16, strike out "(1)" and insert "(2)".

On page 33, in line 24, strike out "(2)" and insert "(3)".

On page 34, in line 1, strike out "(c)—" and insert "(c)".

On page 34, in line 2, strike out "(i)".

On page 34, beginning with line 5, strike out

"(ii) by adding at the end thereof the following new sentence: 'Amounts appropriated under this subsection may not be used to furnish assistance under this section in any fiscal year to more than four institutions in the same country, and not more than one such institution may be a university and not more than one such institution may be a hospital.'"; and

On page 34, at the end of line 15, strike out "and".

On page 34, beginning with line 16, insert:

"(4) in section 221, by striking out '$355,000,000' and inserting in lieu thereof '$505,000,000';

"(5) in section 222(c) by striking out '$550,000,000' and inserting in lieu thereof '$650,000,000';

On page 34, in line 20, strike out "(5)" and insert "(6)".

On page 34, in line 20, strike out "223—" and insert "223".

On page 34, in line 21, strike out "(A)".

On page 34, in line 23, after "September" insert "30, 1978";

On page 34, at the end of line 23, strike out

"and

"(B) by adding at the end thereof the following new subsection:

"'(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements on a pilot basis. Of the aggregate face value of such guaranties hereafter issued, not less than 90 per centum shall be issued for housing suitable for families with incomes below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed $5,000,000 in any fiscal year.'."

On page 35, in line 20, strike out "312) and insert "311).

On page 39, beginning with line 14, strike out:

"(d) As used in this title, the term 'universities' means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia now receiving, or which may hereafter receive benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as 'land grant' universities and other United States universities which

and insert in lieu hereof:

"(d) As used in this title, the term 'universities' means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as 'land grant universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea grant colleges; and other United States universities which—

On page 40, beginning with line 19, insert:

"(f) As used in this title, the term 'agriculture' shall be considered to include aquaculture and fisheries.

"(g) As used in this title, the term 'farmers' shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters."

On page 43, in line 19, strike out "circumstances." and insert "circumstances; and (4) be carried out within the developing countries."

On page 43, line 23, strike out "Agricultural" and insert "Food Resource".

On page 44, in line 3, strike out "Agricultural" and insert "Food Resources."

On page 44, in line 5 after "of", insert "not less than".

On page 44, in line 6, after the comma, insert 'not less than one to be selected from a sea grant institution, as defined in section 295(d) of this title,".

On page 44, in line 8, after "from" insert "other than a land-grant or sea-grant institution".

On page 48, in line 16, strikeout "313" and insert "312".

On page 48, beginning with line 21, insert "Of such amounts, not to exceed $250,000 during the fiscal year 1976 and $500,000 during the fiscal year 1977 shall be available for contribution to the Namibia Institute".

On page 49, beginning with line 13, insert:

"(c) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"'(f) The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.'."

On page 49, beginning with line 22, strike out:

"ASSISTANCE TO THE CAPE VERDE ISLANDS

"SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended—

"(1) by striking out '$5,000,000' and inserting in lieu thereof '$7,750,000';

"(2) by striking out '$20,000,000' and inserting in lieu thereof '$17,250,000', and

"(3) by adding at the end thereof the following new sentence: 'Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.'."

On page 50, beginning with line 11 insert:

"ASSISTANCE TO FORMER PORTUGUESE COLONIES IN AFRICA

"SEC. 314. Section 496 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"'(b) Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of $3,000,000 loan on June 30, 1975.

"'(c) Notwithstanding any other provision of law, there is authorized to be made available to the President for the fiscal year 1976, from sums appropriated to carry out this Act, in addition to such other sums as may be available, $30,000,000 to remain available until expended, for use by the President to provide economic and relief and rehabilitation assistance (including assistance through international or private voluntary organizations), to countries and colonies in Africa which were, prior to April 25, 1974, colonies of Portugal.'.

"FURNISHING OF SERVICES AND COMMODITIES

"SEC. 314. Section 607(a) of the Foreign Assistance Act is amended by deleting the second full sentence, and inserting in lieu thereof the following: 'Such advances or reimbursement may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

"'(1) Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered; or

"'(2) Advances or reimbursement received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: *Provided*, That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does not exceed a period of three years from the date of signing of the agreement to provide the service: *Provided further*, That funds available for this paragraph in any fiscal year shall not exceed $1,000,000 of the total funds authorized for use in such fiscal year by chapter 1 of part I of this Act. Interest shall accure as of the date of disbursement to the agency or organization providing such services;'."

On page 52, beginning with line 11, strike out:

"SEC. 315. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out 'in each of the fiscal years 1975 and 1976' and inserting in lieu thereof 'in the fiscal year 1975 and $2,000,000 in each of the fiscal years 1976 and 1977'.

and insert in lieu thereof:

"SEC. 315. Section 661 of the Foreign Assistance Act of 1961 is amended as follows:

"(1) strike out 'in each of the fiscal years 1975 and 1976' and insert in lieu thereof 'in the fiscal year 1975, $2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977,';

"(2)(A) immediately before the words '—The President is authorized', insert '(a)'.

"(B) At the end thereof add the following new subsection:

"'(b)(1) The President shall not take into account, in assigning officers and emplyees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

"'(2) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, no assistance may be provided under this Act or sales made under the Foreign Military Sales Act to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out the provisions of this Act or the Foreign Military Sales Act, on the basis of the race, religion, national origin, or sex of such officer or employee.

"'(3) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this subsection.'"

On page 54, in line 7, after "appropriated" insert "for each program or activity".

The amendments of the Committee on Agriculture and Forestry are as follows:

On page 7, at the beginning of line 2, strike out "to" and insert "required".

On page 7, in line 4, after "requirements" insert "which such countries are unable to meet on a normal commercial basis".

On page 7, at the end of line 10, strike out "and".

On page 7, in line 13, after "production," strike out "with emphasis on development of labor-intensive, small-farm agriculture." and insert

and improve their facilities for transportation, storage, and distribution of food commodities;

"(4) assure that allocation of commodities or congressional financing is based upon the potential for expanding markets for America's agricultural abundance abroad; and

"(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.".

On page 8, in line 18, after the comma, strike out "especially through labor-intensive, small-farm agriculture," and insert "to improve their facilities for transportation,

storage, and distribution of food commodities,".

On page 8, at the end of line 24, strike out "and".

On page 9, in line 5, strike out "determination" and insert "waiver".

On page 9, in line 5, after "Congress" insert within 10 days of the date of such waiver,"

On page 9, at the end of line 6, strike out the period and insert a semicolon.

On page 9, beginning with line 7, insert

(4) by striking out "and" at the end of subsection (p); and

(5) by adding the following new subsections at the end thereof:

"(r) to the maximum practicable extent require that United States processed grain products, including blended and protein fortified foods, be supplied under each agreement involving grain which is negotiated pursuant to this title.

"(s) in providing for the sale of high-protein blended or fortified foods under this title, be authorized to waive repayment of that portion of the sales price thereof which is attributable to the costs of processing, enrichment, or fortification, so that purchasing countries may improve the nutritional levels of their neediest individuals.".

On page 10, line 4, insert "and".

On page 10, beginning with line 5, strike out (2) by inserting immediately after "the Senate Committee on Agriculture and Forestry" each time it appears "and the Senate Committee on Foreign Relations"; and

On page 10, in line 9, strike out "(3)" and insert "(2)".

On page 10, beginning at the end of line 20, insert Notwithstanding any other provision of this Act, no proceeds from the sale of the commodities in the recipient country shall be used for the development of abortifacients or techniques of aborton."; and

On page 11, at the end of line 7, insert "transportation".

On page 11, in line 9, strike out "section 109" and insert "sections 109 and 406".

On page 11, in line 13, after "of" insert "this Act and".

On page 11, at the end of line 18, strike out "and" and insert except that for any fiscal year the total value of such payments may not exceed 10 per centum of the total value of each agreement entered into under title I of this Act for such fiscal year. Such payments

On page 12, at the beginning of line 16, insert "transportation,".

On page 13, in line 12, strike out Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

On page 13, at the beginning line 15, strike out

"SEC. 111. Not

and insert

(a) For fiscal year 1976 only, not

On page 13, in line 16, strike out "20" and insert "30".

On page 13, in line 17, strike out "this".

On page 13, in line 17, after "title" insert "I of the Agricultural Trade Development and Assistance Act of 1954".

On page 14, in line 2, after the period, strike out "In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as 'Most Seriously Affected' by the current economic crisis.".

On page 14, in line 6, strike out "80" and insert "70".

On page 14, at the end of line 14, strike out the quotation marks and the period.

On page 14, beginning with line 15, insert:

(b) For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculure and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

On page 15, in line 17, strike out "and".

On page 16, in line 14, after "forth" strike out "and agreed to by" and insert "in a written agreement between".

On page 16, in line 18, after "1961" strike out the comma.

On page 17, in line 12, strike out "and".

On page 17, beginning with line 13, insert "(2) by strike out 'calendar' in the first sentence and inserting in lieu thereof 'fiscal'; and".

On page 17, at the beginning of line 15, strike out "(2)".

On page 18, in line 5, strike out "October 1" and insert "November 1".

On page 18, in line 8, after "Relations," insert "and".

On page 18, in line 9, after "Forestry," strike out "and the Senate Committee on Foreign Relations."

On page 18, in line 20, after "agreement," insert "subject to Congressional approval,".

On page 18, in line 21, strike out "national".

On page 19, beginning with line 16, insert

"LONG TERM COMMERCIAL AGREEMENTS

"SEC. 214. Section 22(f) of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624) is amended—

"(1) by inserting '(1)' immediately after '(f)'; and

"(2) by adding at the end thereof the following new paragraph:

"'(2) With respect to any trade agreement or other international agreement involving or affecting any agricultural commodity covered under any program or operation referred to in subsection (a), other than agreements specifically authorized under existing statutes, the President shall, prior to entering into discussions to negotiate such agreement and every ninety days thereafter until such negotiations have been completed, consult with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture and Forestry of the Senate, unless the urgency of the negotiations and the national interest of the United States make prior consultation impracticable, in which case the President shall consult with each committee as soon as possible after entering into such discussions.'.

"AMENDMENT TO FARMER-TO-FARMER PROGRAM

"SEC. 215. Section 406 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

"(1) by striking out 'the Secretary of Agriculture' in subsection (a) and inserting in lieu thereof 'the President';

"(2) by striking in paragraph (1) of subsection (a) 'through existing agencies of the Department of Agriculture';

"(3) by amending paragraph (5) of subsection (a) to read as follows:

"'(5) to coordinate the program authorized in this section with other foreign assistance activities of the United States;'."

On page 35, in line 20, strike out "Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:".

On page 35, beginning at the end of line 22, insert "The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new title:".

On page 36, in line 3, strike out "XII" and insert "V".

On page 36, in line 5, strike out "296" and insert "501".

On page 36, in line 10, after "research," strike out "consistent with sections 103 and 103A,".

On page 40, at the end of line 9, insert "colleges and".

On page 40, in line 25, strike out "297" and insert "502".

On page 41, in line 9, strike out "300" and insert "505".

On page 43, in line 23, strike out "298" and insert "503".

On page 44, at the end of line 7, strike out "295(d)" and insert "501(d)".

On page 44, at the beginning of line 19, insert "and".

On page 44, in line 22, strike out "297" and insert "502".

On page 46, in line 8, strike out "297" and insert "502".

On page 46, in line 19, strike out "297(a)(3)" and insert "502(a)(3)".

On page 46, in line 23, strike out "297(a)(2), 297(a)(4), and 297(a)(5)" and insert "502(a)(2), 502(a)(4), and 502(a)(5)".

On page 47, in line 4, strike out "300" and insert "505".

On page 47, in line 6, strike out "299" and insert "504".

On page 47, in line 8, strike out "this Act" and insert "the foreign Assistance Act of 1961, as amended, and to apply all the authorities in such Act that would be applicable to such section,".

On page 47, in line 14, strike out "this Act." and insert "such Act.".

On page 48, in line 4, strike out "300" and insert "505".

On page 48, in line 11, strike out "298" and insert "503".

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

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendments of the Committee on Foreign Relations and the amendments of the Committee on Agriculture and Forestry, including its amendments to the amendments of the Committee on Foreign Relations, be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

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

Mr. TALMADGE. Mr. President, will the distinguished floor manager yield to me at this point?

Mr. HUMPHREY. I yield.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted to be present on the floor during consideration of H.R. 9005, including all rollcall

votes thereon: Michael R. McLeod, Henry J. Casso, Carl P. Rose, Thomas R. Saylor, William A. Taggart, and Forest W. Reece.

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

Mr. HELMS. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. HUMPHREY. I yield.

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James P. Lucier, a member of my staff, be accorded the privilege of the floor during the discussion of this measure and any votes thereon.

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

Mr. HUMPHREY. Mr. President, I send to the desk a technical amendment and ask for its immediate consideration.

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

The legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes certain technical amendments.

Mr. HUMPHREY. I ask unanimous consent that the reading of the amendment be dispensed with.

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

Mr. HUMPHREY's amendment is as follows:

On page 44, line 6, immediately after the comma, insert the following in linetype: "and one of the seven shall be selected from a non-land grant university".

On page 44, line 8, strike out the matter printed in roman and insert such matter in italic.

On page 50, strike out lines 13 and 14 and insert in lieu thereof the following:

"1961 is amended as follows:

"(1) Immediately after the section caption insert '(a)'.

"(2)(A) Strike out '$5,000,000' and insert in lieu thereof '$7,750,000'.

"(B) Strike out '$20,000,000' and insert in lieu thereof '$17,250,000'.

On page 50, line 12, strike out "Sec. 314." and insert in lieu thereof "Sec. 313."

Mr. HUMPHREY. This amendment corrects two errors in the bill. The first relates to the composition of the Board for International Food Resource Development and the second to assistance to the Cape Verde Islands.

I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, those are the corrections that we need to make in the original text of the bill. Now I shall proceed to describe the features of H.R. 9005, the International Development and Food Assistance Act, which is now before the Senate.

It is notable in that it is the first foreign assistance legislation to be considered since the end of the Indochina war.

Significantly, this bill is the product of a bipartisan congressional initiative.

It responds to heightened public concern over food, population, and development problems in the less developed areas of the world.

We believe that it is fiscally responsible.

This measure is solely concerned with disaster relief, food aid, and economic development. It contains no provision for military or political assistance.

This will be the first opportunity which Congress has had to address itself to a purely humanitarian and economic assistance bill, unencumbered by military or political considerations.

The decision to separate economic and military assistance legislation was made by our Committee at the outset of the legislative cycle. Two recent, prestigious public opinion polls and an unprecedented outpouring of mail have underscored the public's readiness—and even the public's enthusiasm—for the concept for providing assistance designed to help the world's poorest majority meet their basic human needs.

This legislation is also fiscally sound. Having examined and adjusted the requests submitted by the President to carry out programs authorized in this bill, we are recommending to the Senate authorizations of $1.325 billion for fiscal year 1976 and $1.47 billion for fiscal year 1977.

It will, of course, be noted that this is a 2-year authorization.

This measure is $100 million below the House-passed bill. At the beginning of debate on the bill, I will propose an amendment to strike an additional $20 million. That amount had been added by the Committee on Foreign Relations at the request of the executive branch in order to finance the airlift of Angolan refugees. Although we approved the request, we asked the executive branch to reexamine its original request and over the weekend we were informed that the additional funds will not be needed. Approval of this amendment will lower the authorization request for fiscal year 1976 to within $19 million of the President's original budget request.

Even more important is the fact that, according to the Senate budget scorekeeping report of October 27, H.R. 9005 is within the target contained in the first concurrent budget resolution.

I emphasize, Mr. President, that our action in the authorizing committee is within the target set under the first concurrent budget resolution.

The latest scorekeeping report also indicated that in terms of budget outlays, this bill will leave economic assistance below the target figures as established by our Committee on the Budget.

I think it is important to note the kind of budgetary discipline that we are exercising here in the Senate on these measures.

The process which produced this fiscally sound measure began with a hearing in June on the subject of foreign assistance philosophy and strategies. In that hearing our distinguished witnesses, former high executive branch officials, urged the separation of economic and military assistance program. Five subsequent public hearings dealt with food, population planning, the role of voluntary agencies and land-grant colleges in foreign assistance, human rights and other economic development issues.

Two days of public markup sessions were held by the Subcommittee on Foreign Assistance on September 17 and 23, 1975. These sessions were, I might say, the first such public markup sessions ever held by our committee. That is the Committee on Foreign Relations. They were well attended by the public, including representatives of the many voluntary, religious, educational, and cooperative groups which have taken such a deep interest and make such a substantial contribution to our foreign assistance programs.

Following the completion of action by the Committee on Foreign Relations, H.R. 9005 was referred, at my request and at the committee's request, to the Committee on Agriculture and Forestry which has jurisdiction over matters relating to the food for peace program and land grant universities.

The distinguished Senator from Georgia (Mr. TALMADGE) will discuss those features of this bill. We have had excellent cooperation between the Committee on Foreign Relations and the Committee on Agriculture and Forestry in handling this particular piece of legislation which has within it both economic assistance, on the one hand, and food assistance, on the other.

After a careful review and certain additions and changes by that committee, the bill now comes to the floor having been reported favorably by both the Foreign Relations and Agriculture and Forestry Committees by sizable margins.

The present form and content of this bill are very similar to the bill which passed the House of Representatives in September of this year by a majority of 89 votes, and, by the way, that is a very large majority for foreign assistance legislation in recent years.

In large measure the present bill represents a consolidation and strengthening of the new criteria and priorities which Congress began to write into foreign assistance legislation in 1973, and which are referred to as the "new directions."

I add that the former Senator from Vermont (Mr. AIKEN) was very instrumental in those new directions, as is the distinguished ranking member of the Committee on Foreign Relations (Mr. CASE). We were able to work out our own foreign assistance legislation which we believe emphasizes the proper use of American foreign aid.

The new directions concepts and the emphasis which the bill places on increased and more imaginative efforts to meet world food needs account for the broad public support which H.R. 9005 enjoys. The legislation continues the effort, begun in 1973, to shift our economic assistance program away from expensive infrastructure projects—such as dams and highways—and capital transfers toward programs designed to bring about direct improvements in the lives of the majority of the less fortunate in the poorest countries. Primary emphasis is placed upon food production, nutrition, rural development, population planning and health, education and human resource development.

It is these very categories, Mr. Presi-

dent, which the public opinion surveys show have overwhelming support from the American people.

Henceforth, the U.S. development assistance resources are to be allocated primarily to countries and activities which will enable the poor to better their lives through their own efforts. By creating new policy sections built around this principle, by conforming existing programs to the new priorities and by creating new mechanisms and incentives, this bill gives coherence and sharp, new direction to our economic assistance efforts. The bill also gives added meaning to the existing goals of the food for peace program by setting mandates for the overseas allocation and distribution of food commodities and by providing for closer integration of the food program with programs carried out under the Foreign Assistance Act.

Some of the highlights of this bill are as follows:

It provides for a better coordinated U.S. response to natural disasters;

It will provide continued assistance to the drought-stricken countries of Africa, to the former Portuguese colonies and it will provide new educational opportunities for Southern Africans;

It continues and strengthens the congressional mandate that no more than 30 percent of U.S. food aid be allocated where humanitarian needs are greatest.

It assures a continuous level of food supplies for distribution abroad through private American voluntary organizations and the world food program;

It provides incentives through the Public Law 480 program for greater self-help efforts by poor countries;

It directs repayments of previous development loans into specific productive agricultural development uses;

It earmarks funds for the development of cooperatives and for population planning;

It seeks to insure against the misuse of economic assistance programs by repressive governments;

It continues U.S. support for multilateral development efforts and encourages strong U.S. efforts to carry out the recommendations of the World Food Conference, encourages U.S. participation—subject to congressional review—in a system of international food reserves, and it provides for a U.S. contribution to the newly created International Fund for Agricultural Development;

The bill also extends the requirement that development programs be administered so as to give particular attention to the integration of women into the national economies of foreign countries.

One of the major innovations of the bill provides a means for enlisting American land- and sea-grant colleges and other eligible institutions of higher education in the fight against hunger and famine. We firmly believe that viable foreign assistance programs must engage the participation of such private groups. Encouragement of this participation was mandated in the 1973 act and the Famine Prevention title of this bill continues and expands this effort.

The genius of our domestic agricultural institutions has contributed in large measure to our present ability to feed so many of the world's hungry people. We hope that this provision will result in the better application of that same knowledge and skill to the task of enabling others to feed themselves.

The increasingly important role of private voluntary organizations is also recognized in this bill with language designed to increase the funds available to defray the ocean freight costs as noted earlier, to insure that adequate and predictable amounts of title II food are available to them for distribution. Moreover, it is the intent of the Foreign Relations Committee that during the authorization period the Agency for International Development should increase the funds available to private voluntary organizations for program grants.

It may be necessary during the deliberations on this bill to make that language more precise, which I intend to do. Moreover, it is the intent of the Committee on Foreign Relations that during the authorization period, the Agency for International Development should increase the funds available to provide voluntary organizations for program grants.

This particular section of the bill has received editorial praise all across the country, from the press in rural areas as well as metropolitan areas. It is the first time that we have specifically enlisted in the foreign assistance effort, particularly as it relates to food production and to nutrition, the vast body of knowledge and expertise that is readily available out of the land-grant college system of the United States.

I wish to underscore again the importance of the private voluntary organizations in our foreign assistance programs. They have a splendid administrative establishment. They are on the spot, on location, ready and able, with competent, trained personnel, to do a marvelous job of assisting the needy and carrying out the objectives of the Foreign Assistance Act.

Before closing, I should anticipate certain questions which may be raised concerning the cost and effectiveness of the operations and programs of the Agency for International Development. Over the years, it has been alleged that AID's operating expenses have been concealed and that they are excessive. In response to these concerns, the Committee on Foreign Relations—our distinguished ranking member, Senator CASE, insisted upon this—has examined the cost of AID's operating expenses in some detail. At our request, the Agency provided us with detailed breakdowns of its operating expenses by geographic and functional categories. Their original initial request for operating expenses was $205 million. On examination we found that the amount actually necessary for the programs in this bill was some $176.4 million and a corresponding adjustment was made. Not content with that figure, we have asked AID to go back to its books and to seek further reductions.

In other words, Mr. President, the Subcommittee on Foreign Assistance is monitoring the activities of the AID administration; and we are going to continue to monitor these activities, not only in Washington but also out in the field. In fact, during the August recess, members of the staff of the Committee on Foreign Relations and the Subcommittee on Foreign Assistance did visit several countries to monitor the work in the field of food distribution and food assistance, as well as other activities being administered by the Agency for International Development. We believe that by more carefully monitoring and more careful oversight, we can save considerable sums of money and at the same time make this program more effective.

Our committee intends to pursue this scrutiny of AID's operating and administrative cost intensely during the coming year. Our new Foreign Assistance Subcommittee is assembling a staff of highly qualified and experienced analysts and investigators.

I note that the able and distinguished Senator from Hawaii (Mr. INOUYE) is in the Chamber. We are most grateful for the meticulous care with which the Appropriations Subcommittee on Foreign Assistance examined into the work of the Agency for International Development. It is the intention of our subcommittee to cooperate very closely with the Foreign Assistance Subcommittee on Appropriations, so that we can do a better job, not only at the appropriations level, where considerable work has been done, but also at the authorization level.

One of their initial tasks will be a close examination of AID's operating structure and budget. Out of this intensive oversight will come a clearer and more comprehensive picture of how the Agency is doing its job.

We recognize that it is not enough for the Senate's purposes to make judgments regarding AID operations on the basis of isolated anecdotes designed to illustrate some bureaucratic folly. Anyone can find such examples in the operation of any office in Washington, either in the executive or legislative branch. What is more important is continuous, comprehensive oversight which will assure that congressional mandates are carried out on a day-to-day basis in the most economical manner possible. That is the assurance which we intend to provide under the guidelines established in this legislation.

This bill also contains an important new section designed to address the question of whether our assistance efforts are producing the desired results. This section calls for the development of specific criteria for measuring progress in development. While the committee recognizes the difficulty inherent in seeking to quantify the measurement of complex development objectives, it is determined to see that our development assistance dollars are not wasted. This new section marks an important first step in developing measurement criteria for foreign assistance programs. We hope to make further progress in this area.

I would hope that as we proceed with debate on this bill that Members of the Senate will bear in mind some of the precepts which have guided those of us who have worked on this bill in committee stages. This bill is designed to provide

those in need in the Third and Fourth Worlds with the knowledge, and to some extent the physical means, whereby they can help themselves. It is not a bill which is designed to further our foreign policy objectives in the usual sense. We would not ask Senators to vote for it on the theory that the programs provided for will buy friends for the United States. We hope that people will be appreciative, but we are not in the business of buying friends. These programs will not enable the United States to establish or maintain military bases.

Instead, the programs which we propose are ones which spring from the traditional American concern for the less fortunate. They reflect the view that the problems of one country and of one people are the problems of all mankind. But, while these programs are not politically motivated, we believe that our generosity and our compassion may in the long term result in a more just and stable world order; and it is exactly that kind of world situation which relates to the objectives of American policy.

There was a time not long ago when we approached world problems in a vastly different frame of mind. There were some who believed we were the guardians of the world, and there were those who believed that we would make the world safe for democracy, that we would lift up the poor, that we would feed the hungry. Now we realize that these tasks, while important and, indeed, are basically desirable, are beyond our own means and our own abilities.

We know that we must act in concert with others. The problems of 1975 and beyond are too great and too complex for the solutions to be solely American. The industrialized world and oil-rich nations must now pool their resources and their talents to tackle global problems.

I note that the International Agricultural Development Fund in this bill would provide for generous contributions on the part of the so-called OPEC countries. It is a $1.2 billion program that has been negotiated internationally. The American contribution would be $200 million. More than half of that total cost would come from the OPEC countries. This means that for the first time, we are beginning to get the kind of assistance we should have had long before from countries that have a vital interest in the poor of the world.

This bill provides a number of important new means for us to engage in cooperative efforts with all the nations of the world, both rich and poor, in an effort to anticipate and meet the needs of both the present and the future.

H.R. 9005 is within both the President's and the Congress budget figures. I believe it should be kept that way.

I urge my colleagues on both sides of the aisle to support this initiative. As our first depoliticized and demilitarized foreign assistance legislation in the post-Indochina era, it carries our country into the forefront of the global struggle against hunger, disease, and overpopulation.

In closing, let me say that we believe that this bill represents a carefully considered response to the needs of the developing world. Its goals are realistic and its cost is reasonable. Its objectives are consistent with our interests and responsibilities.

The programs which this bill proposes are focused directly on the needs of the poor majority of the world's neediest nations. Above all, it is a bill designed to respond to the crises of food, population, and poverty which promise to dominate the coming decade. The programs proposed in this bill will not solve those problems, but they will do much to enable the recipients to meet their own needs. Passage of H.R. 9005 by the Senate will be a signal to the rest of the world that the United States is sensitive to the legitimate needs of the less fortunate nations and stands ready to assist those who wish to help themselves.

Mr. President, I strongly commend this legislation to the Senate, because it is my judgment, after having served on the Committee on Foreign Relations for years, that this is the finest piece of foreign assistance legislation that has come from that committee, and it is thoroughly within the American tradition of assistance to those who need it. It is, as I have said before, separate and distinct from military and budget support legislation.

Mr. BUMPERS. Will the Senator yield for a unanimous-consent request and a couple of questions?

Mr. HUMPHREY. Yes, I yield for that purpose.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Robert Brown of my staff be granted the privilege of the floor during consideration of this bill.

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

Mr. BUMPERS. I commend the Senator for what I think has been an interesting statement, one that is edifying to me.

One, on the question of family planning that the Senator touched on, I was curious about two things. The thing that precipitated this is a story I read in the Post yesterday about India losing the battle in her efforts to control the population. Apparently, the population rate there is increasing at the rate of about 23 million a year. Out of a total budget of over $14½ billion, which does not sound like much for a nation of 700 million people, they are using $80 million for family planning. I have two questions.

One, do we require any matching funds from the nations who get family planning money under this bill; and, two, if not, do we make any other requirement as to what kind of undertaking or commitment they are willing to make to a family planning program in order to get these funds?

Mr. HUMPHREY. First, do we require matching.

Second, we have in this bill language which directs the AID administration to take a look at what countries are doing in terms of family planning and what they are doing also in terms of land reform—which means individual land ownership—and to adjust our assistance accordingly; in other words, an incentive to family planning, to population control, and to land reform measures.

By the way, we had testimony on this from very distinguished witnesses and we believe that it does meet some of the requirements or some of the needs that are so evident.

Mr. BUMPERS. Did the committee make any finding as to whether or not we are making any progress in any of the nations that are receiving this family planning money? Are there any definitive results that we can point to and say that this money is being used effectively and successfully?

Mr. HUMPHREY. Let me say, first of all, in reply to the Senator's question about matching funds, we do provide—there is a requirement that a country pay at least 25 percent of the cost of family planning programs which we assist.

Mr. BUMPERS. It can be in-kind services?

Mr. HUMPHREY. It can be in-kind or services, yes, but at least, there is a requirement of assistance on the part of the recipient country. One example is in our report, that I think the Senator will find is worthwhile:

> In Indonesia, as a result of the first 5 years of U.S. assisted efforts on the densely populated islands of Java and Bali, an estimated 2 million couples, about 14 percent of those eligible, are practicing family planning.

The truth is it is very difficult. It is a battle that could be carried on. It is tied in, as the Senator can well imagine, with the problems of illiteracy and communication, as well as with the trained personnel that are needed.

There are several population committees, as the Senator knows. There is an excellent group of voluntary organizations work in this field.

Mr. BUMPERS. I am familiar with it.

Mr. HUMPHREY. They are waging a continuous effort in this area. Our effort to assist these voluntary organizations is the best approach we can make. But for me to tell the Senator that any country has really produced the results that we might think are desirable would be, I think, to stretch the point.

Mr. BUMPERS. We get into a sort of hen or egg thing here, because we are trying to assist these people to develop economically, which, in turn, has an effect on birthrate. Kerala, which is the most affluent state in India, has reduced the birth rate from something like 45 per 1,000 annually to something like 27. India is shooting for a goal of 25 or 23 per 1,000 throughout the Nation. The birth rate is still running in the 40s per 1,000 on an annual basis, and that is the reason for the tremendous increase. So I suppose we do have to attack the problem on both fronts.

Mr. HUMPHREY. On both fronts. Might I say that this legislation does direct that effort. We do attack on both the economic development front as well as the family planning front.

I read with great interest the arguments at the Bucharest Conference on Family Planning, on world population. There were a number of people who took exception to some of the arguments that

were made there. One of the arguments made by the developing countries, as the Senator may recall, was that population, the slowdown in population growth comes as we have an increase in economic growth. The two sort of phase in together. The countries today, of course, that show the very best results in population control are the countries that are the most affluent. If we take Japan or the Western European countries, the United States, the Soviet Union, countries of considerable means, they are the countries which have the best programs.

There is one other country that has come to grips with it and it has done so under very stern measures, as the Senator knows, and widespread effort. That is the People's Republic of China. We do not have what we might call solid statistical evidence, but we have reason to believe, from all that is known, that the People's Republic of China has a very effective family planning and population control program. Needless to say, the country to the southwest, the subcontinent of India, as well as other countries in that area, have not done too well.

Mr. BUMPERS. Let me change the subject for one final question. The Senator made a statement to the effect that we would continue the previous program of not allowing more than 30 percent of the funds to be spent for political purposes. I was curious as to what that meant.

Mr. HUMPHREY. "Political purposes," I think, is a phrase that we have used, but I do not think it is exactly appropriate. First of all, last year, we directed that 70 percent of all the title I sales of American food to be to those countries defined by the United Nations as the most seriously affected.

Mr. BUMPERS. Yes.

Mr. HUMPHREY. Actually, about 79 percent of all of our food shipments under Public Law 480 last year went to the countries most in need of food aid. In the previous years, the administration had, I believe regrettably, adversely affected the whole concept of Public Law 480 by having over 60 percent of all of the overseas shipment of food under Public Law 480 go to Indochina for the purposes of the struggle there, the war there. That brought forth from Congress a strong protest. The former Senator from Iowa (Mr. Hughes) was one of the leaders at that time in protesting the use of food for peace for what appeared to be food for war. I joined him in that protest. We urged upon the administration by resolution, sense of the Senate, and so on, that they change the allocations, that they give priority to the food for the countries that were impoverished.

Nothing was done. Therefore, last year, with the distinguished Senator from Iowa (Mr. CLARK) and the distinguished Senator from Oregon (Mr. HATFIELD), myself, and others, we put into the bill language that not more than 30 percent could be used for political purposes.

Mr. BUMPERS. If I may interrupt the Senator, I heard that expressed around the Senate here for some time, that 70 percent of the food—this is saying the same thing in a different way—must go to those nations which have been classified by the United Nations as the most in need; is that not about it?

Mr. HUMPHREY. That is correct. That is what we had last year.

Mr. BUMPERS. Right.

Mr. HUMPHREY. We used the word for the other 30 percent of "political" but that is not necessarily so. It may very well be, as a part, yes, as a part of our diplomatic efforts; it may be for market development; it may be for economic assistance for countries that are not the poorest of the poor but are still very poor, and I think we ought to be very clear about that and, therefore, of course, there has been a struggle between the administration, on the one hand, and Members here in the Senate and the House, on the other, as to whether there ought to be any of these kinds of limitations, 30–70, for example.

Then, may I ask the Committee on Agriculture and Forestry, when this bill was referred to that committee, the members of that committee felt, that is, the majority, that for the United States of America to be governed by the criteria established by the United Nations was giving authority to the United Nations that we ought to preserve for ourselves.

It was agreed—I believe the language of the bill indicates—that we called upon the President to give us a listing of those countries which would be eligible, and that list is——

Mr. TALMADGE. Within 90 days.

Mr. HUMPHREY. Yes.

Mr. TALMADGE. It cannot be changed without being resubmitted.

Mr. BUMPERS. Is that the language of the bill as it now stands?

Mr. HUMPHREY. The language of the bill as it now stands, if the Senator will bear with me—I misplaced my glasses here—it states:

> For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected—

In other words, the President shall determine—

> by inability to secure sufficient food for their immediate requirements through their own production or commercial purchases from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculture and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

So that we can get revisions every 30 days, if need be.

The President undoubtedly, under the language of the bill as it came from the Committee on Agriculture and as it modified the language of the Committee on Foreign Relations, will take into consideration what the United Nations has to say, and he will take into consderation many other factors, but we will have available for the Congress of the United States the countries that are to be receiving food aid under the 70–30 percentage. We will also have the President reporting regularly to Congress in case of revisions; in other words, as developments take place in the world there will be some revisions.

Mr. BUMPERS. Does this mean that both Houses can reject that or does it mean that committees may reject his revision?

Mr. HUMPHREY. No, it does not provide that. It is an informational requirement.

Mr. BUMPERS. But if Congress chooses it can act on it, that is, if it chooses to do so.

Mr. HUMPHREY. Of course, Congress can act and, by simple resolution, concurrent resolution, saying that such provisions do not apply.

Mr. BUMPERS. I thank the Senator for his clarifying remarks.

Mr. HUMPHREY. Mr. President, I have concluded my statement. I know the Senator from Georgia wanted to make a statement, as well as the Senator from New Jersey.

Mr. CASE. The Senator from Georgia has spoken to me about his interest and, so far as a formal introductory statement goes, I am waiving that, and I am quite prepared to rest upon the excellent statement made by the acting chairman of the committee and the manager of the bill, and let debate take its course, with the Senator from Georgia starting it off.

Mr. HUMPHREY. I thank the Senator.

Mr. TALMADGE. Mr. President, the bill now before the Senate, H.R. 9005, the International Development and Food Assistance Act of 1975, was approved by the International Relations Committee of the House of Representatives on August 1, 1975—House Report 94–442. It passed the House on September 10, 1975.

This bill, to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes includes a title II which amends Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, in a number of ways. It also includes a section 311, which authorizes assistance to land-grant universities and other eligible institutions in the United States, to enable them to carry out programs overseas in an attempt to solve the food, agriculture, and nutrition problems of the developing countries.

In the Senate, H.R. 9005 was referred to the Foreign Relations Committee on September 11, 1975 and reported by the committee to the Senate on October 1, 1975—Senate Report 94–406.

Mr. President, those parts of the bill relating to Public Law 480 and the section dealing with land-grant universities are clearly within the jurisdiction of the Senate Committee on Agriculture and Forestry.

The committee has no jurisdiction over sections of H.R. 9005 other than title II and section 311. It does not ex-

pect to participate in the probable conference with the House of Representatives except as to those provisions within its jurisdiction. However, as to those provisions within its jurisdiction, the Committee expects to participate on an equal basis with the House conferees. The matter of jurisdiction is covered fully in our committee report on the bill.

Recognizing this, the Foreign Relations Committee had the bill referred to the Committee on Agriculture and Forestry on October 2, 1975, to consider those sections within its jurisdiction.

We recognize that the House International Relations Committee has been assigned jurisdiction over certain aspects of Public Law 480 and, therefore, we understand the basis for including amendments to Public Law 480 in this foreign aid bill. But, it is our hope that in future years any provisions amending Public Law 480 not be encumbered by including them in foreign aid legislation.

In this regard, I wish to commend Senators SPARKMAN and HUMPHREY for their cooperation and contribution in facilitating the problems which arose because of this complicated jurisdictional agreement.

On October 22, the Committee on Agriculture and Forestry held an executive session to consider the amendments proposed to Public Law 480 and the provisions of section 311, relating to land-grant colleges, of H.R. 9005.

On October 28, the Committee on Agriculture and Forestry filed its report on H.R. 9005—Senate Report 94-434.

Mr. President, I want to make it abundantly clear that the Committee on Agriculture and Forestry considered only those parts of the bill clearly within its jurisdiction. It took no cognizance of any other part of the so-called foreign aid bill. It makes no judgment on those parts. It neither supports or disapproves. Each member will make his own judgment on foreign aid.

In its deliberations, the Senate Committee on Agriculture and Forestry made numerous changes in the provisions of H.R. 9005 relating to Public Law 480 and land-grant institutions and added other amendments.

In amending the bill, the committee sought to assure that the basic market development and domestic aspects of the program were properly respected. And on the basis of its long experience and recent work on the program, the committee attempted to refine some of the humanitarian food assistance aspects of this legislation.

Among other changes, the committee limited to 10 percent of any one agreement the proposed grant back program whereby the President can forgive a part of title I loan if a country uses the proceeds from the sale of title I commodities for certain development purposes. The committee is aware of problems in the use of such self-help provisions in the past. We feel the concept must be tested on a limited scale before providing blanket authority to the President to forgive title I loans.

The committee changed the provision which allocated a percentage of title I sales to the most needy countries in several ways. The committee changed this to require that 70 rather than 80 percent of the program go to the most needy countries and limited it to 1 year, rather than making it a permanent provision. We believe that Public Law 480 food assistance should be allocated on the basis of need and available supplies and not on some arbitrary formula. We also removed the requirement that the President be guided by the United Nations list of most seriously affected countries. We could see no reason why the United Nations should dictate how we must spend the American taxpayer's dollars. Rather, we think that it makes more sense to establish certain guidelines and require the President to develop a list of those countries which he feels are in most need of food aid—a list that must be submitted to the Congress.

The committee also proposed that any agreements to establish an international system of food reserves be subject to congressional approval and that the President should consult with the Agriculture Committees of the Congress with regard to agreements affecting agricultural commodities covered under the programs over which our committee has jurisdiction. Many of these agreements can substantively affect the operations of our farm programs to the point of rendering them ineffective. We feel, then, that it is our responsibility to make sure that domestic interests are protected before, not after, the United States has made such an international commitment.

The committee established the provisions of H.R. 9005 which would broaden the role of land-grant and similar institutions in the area of international agricultural development as a new title of Public Law 480, rather than as a title of the Foreign Assistance Act. Because of the important role that Public Law 480 plays in supporting international agricultural research, our committee felt that it was appropriate to combine the international agricultural research activities of land-grant institutions into Public Law 480.

The committee has sought to offer important and constructive amendments to those portions of the International Development and Food Assistance Act of 1975 which were referred to us.

Since the Committee on Agriculture and Forestry originally reported this legislation over 20 years ago, about $25 billion worth of agricultural commodities have gone to needy people abroad. But Public Law 480 is no give away. Unlike other U.S. foreign aid, Public Law 480 returns real and long-term benefits to the American farmer, taxpayer and consumer. It is this most important balance of benefits that have made this program so successful and offer a breadth of support unmatched by any program in the area of foreign affairs.

When Senator Andrew Schoeppel of Kansas first introduced the food for peace concept, the Senate Committee on Agriculture and Forestry immediately recognized the ingenuity of using our abundant agricultural productivity to bolster our balance of payments through farm sales abroad, while, at the same time, meeting the immediate food requirements of the developing world. Since then, the committee has provided the leadership in structuring the program to meet changing needs and the changing supply situation.

It is with great interest that the Committee on Agriculture and Forestry participates in the current effort to improve the benefits of this program to producers and consumers alike. In fact, our committee, last February had committed itself to completely review all aspects of Public Law 480. Many of the concepts which are contained in title II of H.R. 9005 have been derived from the work of our committee and certain bills pending before it.

It is the intention of the Senate Committee on Agriculture and Forestry to continue its review of Public Law 480.

Mr. President, I ask unanimous consent that a short explanation of title II and section 311 of H.R. 9005 be placed in the RECORD at this point, along with a complete list of the amendments made by the Committee on Agriculture and Forestry to these two parts of the bill.

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

SHORT EXPLANATION

Title II and section 311 of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would amend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The principal provisions would—

(1) Expand the statement of the purposes of Public Law 480 to include certain humanitarian and other policy objectives.

(2) Authorize the President to credit, or grant back up to 10 percent of Title I loan repayment obligations if proceeds derived by the recipient government from the sales of Title I commodities are used for certain specified self-help purposes.

(3) Provide more general authority for the President to waive the prohibition of Title I sales to countries trading with Cuba or North Vietnam.

(4) Establish a minimum volume of food assistance to be distributed under Title II of 1.3 million metric tons, of which a minimum of 900,000 metric tons would be distributed through nonprofit voluntary agencies and the World Food Program.

(5) Place limitations on the circumstances under which commodities donated under Title II may be sold by the recipient government.

(6) Permit members of the joint executive-legislative Public Law 480 advisory committee to appoint representatives to serve in their place.

(7) Add a new Title V containing provisions to increase the participation of the land-grant colleges and other universities and colleges in solving the food, agriculture, and nutrition problems of the developing world.

Title II of H.R. 9005, as amended by the Committee on Agriculture and Forestry, would also—

(1) Require, for fiscal year 1976, that at least 70 percent of the food commodities distributed under Title I of Public Law 480 be allocated to countries most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad.

(2) Authorize and encourage the President to seek international agreement, subject to Congressional approval, for a system of food reserves to meet food shortage emer-

gencies and provide insurance against unexpected shortfalls in food production.

(3) Require a report on the implementation of the recommendations of the World Food Conference.

(4) Require the President to consult with the Agriculture Committees of the Congress in regard to negotiations involving agricultural commodities covered under farm price support and other agricultural programs of the United States Government.

LIST OF AMENDMENTS MADE BY THE COMMITTEE ON AGRICULTURE AND FORESTRY TO TITLE II (P.L. 480) AND SECTION 311, (LAND-GRANT UNIVERSITIES) OF H.R. 9005

The Committee amended Title II and section 311 in the manner that is described below. This list of amendments refers only to the differences between the bill as reported by the Committee on Foreign Relations and the bill being reported by the Committee on Agriculture and Forestry. It does not include technical and clarifying changes. For a more complete description of this Committee's actions, see the section of the report entitled "Committee Consideration".

1. (*a*) In the policy statement of Public Law 480 (section 201), the Committee modified the mandate that the President give priority to making food aid available to needy nations to the food aid required by those nations to meet their food requirements which they are unable to meet on a normal commercial basis.

(*b*) The policy statement was further modified to eliminate the requirement that aid-receiving countries emphasize labor-intensive, small-farm agriculture. Other provisions of Title II of the bill were changed to conform to this amendment.

(*c*) The Committee added to the policy statement the requirement that aid-receiving countries improve their facilities for transportation, storage, and distribution of food commodities. Other provisions of Title II of the bill were amended to conform to this amendment.

(*d*) The Committee added to the policy statement a new paragraph to direct the President to assure that the allocation of Public Law 480 resources is based on an assessment of commercial market potential for U.S. farm commodities.

(*e*) The Committee added to the policy statement the requirement that the President give appropriate recognition to, and support of a strong and viable American farm economy in providing the food security for the consumers of this Nation and the world.

2. The President is required to notify the Congress within 10 days of his intent to exercise the waiver of the prohibition on sales to countries trading with Cuba and North Vietnam.

3. The President must emphasize the sale of processed grain products, including blended and protein fortified foods, in sales of grain under Title I of Public Law 480.

4. The President is authorized to waive repayment of that portion of the value of a loan under Title I of Public Law 480 which represents the cost of processing high-protein blended or fortified foods.

5. The Committee deleted the requirement that the President transmit intentions to utilize releases and grant-backs (described in section 104 of Public Law 480) of U.S.-held foreign currencies to the Senate Foreign Relations Committee.

6. The Committee adopted an amendment which would prohibit the use of foreign currency proceeds from sale of commodities made available under Title I of Public Law 480 for the development of abortifacients or techniques of abortion.

7. The Committee adopted an amendment to direct that uses of foreign currencies under the "grant-back" procedure under Title I of Public Law 480 be directed at achieving the policy objectives of Public Law 480 (as well as the Foreign Assistance Act of 1961).

8. The Committee also made eligible the activities of the "farmer-to-farmer" program (section 406) under the "grant-back" procedure in Title I of Public Law 480.

9. Section 406 itself was also amended to vest responsibility for the "farmer-to-farmer" program in the President, rather than the Secretary of Agriculture.

10. The Committee amended the "grant-back" procedure authorized under section 106(b) to limit, for each fiscal year, payments to not more than 10 percent of the total value of each agreement.

11. The Committee amended the provision of H.R. 9005 regarding assistance to "most seriously affected countries" to—

(*a*) Make it a 1-year provision rather than a permanent part of Public Law 480;

(*b*) Reduce the requirement that 80 percent of Title I, Public Law 480, food aid go to "most seriously affected countries" to a 70 percent requirment; and

(*c*) Authorize the President (rather than the United Nations) to determine which countries are most seriously affected by inability to secure sufficient food. The President would be required to base his determinations on certain criteria prescribed by the bill. The President would be required to submit his determinations to the appropriate congressional committees within 30 days.

12. The Committee adopted an amendment to section 408 of Public Law 480 to change the annual report required by that section from a calendar year to a fiscal year basis.

13. The Committee modified the reporting requirement for "a revised global assessment of food production and needs" by changing the report deadline from October 1 to November 1.

14. The provision which authorizes and encourages the President seek agreement on an international system of national reserves was modified by the Committee to delete the word "national" from the phrase "national food reserves" and provide that any such agreement would be subject to congressional approval.

15. At the end of Title II of H.R. 9005, the Committee added a new section amending section 22 of the Agricultural Adjustment Act of 1933. The new provision provides that the President shall consult with the Agriculture Committees of the Congress, whenever possible, before entering into discussions to negotiate any international or trade agreement affecting any agricultural commodity covered under domestic price support or other domestic farm programs of the United States Government. The President is to continue to keep the Committee informed of all matters relating to such discussions at least every 90 days during the course of these discussions. The new provision does not apply to agreements specifically authorized under existing statutes.

16. The Committee amended section 311 of H.R. 9005 to structure the provisions relating to land-grant and similar institutions as a new title of Public Law 480 rather than a new title of the Foreign Assistance Act.

17. The Committee amended the definition of the institutions eligible under section 311 of H.R. 9005 to permit community colleges, which would otherwise qualify, to participate in this program.

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

Mr. ABOUREZK. Mr. President, will the Senator withhold that request?

Mr. TALMADGE. Yes. I withhold it.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that Alan Chvotkin, a member of my staff, be granted privilege of the floor during this matter.

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

Mr. TALMADGE. Mr. President, I yield to my distinguished friend from Kansas.

Mr. DOLE. Mr. President, I ask unanimous consent that Robert Downen and Claude Alexander be granted privilege of the floor during consideration of H.R. 9005.

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

Mr. TALMADGE. Mr. President, I yield to my distinguished friend from Oregon.

Mr. HATFIELD. I thank the Senator from Georgia.

Mr. President, I ask unanimous consent that Wes Michaelson, of my staff, be granted privilege of the floor during the discussion on this matter.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOLE. Mr. President, I listened with great interest to the distinguished Senator from Georgia. We covered much of the same ground in our statements.

Mr. President, the Congress and this Nation accepted an obligation 21 years ago to provide foreign food assistance to less fortunate peoples than our own with our bountiful agricultural resources. In 1954, the 83d Congress set forth the policy under Public Law 480 which is as valid today as it was then.

Mr. President, I am pleased to join the chairman of the Committee on Agriculture and Forestry in support of title II and section 311 of the International Development and Food Assistance Act of 1975 (H.R. 9005), those sections of the bill over which the Committee on Agriculture has jurisdiction. I am confident title II, amending Public Law 480, the food for peace program and section 311, the famine prevention provision, have been greatly improved by committee amendments. I join the chairman in asking my colleagues of the Senate to support these improvements.

Essentially, our amendments complement other original provisions of the House-passed version in that we recognize the growing demand for food in the world and that the United States can best help meet that need by sharing both food and the knowledge of how to produce food. In recent years we have gone from a surplus, controlled production position in food stocks to an all-out, expanded production position. We no longer spend a million dollars a day of taxpayers' money for surpus grain stocks, but instead have sold those stocks and billions of bushels more to hungry people in foreign countries. We still have adequate supplies and we still continue to share them with other nations—to those who can afford to buy and to those who are not com-

pletely financially capable. This legislation is concerned with this latter group of nations.

There is still tragic evidence that vitamin and protein deficiencies are robbing many people throughout the world of their productive capacities. Malnutrition takes its worst toll in the first 5 years of human growth, blunting the physical development of preschool children, and very often retarding their mental growth as well. In countries where food shortages are both chronic and widespread, this irreversible process affects up to 50 percent of the infant population.

IMPROVED NUTRITION PROVIDED

New provisions of this bill will provide better nutrition to millions of youngsters in many lands through a unique partnership between the public and private sectors of this country. Now, blended improved high protein foods can be sold with new incentives under title I of the act.

These youngsters will have a better chance of survival to adulthood and a productive useful life: and, as a result, their countries have a greater hope of economic progress—and the world a greater hope of peaceful existence.

SUPPLEMENTS VOLUNTARY PROGRAMS

They are the youngsters fortunate enough to be included among the organized child-feeding activities of America's great voluntary agencies for overseas relief and rehabilitation, organizations such as CARE, the Protestant Church World Service and Lutheran World Relief, Catholic Relief Service and its Charitas counterparts, the American Jewish Joint Distribution Committee, and a number of similar privately supported humanitarian organizations helping to carry out the U.S. Government's food-for-peace program. This bill will assure these voluntary agencies and the world food program a minimum of 900,000 tons of food aid annually.

We need to advance to the goal that has been sought by all men since before the dawn of human history. Long before men formulated slogans—indeed, before they had developed much use for words—they sought to allay hunger. Thus, the policy we set forth in Public Law 480 is to fill one of the most basic needs common to all mankind.

Mr. President, we have seen many nations receive food donations under title II of food for peace convert over the years through title I concessional sales purchased to regular cash buying customers for our agricultural commodities. Japan is perhaps the best example of such a transition from donations to our largest single customer for these commodities.

With the new section 311 of the bill, this program will be improved so that we may also share more of our agricultural technology with the nations to help them help themselves in food production to prevent famine. The program will authorize our land-grant colleges to lend their expertise in food production to these nations. Still another provision will authorize the farmer-to-farmer program under which American farmers will visit these nations and work directly with their farmers in improving food production, processing, and distributing abilities.

FARMER-TO-FARMER PROVISIONS

The farmer-to-farmer provisions to the food-for-peace program were made part of the law—section 460—in 1966, but have never been implemented. The new provisions enable the administration to utilize the program as an incentive to nations that need more food. The administration will now be able to utilize the farmer-to-farmer program in conjunction with other foreign assistance programs in a manner which will complement a comprehensive self-help effort in lesser developed nations.

The program will bring a new flexibility to foreign aid. Today's American farmer is a businessman, a food distributor, a food processor, a community leader. He will take a broad range of talents and practical knowledge with him which will assist individual and groups of farmers and rural areas in general.

He can teach: How to improve cultivation practices; how to use improved seed; how to improve harvest techniques; how to store and market commodities; how to initially process some commodities on the farm or through a local group of farmers working together; and how groups of farmers may work together to organize various groups such as we know here as conservation districts, extension councils, or local processing or storage cooperatives.

PRACTICAL EXPERTISE ESSENTIAL

Our farmers have a wide range of expertise from which to draw. The program must be administered so as to draw on the proper practical and appropriate expertise to fit the needs of the nations desiring help. The program would be carried out with the cooperation and participation of U.S. organizations and institutions best qualified and experienced in American agriculture and in the transfer of technology to developing countries. This would include coordination and utilization of Peace Corps and AID personnel as well as other participating organizations and institutions such as our land-grant colleges and universities, other educational institutions and private organizations offering resources relevant to the program.

The matching of personnel to fit the specific needs will be difficult, but the appraisal of the need first will require intimate knowledge of the people involved. Selection of participants should not necessarily be on the basis of advanced educational degrees so often used as criteria. In some cases older farmers with considerable practical experience could best serve the need. In other cases, a program utilizing the youth and energies of the 4-H foundation or the Future Farmers of America or other comparable groups of farm youth would be more appropriate. Possibly a farmer who has management knowledge of commodity processing or storage would be best suited to deal with particular problems in a special climatic region. It is entirely possible that a community leader could be needed to organize farmers to accomplish a project as a group which would benefit each individual.

Assessment of need, recruiting of personnel, prior training to minimize disruption to social customs and language barriers are all principle considerations to the proper administration of this program. It will take time, but is well worth the effort and can result in providing the proper incentives to make lesser developed nations more self-sufficient.

Mr. President, I sincerely urge my colleagues to support the improvements the Agriculture Committee has made to this legislation. These changes will lend great support to the hungry people of other nations and further enhance our position of agricultural leadership in the world.

Mr. CASE. Mr. President, may I ask if the Senator from Iowa wishes to speak at this time?

Mr. CLARK. Mr. President, I would like to make a very brief statement.

Mr. CASE. On the time of the Senator from Minnesota.

The PRESIDING OFFICER. There is no time limitation.

The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I ask unanimous consent that Jodie Levin-Epstein and Marianne Albertson of my staff have the privilege of the floor during the consideration of this measure.

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

Mr. CLARK. Mr. President, this foreign assistance legislation deserves the full support of the Congress.

Two years ago, Congress made a commitment that U.S. development assistance would be focused on helping the poorest people of the world. This legislation reaffirms and strengthens that commitment.

A year ago, the international community decided at the World Food Conference to make a major joint effort to solve the growing world food problem. This legislation commits the greatest share of U.S. development assistance to that effort.

I think it can be improved and intend to offer an amendment to do so later, but I think the bill as a whole is excellent. It has great emphasis on world development, on nations developing their ability to feed themselves.

Two months ago, at the seventh special session of the United Nations, a new spirit of cooperation replaced the old one of confrontation in the economic discussions between the United States and the developing countries. This legislation is proof that the United States is willing to commit some of its resources to the new cooperative effort to solve the world's economic problems.

Today, the Senate will decide whether to make this investment in foreign assistance. It is an investment in a better future for the world's poorest people. It is an investment in the ability of the world's poor to feed themselves at a time when the world's rich are demanding an ever greater share of the agricultural production. It is an investment in the economic development of countries whose natural resources we need to keep our own economy going. In short, it is

an investment we cannot afford not to make.

The most important feature of this legislation is its emphasis on development in the rural areas—where the vast majority of the world's poorest people live. We have learned, along with the rest of the international donor community and the developing countries themselves, that trickle down does not work. Many countries have invested heavily in industrial development only to see their agricultural production decline and their dependence on imported food and industrial goods increase. Many large hospitals have been built but have not provided the majority living in rural areas with even the most basic health care. Much has been invested in education, often with the result that a few are prepared for jobs that do not exist in their countries while the many have received no training in basic skills that could greatly increase their incomes.

Many have concluded that development must begin with the vast majority who are poor rather than with the few who are wealthy—that is with the small farmers. This is where foreign assistance should be focused not only for humanitarian reasons but also for economic reasons. Most developing countries rely on agricultural exports for the foreign exchange they need in all areas of development. Agricultural development is the key to solving the problem of having to import food when foreign exchange is badly needed for development. Training and education that will improve small farmer productivity will have particularly high returns for countries whose economies are predominantly agricultural. And health services aimed at delivering basic preventative care to the majority in the rural areas will not only have the greatest effect on the health and productivity of the people, but also on population control efforts.

I recently visited several African countries, and it was clear that agricultural development was very important to each of them. Between 80 and 90 percent of their populations were living in rural areas. Tanzania decided some time ago to give agriculture the highest priority in its economic development effort. It is now in the process of moving people from isolated, single-family dwellings into villages where they can be provided with education, health services, agricultural inputs, and marketing facilities. Tanzania's development priorities are very close to those in this bill. It is concentrating on the rural masses rather than on the urban elite. It is trying to become self-sufficient in food production rather than in industrial production. It is attempting to provide basic health services and education for everyone rather than elaborate services for the few. Representatives of the Tanzanian Government recognized that this kind of development would be a long, slow process. When there is nothing to begin with, it is harder to provide even the basic essentials for everyone than it is to build great wealth for a few. Tanzania demonstrated that the approach to development in this bill will not result in large, impressive projects that can be completed overnight. But it did prove that this approach to development is right, because the poorest people were gaining access to education, training in new farming methods, and health services.

Zambia and Zaire are just now beginning to focus on their agricultural development needs. Both countries have relied heavily on copper for their income and have invested much of their earnings in mining and industry. As a result, both have had to increasingly rely on imports for food, capital equipment, and industrial raw materials. In Zaire, much of the population is malnourished and totally left out of the development process, even though the economic growth rate has been high. With the fall in copper prices, both countries have realized that they have to invest much more in developing their rich potential in agriculture and their vast, untapped human resources in the rural areas.

This bill includes some important new initiatives in strengthening U.S. commitment to world agricultural development. First, it ties food aid to self-help in agricultural production. It instructs the President to take into account a country's own efforts to increase its food production in allocating Public Law 480 food aid. It also enables the President to forgive a portion of a country's Public Law 480 title I debt if that money will be used for agricultural development. It is very important that agricultural development be included in this way in U.S. food aid. Food aid has been used in the past by some countries in a way that discourages their own agricultural production. They have relied on cheap food from abroad to keep their own food prices down, thus discouraging their farmers and increasing their reliance on food imports. At a time of growing world food scarcity, U.S. food aid must be used in a way that will encourage world food production.

A second important contribution this legislation makes to world agricultural production is the provision of $200 million for the International Fund for Agricultural Development. The contribution will come from the reflows from prior aid loans. This is an important multilateral effort, involving the newly rich oil-producing countries as well as the industrialized states, to solve the problem of world hunger. It is fitting that the income generated from economic development assistance be ploughed back into this multilateral fund.

This legislation will improve U.S. efforts to help small farmers by initiating research in intermediate technology. Most research in new technologies is done in industrialized nations where labor is scarce and capital is abundant. If we are to effectively contribute to world economic development, however, we will have to use some of these research skills in developing technologies that are appropriate to the labor-intensive, capital-scarce economies of the less developed countries. A small, easily managed farm implement can greatly increase production where larger, complicated machinery might simply replace workers without increasing yields.

Finally, this legislation provides for $50 million of this year's reflows from past aid loans to be used to help the drought-stricken nations of Africa to begin economic recovery. These are among the poorest countries in the world. Their farmers and nomadic herdsmen have been using the same production techniques for centuries. Their water resources go largely untapped. An investment in agricultural development in these countries will make the desert bloom. It will enable those who have relied heavily on international food aid to feed themselves. The drought in the Sahel cost the international donor community $900 million. If it happens again in 1985, it will cost $3 billion. The investment this bill makes in agricultural development in Africa and throughout the world is obviously well worth it.

Mr. President, this legislation provides the kind of foreign assistance the American people can and will support. None of the money in this bill goes for military assistance. Rather, it will go directly to the world's poorest people. It will go to the fight against hunger, ignorance, and disease. It will use the tremendous agricultural research and technological resources of this country in the effort to increase world food production. It not only provides the most effective kind of bilateral assistance, but also increases this country's participation in important multilateral efforts. I am confident that this legislation will be enthusiastically supported by the American people and the Senate.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I am about to make a very important point of order. Before I do so, I wish to have Senator HUMPHREY, the manager of the bill, present.

Mr. TALMADGE. Will the Senator yield at that point?

Mr. INOUYE. Yes.

Mr. TALMADGE. Senator HUMPHREY indicated to me, when I was presenting my brief remarks, that he had to visit with an important constituent. He suggested that I ask for a quorum call and he would return to the Chamber. I did so, but he has not yet returned. I would suggest that we have a quorum call at this time and ask the aides in the Chamber to see if they can locate the Senator.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INOUYE. 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 Senator from Hawaii.

Mr. INOUYE. Mr. President, with great reluctance I rise to raise a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. INOUYE. Mr. President, I raise a point of order with reference to section 492(d), (page 5, line 17) and section 302(e) (page 23, line 6), authorizing funds "to be made available" which vio-

lates section 401(a) of the Budget Act, Public Law 93-344, which states:

It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts.

The PRESIDING OFFICER. The Chair rules the point of order is well taken under section 401(a) of Public Law 93-344. Therefore, the bill cannot be considered.

What is the pleasure of the Senate?

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I understand the concern that the Senator from Hawaii has expressed. Might I say most respectfully that in the other body, and I say this to the Parliamentarian, as the Parliamentarian knows, the ruling of the Parliamentarian was that the language was in order in the bill.

This is the language from the other body, but we have our own rules; I understand that.

I suggest to the Senator from Hawaii that the report indicates what has been our practice, that the use of funds for these purposes, whatever the purposes as outlined were, would of course be contingent upon the appropriations action. So it might be, if the Senator will withhold his point of order, that we might be able to reconcile our differences here, because there is no desire to escape the appropriations process.

For example: On line 6, the language "after July 1, 1975, are authorized to be appropriated for each of the fiscal years 1976 and 1977" instead of "authorized to be made available."

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that to vitiate the point of order and the rulings would require unanimous consent.

Mr. HUMPHREY. Well, there is nothing that would prevent the Senator from Minnesota from making an amendment, is there?

Mr. INOUYE. Mr. President, if the Senator will yield, I know that this procedure is rather drastic. I know this is the first time this section has been reviewed by this body. But I can assure the Senate that the Appropriations Committee will handle this provision expeditiously, and it should be brought back to the Senate floor not later than this weekend.

We have great concern over the matter of reflows and back door financing. The bill as reported is in violation of the Budget Act. Furthermore, it exceeds the limit set forth by the Budget Committee by $392,000,000. The Appropriations Committee is also quite unhappy with the treatment of the operating expenses account. Therefore, we would like very much in accordance with the Congressional Budget and Impoundment Control Act, to take jurisdiction of this bill and to return it to the floor at an appropriate time.

Mr. HUMPHREY. Mr. President, let me say most respectfully that each year the Appropriations Committee has in fact always appropriated these reflows. We are not going to violate the budget act at all. The House of Representatives is subject to the same act; it is a public law. The House passed this bill with this provision in it. All appropriation bills originate in the House.

Our report on this particular measure says that the use of these funds for these purposes would, of course, be contingent upon the appropriations action; and, speaking for the committee, if there is any concern that the distinguished Senator from Hawaii has, on line 6 on page 23, if the Senator will look at those words, what it says is:

"after July 1, 1975, are authorized to be made available for each of the fiscal years".

I do not see how there could be any doubt at all that the jurisdiction of the Appropriations Committee is fully preserved there in specific language, even as it has been fully preserved in precedent and tradition.

Mr. INOUYE. Mr. President, before addressing myself to the amendment suggested by my distinguished friend, I would like to have the Senate note that from fiscal year 1962 to fiscal year 1975, the reflows that we are speaking of for AID amounted to a grand total of $1,299,923,000. That is not peanuts. It is big money, money over which we have had no jurisdiction.

Mr. HUMPHREY. Let me say most respectfully that this is money over which the committee has had jurisdiction. These are moneys that they have appropriated.

Mr. INOUYE. They were loan reflows. They were not appropriated in the fiscal year in which they were used. Second, according to the estimates submitted by AID, from fiscal 1976 to and including 1980, we would have reflows in the amount of $2,554,000,000.

Mr. HUMPHREY. That is correct.

Mr. INOUYE. These are large sums of money.

Mr. HUMPHREY. Large sums of money, and that is why in this language we are authorizing their use only on the basis of the appropriations process. We authorize them for specific purposes, such as for the International Fund for Agricultural Development the sum of $200 million. But it is not to bypass the Appropriations Committee. And I think it should be noted that when this point was raised in the other body, the chairman of the House International Relations Committee rose in opposition to the point of order.

He noted some of the same points that are being made here. Here is the House debate. He said:

The committee does not intend that these funds be exempt from the appropriation process, as can be seen from the following language. The clear language of the bill, Mr. Speaker, proposed in section 103 specifically provides that amounts repaid are authorized to be available for use and authorized for appropriation. It does not provide that they be available for use as an appropriation.

In other words, for use as an appropriation; it provides that they be authorized first, and then the Appropriations Committee works its will in the appropriations process.

Then Representative BAUMAN, who was raising the point of order, said:

I am making the point of order for the express purpose of preventing the consideration of the bill, inasmuch as the public law to which I have referred says that it shall not be in order for either House to consider a bill which contains such a provision.

I would, therefore, in response to the statement of the chairman of the committee, refer to the committee report on page 46 which says:

The third subsection added to section 103 authorizes repayments on prior year aid loans to be made available for specified purposes.

This would remove it from the appropriation process.

The Speaker then said:

The Chair is ready to rule. The gentleman from Maryland is making the point of order that the portion of the bill under section 302(e) constitutes new pending authority and violates section 401(a) of the Budget Act, Public Law 93-344.

The Chair has reviewed the language shown in the bill and in the report which shows that it is subject to the appropriation process because the whole intent and thrust is predicated on the words "are authorized to be made available." In other words, the reflow funds are to be appropriated by the Committee on Appropriations and by subsequent legislative actions and not as a result of the passage of this bill.

Last year, in the Foreign Assistance Appropriations Act, the language read as follows:

Food and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $300,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Section 203 is the loan reflow authority. Furthermore, it goes on, in the matter of population planning and health, development assistance, with the same proviso, reading:

Provided, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans.

So, Mr. President, my point is that in last year's act and every appropriations bill, this language has obtained, namely, that the Appropriations Committee takes jurisdiction over the use of the reflows. There is nothing in the act that automatically permits the reflows to be used without regard to the Appropriations Committee.

In order to make that very clear, if there is any doubt, despite the fact that the other body, in which appropriation acts originate and to which the same budget act applies, did not support the position taken by the Parliamentarian and the Chair here today, but in order to clarify it, I propose and urge upon my friend, the Senator from Hawaii, that on page 23, line 6, where we use the words "are authorized to be made available," we strike out the words "made available" and say "are authorized to be appropri-

ated" and in that way we have full and complete control in the Appropriations Committee under the terms of the Budget Act.

The PRESIDING OFFICER. The Chair advises, in that regard, based on the point of order originally made and the ruling by the Chair, that the bill is not before the Senate to be so amended, unless by unanimous consent, and the point of order would be withdrawn, even though that would allow the point of order to be raised again, but, if by unanimous consent the point of order were withdrawn, the Senate could move to consideration of such an amendment.

Mr. HUMPHREY. I wish very much to have a chance to visit with the distinguished chairman of the Subcommittee on Appropriations. I say that the bill has been on the calendar for a considerable period of time. The Committee on Foreign Relations never had any indication of this. We had seen that this problem was met in the other body, on the subject of reflows. We are fully cognizant of the budget act, and this bill is within the budget targets.

Mr. MANSFIELD. Mr. President, will the Senator yield briefly?

Mr. HUMPHREY. I yield.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 o'clock tomorrow.

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

ORDER FOR ADJOURNMENT UNTIL THE HOUR OF 11:30 A.M., WEDNESDAY, NOVEMBER 5, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until the hour of 11:30 a.m., Wednesday next.

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

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, I ask unanimous consent that Robert Turner, of my staff, have the privilege of the floor during the consideration of this bill and votes thereon.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. INOUYE. Mr. President, I ask unanimous consent to withdraw my point of order.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that his point of order be withdrawn?

Mr. INOUYE. I do.

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

Mr. HUMPHREY. Mr. President, in light of the discussion which we have had, both here and in the colloquy, as well as our private discussions, I now move, on page 23, on line 6, after the words, "to be," to strike the words "made available," and insert in lieu thereof the word "appropriated." The line will then read: "and after July 1, 1975, are authorized to be appropriated" for each of the fiscal years, and so on.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, on page 5, on line 17, I move to strike the words "made available," and insert the word "appropriated."

On line 21 into line 22, I move to strike the words "from the funds made available pursuant to section 103(e) of this act,". The language will then read, on line 17, "There are authorized to be appropriated"; on lines 21 and 22, the language will read "be necessary for fiscal year 1977, which amounts are authorized to remain available until expended."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

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

Mr. HUMPHREY. I yield.

Mr. MUSKIE. I would like to put this question: As I understand the bill, according to the floor manager, total authorizations were $1,325,000,000.

Mr. HUMPHREY. I believe that is the correct figure, yes.

Mr. MUSKIE. These reflow moneys were not reflected by that number. The effect of the Senator's amendment, then, is to increase that number by the amount of the reflow moneys.

Mr. HUMPHREY. No, only if they are appropriated.

Mr. MUSKIE. I know. But under the spending practices of the Government we have two kinds of commitments to spend: Budget authority and outlays. Now, actual appropriations will produce outlays, depending on the spend out rate.

Mr. HUMPHREY. The Senator is correct.

Mr. MUSKIE. But the total commitment is budget authority which has never been reflected by the reflow money in the budget documents or the other instruments in which we record the financial commitments of the Government.

By converting this to an appropriation it seems to me you are increasing the authorization beyond $1.325 billion by the amount of $353 million in fiscal 1976 and $403 million in fiscal 1977. In other words, you are eliminating the distinction between the authorization to spend the reflow and the authorization to spend from the Treasury.

Mr. HUMPHREY. Yes. In other words, for example, there would be an item here for the Sahel, one item of $50 million, as I recollect. Therefore, that would be an increased authorization.

Mr. MUSKIE. If my interpretation is correct, then, the effect of this amendment would put us over the budget authority target.

Mr. HUMPHREY. May I say to the Senator, according to the Senator's latest score card it would be $400 million below the projected outlays.

Mr. MUSKIE. On outlays, yes.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. But at budget authority we are on target, $4.9 billion.

Mr. HUMPHREY. Right.

Mr. MUSKIE. On outlays we are under by $400 million.

Mr. HUMPHREY. $400 million.

Mr. MUSKIE. But that $4.9 billion does not reflect the $353 million in reflow of money. This cannot be recorded until the Appropriations Committee acts.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. But reflow moneys have always been recorded in a different way. They show up in the outlay column, but not in the budget authority column. That is one of my objections to the use of reflow moneys in this way.

Mr. HUMPHREY. May I say to the Senator from Maine, of course, he makes a very valid point. I want to point out, however, that we do preserve the integrity of the appropriations process, which was one of the dangers that was involved in reflow money before.

Second, we will undoubtedly in the military assistance bill, which will be before us very shortly, make rather substantial reductions. That is at least the way the current view of the committee seems to be.

Mr. MUSKIE. If we want to make this whole process operate effectively, we ought to eliminate the reflow mechanism and eliminate any possibility of confusion.

I would remind Senators that we have the new security assistance request from the administration; there is not much room here. We are going to have to breach the budget authority target to accommodate the security supporting aid package, most of which is designated for the Middle East confrontation countries. Anything we can save here will be all to the good when we reach the point where we have to fund those Middle East requests that the administration sent over last week.

Mr. HUMPHREY. I am sure the Senate is going to have to make some re-

evaluations of some budget targets with the budget request of the administration as to the Middle East.

Mr. MUSKIE. That is why I am trying to squeeze a little money out of this.

Mr. HUMPHREY. No. 2, the Committee on Appropriations is going to squeeze a little out of the assistance and grant money from the administration's request, there is not a shadow of any doubt in my mind. We will be well within any budget target. I am sure, the Committee on the Budget lays down before us on foreign aid matters, no doubt about it.

Might I also say that the amendment we adopted on page 5, lines 21 through 22, provides a specific authorization for $50 million that would otherwise be taken from reflow funds.

Mr. MUSKIE. What is left——

Mr. HUMPHREY. It makes a difference of $50 million, I should say.

Mr. MUSKIE. What is left is $353 million.

Mr. HUMPHREY. I believe that is about correct.

The Senator means the new authorizations, with the reflow funds?

Mr. MUSKIE. That is right. The total amount.

Mr. HUMPHREY. About $353 million.

Mr. MUSKIE. Added to $1.3 billion. In other words, if this were treated——

Mr. HUMPHREY. May I say, Senator, if it were all used.

Mr. MUSKIE. No, but this is an authorization, of course. The total bill is subject to the appropriations process.

Mr. HUMPHREY. Of course.

Mr. MUSKIE. And the distinguished Senator from Hawaii will influence that. But, nevertheless, the total amount involved now, given the Senator's amendment, should be clearly reflected on the face of the bill as $1.325 billion plus $353 million, if Senators want to know exactly how much money is being committed.

Mr. HUMPHREY. May I say the difference is we are just listing out exactly what is in the bill rather than having the confusion that was before with the reflow not being accounted for.

Mr. MUSKIE. Will the Senator answer this question for me: If, in fact, the intent of this amendment is to eliminate the confusion between the use of reflow money and the use of Treasury money directly, what is wrong with going the whole way and simply using the authorization of Treasury money so that there is no confusion?

Mr. HUMPHREY. An amendment will be offered by the Senator from Idaho (Mr. CHURCH) on this very item. But we have not in the committee report, may I say, attempted to disguise this at all. The committee in its report says:

> The committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for FY 1976.

And we point out this, as compared to what you might call the budget items, the different things in the reflow, that is, in terms of authorization of use of reflows.

The use of reflows authorized by this bill are subject to the appropriation process. They are not automatically available simply because their use is authorized.

Mr. MUSKIE. I compliment the Senator on that, but that would be subject to the appropriation process in any event. It has always been subject to the appropriations process.

Mr. HUMPHREY. I have said that, but there was some doubt about it here.

Mr. MUSKIE. Where the confusion arises is not on that point. The confusion arises out of the fact that when the use of these funds is authorized, the amount of these funds is never included in any totals disclosing the obligational authority which has been approved by the Congress.

Mr. HUMPHREY. Might I say——

Mr. MUSKIE. It never appears in that column, and as a result there is a tendency to confuse the question, whether or not this is subject to the appropriations process.

Mr. HUMPHREY. We have eliminated any confusion about the appropriation process.

Mr. MUSKIE. I do not think we will have changed the bookkeeping on it.

Mr. HUMPHREY. Second, the committee report itself stated what the total cost would be of the bill.

Mr. MUSKIE. Will not have changed the bookkeeping on it.

Mr. HUMPHREY. That is because the bookkeeping is not good then.

Mr. MUSKIE. I do not create bookkeeping.

Mr. HUMPHREY. May I say that there was no attempt on the part of the committee to be deceptive on the part of the bookkeeping.

Mr. MUSKIE. Would the Senator then come back to my question. If this is as straightforward in the Senator's own mind, using appropriations directly, why bother with the reflow mechanism at all? Why not just add this amount to the authorization?

Mr. HUMPHREY. It is agreeable to me.

Mr. MUSKIE. And then make it all identical.

Mr. HUMPHREY. I am perfectly agreeable. I have no objection to that at all, if that is what the desire is.

The point is that it is a reflow from funds that have been loaned out. It is not as if someone is being denied the revenue of those funds. They come into the Treasury and they are subject then to the appropriation process.

What the Senator from Maine is suggesting is to eliminate the reflows, put the items in just as they are and add them into the budget authority, which would give a clear budgetary picture of the actual amount of authorized funds.

Mr. MUSKIE. Let me point out what happens if one does that.

Mr. CHURCH addressed the Chair.

Mr. MUSKIE. That response comes out of the Senator's generous heart.

With respect to the bookkeeping involved, the President's request, covering this bill, is $1,293,000,000.

Mr. HUMPHREY. But, wait a minute, he had——

Mr. MUSKIE. If we add and do what I suggest on reflows——

Mr. HUMPHREY. We have included in this bill items which the administration has asked us to include for certain other purposes which were not in the original budget request.

Mr. MUSKIE. But not the reflow money.

Mr. HUMPHREY. No.

Mr. MUSKIE. His request does not cover the reflow money.

Mr. HUMPHREY. No; but the President's request covering the reflow——

Mr. MUSKIE. The $1,293,000,000 would have to be increased by the $353 million which puts us over the budget target.

Mr. CASE. Will the Senator permit an intervention?

Mr. MUSKIE. Yes.

Mr. CASE. I think that the Senator from Maine will have to recognize that in order to accomplish this budget tightening operation, that is to say, insuring that the Appropriations Committee has a veto or—on the appropriation of any of this money so made available here, that we do have to raise the budget ceiling by the amount we are putting in here, and that that is not a breach of the ceiling. It is a recognition that we are bringing within the budget process expenditures which, really, as far as availability went were not, and, therefore, he should not feel that this is breaching the ceiling in any sense.

The ceiling should be raised automatically by this action to the extent of these reflows.

Mr. MUSKIE. It is a breach of the ceiling because the law with respect to reflows did not permit their use for this purpose when the budget ceilings were set. The Senate, of course, can vote, as it has in the past, to make them available for that purpose.

The law covered by the budget ceilings was set on the assumption that the numbers of 1.3 billion was the amount that we were talking about for authorization in this field.

If that authorization number is going to be increased, either using reflows in the way they were before the law was changed or converting reflows to regular appropriation authorizations, the total amount then is above what the concurrent budget resolution assumed.

Mr. CASE. I would suggest to the Senator that what we did in the Foreign Relations Committee in respect to this matter when we made our estimates, which were given to the Senator's committee for the purpose of arriving at their final figure, was to exclude this because it was expected that this amount would be outside the budgetary authority and in addition to it, and if we are going to change the rules on that matter then we ought to change them openly and frankly.

Mr. MUSKIE. The law at that time did not permit the use of reflows.

Did the letter from the Foreign Relations Committee explicitly recommend changing the law on reflows?

Mr. HUMPHREY. We will get the letter for the Senator. I will have the chairman (Mr. SPARKMAN) here, but let us see what it says. I believe the letter did indicate the use of reflows. We will get

the letter here for the Senator in a minute.

Mr. MUSKIE. We will check it out, but our recollection is that no mention was made of reflows in Chairman SPARKMAN's letter to me of March with regard to the President's budget request.

Mr. CHURCH. Will the Senator yield to me just to clarify something?

Mr. HUMPHREY. I am just being told by staff that our recent response to the committee did tell the Budget Committee of the use of reflows, the projected use of reflows.

Mr. CHURCH. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. Yes.

Mr. CHURCH. Because I do have a problem to get back to a committee, but I would like to speak for a moment on this.

Mr. HUMPHREY. I yield to the Senator.

Mr. CHURCH. I appreciate the generosity of the Senator.

This has been an old fight. We have been trying to stop back-door financing on this program for a long, long time. I thought we had it stopped last year finally when we adopted an amendment that I sponsored which finally required that repayments from foreign governments go back to the Federal Treasury and not be recycled once more into the foreign aid program.

When we did that, the distinguished Senator from Minnesota applauded it just last year, when the amendment was adopted. He said in connection with it:

> This is an extremely important amendment and a distinct contribution to this legislation. I do believe that Congress should have control over the recycling of the funds and I believe that the Committee on Appropriations should be the authority and the power to decide the amount of the funds to be appropriated, not to be just backdoor financing. Therefore, as the manager of the bill, having consulted with our colleagues here on the other side of the aisle, we are more than pleased to accept it and I want to thank the Senator from Idaho for his amendment.

When that amendment was finally passed, I thought we had put an end, once and for all, to back-door financing, but at the next opportunity a bill brought to the floor of the Senate has a footnote in it which has $353 million added to the face of the bill this year and $403 million next year.

That is footnote foreign aid and I think it must break all records in the history of footnotes.

Mr. HUMPHREY. Now, wait a minute——

Mr. CHURCH. In the way of cost.

Let me say this——

Mr. HUMPHREY. If the Senator will yield, because after all, there was no—it is not only a footnote, on page 15, in large print, it is not a footnote, so I want the Senator to know it is in two places.

I do not have any objection to what the Senator is talking about.

Mr. CHURCH. I am saying that we tried to put a stop to back-door financing and it is back in this bill once more. Every time one turns his head, it reappears.

Furthermore, nobody asked for this extra money. The committee comes in with a report that gives the administration every dime and more that they want for foreign aid and this is just one-sixth of the foreign aid package this year.

Nobody asked for this money. It was put in by the Foreign Relations Committee by footnote or otherwise, and it increases the administration's requests for economic assistance by 27 percent.

If that is not budget busting, I do not know what budget busting is.

If one wants to do that, remember, this is just the first of a series of bills. This bill does not involve Israel, it does not involve the Middle East, it does not invole all the additional payments we are going to be asked to take care of.

This is just the beginning, and by way of footnote in the beginning we are asked to increase the administration's request 27 percent.

If we start that way, we have got no chance to keep the budget. It is going to be blown sky high and that is why I am not very satisfied to be content once more to say, "Strike the back-door method because it is wrong." We tried to do it before and finally thought we had.

Strike the whole provision. We need that $353 million coming back to the Treasury this year. Instead of backdooring it, let us open door it and let it flow back into the coffers of the Treasury. And we need the $403 million next year. The last thing we need is to increase the administration's request by 27 percent on the first foreign aid bill we have before us, equal to about one-sixth of the total.

I would hope that in addition to correcting the footnote aspect the Senate would adopt my amendment striking this additional three-quarters of a billion dollars out of the bill for the next 2-year period.

Mr. HUMPHREY. Mr. President, the Senator from Idaho is a very persuasive man. No. 1, I do not believe in back-door financing. That is why I believe in the Appropriations Committee process. There is a big argument as to whether or not the inflow of funds are back-door financing when they go through the Appropriations Committee process. I say that is not. Every Senator knows what he is voting for. It is not as if somehow or another they are just shoved along with our eyes closed and we do not know what we are doing. It is simply that insofar as the budget outlays were concerned, the out of reflow was not put in the budget item but is in the outlays which are laid down and appropriated by the Congress of the United States—appropriated. It is not something that is just handed along as if somebody is a good Samaritan or the national social worker. Let us get that cleared up.

As far as the amendment of the Senator from Idaho, I am perfectly willing to vote for it again much as I did before.

The second point I make is that the administration has asked, or plans to ask, for $200 million for the International Agricultural Development Fund, a proposal which came up after the budget had been presented to us. The additional $50 million for the Sahel is an item that is desperately needed and was put in out of consideration of the facts of life in West Africa.

I might also add that the very tight fisted other body of the Congress passed this bill with a larger amount of money than we have in it for the Senate, considerably larger, as a matter of fact. We reduced the House bill by a considerable sum of money.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. I want to say that no one is trying to disguise what the facts are.

On page 13 of the committee report under the cost estimates this committee tells the Senate what this bill has involved in it.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. Furthermore, I have said to the chairman of the Senate Appropriations Subcommittee on Foreign Assistance that a line item on items that relate to the administrative expenses is acceptable and desirable, and he will offer such an amendment.

The Senator from Idaho was not here earlier when we said that we were expecting his amendment. We knew that we would vote on it one way or another. What we were attempting to do was to clarify language which is presently in this bill and to make it very clear that we are not permitting what we call the reflows to be used exclusive of the appropriations process. We already adopted one amendment on page 23 of the bill. An amendment I just offered on page 5 I believe would be helpful. Then we can come to the amendment of the Senator from Idaho (Mr. CHURCH) on the whole subject of reflows. We will have it in proper sequence.

I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. On page 1 of the bill it says:

> The principal purpose of the bill is to authorize appropriations totaling $1,325 million for fiscal year 1976.

Mr. HUMPHREY. That is correct.

Mr. HARRY F. BYRD, JR. As I understand it, the actual authorization will not be that figure, but it will be $1,678 million.

Mr. HUMPHREY. It will be, with the reflows which we have indicated.

Let me just say nobody is trying to skin anybody and nobody is trying to deceive anybody. We have been following this procedure for many years. The other body voted to continue the practice. We have always felt that the use of the reflows was subject to the authorization process. This year I said, "Let us remove any ambiguity. My amendment makes that clear."

We are going to go up the hill and down the hill because there need not be this problem.

Mr. HARRY F. BYRD, JR. I do not agree with that.

Mr. HUMPHREY. The problem is the one which has been raised by the Senator from Idaho. We can reconcile it quickly. As far as the reflow funds are concerned, the Senator can offer his amendment

again. My only point is I hope we will authorize the $200 million for the International Agricultural Development Fund, which is desperately needed.

Just the other day 66 nations agreed on an international food aid, and of that amount a similar amount of $200 million will be contributed by the Common Market countries. Fifty percent of the total package will be contributed by the OPEC countries. Two hundred million dollars will be contributed by the United Sttates. That can come out of reflow funds or it can be a separate item. It is all the Government's money. It all comes into the U.S. Treasury one way or another.

We make something so complicated that is really not that complicated. It is U.S. Government money, the taxpayers' money. The difference is that there is a certain amount of money coming back from the foreign aid loans. Of that amount of money that is coming into the Treasury under foreign aid loans, there is an authorization in this bill that a portion of that money be used for the International Agricultural Development Fund; that another $50 million of it be used for the purposes of relief in West Africa, in the Sahel.

The Senator from Minnesota said:

> I want to make sure the appropriations process works here because there is no requirement upon the Appropriations Committee to appropriate the amount that you authorize. You can authorize an amount and generally the appropriation is less.

The language of the bill as it came from committee might have had some doubts as to whether or not the appropriations process was to work its will.

It has always been my feeling that, of course, the appropriations process must work. Now the question is have we been deceptive? I say we have not been.

I repeat there is no law in the Senate that says we have to read only the first page of a report. As a matter of fact, it would be well for Members to read all of this report. If the Senators will read it all, they will see why this is a good bill.

On page 13 it gives the cost estimates and it says exactly what the cost estimates are. They are listed out there as $1,678,000,000. That amount of money, may I say, is not excessive.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. I believe the Senate has the right to assume that the figure on page 1 is the total figure.

Second, when the Senator from Minnesota reads from page 13 he read only part of it. It says:

> The committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for fiscal year 1976, plus amounts available from reimbursements and recoveries.

Mr. HUMPHREY. Yes; plus amounts "other than loan reflows which are included in this estimate" which we are talking about, loan reflows.

Mr. HARRY F. BYRD, JR. The point the Senator from Virginia would like to get clear is that the figure on page 1 is not the total authorization. It is actually $353 million more. Is that correct?

Mr. HUMPHREY. Might I say to the distinguished Senator from Virginia I believe the law requires the total cost estimate. That is why these paragraphs on page 13 are there.

Mr. HARRY F. BYRD, JR. I am just asking the Senator from Minnesota if he will confirm or deny that the total authorization is not what it says on page 1; that the total authorization being requested is $1,678 million, which is $353 million more than is on page 1. Is that correct or is it incorrect?

Mr. HUMPHREY. I would say to the Senator that the total amount of specific authorizations that we agreed to in the committee was $1,325 million. We did not know how much would be reused of the reflow funds. We have not tried to conceal. If it makes the Senator and the Senate feel any better, I like to be an accommodating man. The total amount is estimated at $1,678 million.

Mr. CASE. Mr. President, if the Senator will yield, I would like to make a minor comment on this matter.

What we said was that the principal purpose of the bill is to authorize these amounts. In other words, the bill authorizes to the extent of whatever legal authority is necessary the appropriation of the reflows, which is not unusual.

Mr. HUMPHREY. Which has happened repeatedly.

Mr. CASE. Which has been customary all along. The Senator from Minnesota, the Senator from Idaho (Mr. CHURCH), and I have always felt that a single appropriation of everything would be desirable, no matter where the money comes from; and if anyone was misled by this, I certainly would want to accept my share of the responsibility in behalf of the committee. We are sorry about it.

Mr. HUMPHREY. Let me say that I am not going to apologize, because when we wrote this up, I asked the staff of the committee to put in the total cost of the bill.

Mr. CASE. And we have it here.

Mr. HUMPHREY. And we have it here, because the law required one thing in terms of the estimates. The total cost estimates are there. We are not trying to deceive anyone, and if anyone cannot read page 13 of the report, I would say he is not much interested in the legislation, it says:

> The Committee estimates that the cost of implementing this bill will be approximately $1,678,000,000 for FY 1976, plus amounts available from reimbursements and recoveries (other than loan reflows which are included in this estimate). The estimated cost for FY 1977 is $1,881,300,000, including loan reflows but no other recoveries or carryover funds.

Because we do not know what they are. We have no way of knowing that, unless one has the gift of prophecy of an Ezekiel or an Isaiah. How do we know what the recoveries or reimbursements are going to be? There is no way to know that.

Mr. HARRY F. BYRD, JR. Do I understand the Senator from Minnesota correctly to say that the total authorization being sought for fiscal 1976 is $1,678 million, and not $1,325 million?

Mr. HUMPHREY. In using the loan reflows, the Senator is correct.

Mr. HARRY F. BYRD, JR. That is the total loan authorization?

Mr. HUMPHREY. That is correct, using the reimbursement as reflows.

Mr. CASE. If the reflows were larger, the amount authorized would be larger.

Mr. HARRY F. BYRD, JR. Oh; then that makes it an open-ended proposition.

Mr. CASE. To the extent of the possible reflows.

Mr. HUMPHREY. No, it is one open-ended.

Mr. HARRY F. BYRD, JR. It is open-ended as far as possible reflows are concerned; the Senator from New Jersey just so stated.

Mr. HUMPHREY. It is not, because we put in language specifying how reflow funds can be used. We said, "You can use $200 million of the reflows for the agricultural development fund."

Mr. HARRY F. BYRD, JR. Well, do we put a cap on the appropriation of $1,678 million, or do we let the amount go above that, if the reflows exceed the estimate?

Mr. HUMPHREY. Will the Senator repeat that? I am sorry; I say respectfully I did not pay attention, and I am sorry.

Mr. HARRY F. BYRD, JR. Is it a firm ceiling of $1,678 million, or is that ceiling flexible, to be determined by the amount of reflows?

Mr. HUMPHREY. It is our judgment that the estimated cost is what we have said here, $1,678,000,000, but it is flexible in the sense that there can be more reflows.

Mr. HARRY F. BYRD, JR. So that is an open-ended proposition.

Mr. HUMPHREY. But the Senate Committee on Appropriations is not exactly Santa Claus twice a year. It could be less, depending on what the reflows are. However, we tried to specify in the language of the bill what the reflows would be used for. We indicated, for example, a total of $200 million of such reserves may be used only, and we listed it for this purpose. Then we listed another $50 million of the reflows for relief in West Africa and the Sahel. One of these items was suggested by the administration—which, by the way, will come up, as I understand, in an additional budget estimate—and the $50 million was felt necessary by the committee in the light of testimony we had received.

I offer my amendment on page 5, as previously described. Has that been adopted?

The PRESIDING OFFICER. It has not been adopted.

Mr. HUMPHREY. On page 5, line 17, "there are authorized to be appropriated" instead of "there is made available," and on lines 21 and 22, to strike out "from the funds made available pursuant to section 103(e) of this Act,".

Mr. MUSKIE. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. Just to make the colloquy we had earlier complete, I have checked the letter we received from Senator SPARKMAN last March on the subject of reflows, and the subject was not covered in that letter. It was covered in an October letter, reporting the action taken

by the Foreign Relations Committee as reflected in this bill. The committee has not been able to identify that item in the letter of March 14, which, of course, formed the basis for the first current budget resolution.

Mr. HUMPHREY. May I say the bill had not come to us, as I understand, at the time of the letter we addressed to the Senator last March, as I recollect. So therefore those were, may I say, very flexible estimates.

Mr. MUSKIE. Let me recite what I understand to be the facts: First, reflows were not covered by the President's budget.

Mr. HUMPHREY. I believe that is correct.

Mr. MUSKIE. His budget was based on the existing law, which does not permit the use of reflows for this purpose.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. Second, the Committee on Foreign Relations, having the President's budget before it, did not include its letter to the Budget Committee the subject of the use of reflows this year.

Mr. HUMPHREY. Well, the President's budget, but not the Foreign Assistance Act——

Mr. MUSKIE. The Foreign Assistance Act, which was submitted by the agency, is the only place reflows is cited, and that document was not available to the Budget Committee during its first concurrent resolution mark-up.

Mr. HUMPHREY. That is correct.

Mr. MUSKIE. And that is the only place where this issue was raised for a possible modification of the law.

The point I wish to make, may I say to the Senator, is that the targets were set in the first concurrent resolution based upon the situation as it existed last May. If the result of the Senate's action is to change the law, and thus to increase budget authority or authorizations for appropriations, that needs to be taken into account.

The Senate, of course, can vote to breach the target at any time for a good reason, or a not so good a reason. The only point I am trying to make for the Record is that if we judge the use of reflows, as recommended to the Senate by the Committee on Foreign Relations now to be the equivalent of an appropriation or budget authority approved in the legislative process, the effect of it will be to raise the spending commitments above those assumed by the Budget Committee last spring.

I state that simply as a statement of fact. The Senator from Minnesota, as always, is being very forthcoming in his acceptance of that fact, and urging the Senate nevertheless to support what he believes to be a worthwhile program. But I think the Senator, in addition to his advocacy of the program, needs to take into account the fact that the acceptance of reflows for spending purposes can have the effect of passing the spending targets we adopted last spring. That is the clear and simple point I wish to make.

There is one other point I wish to make. That is that reflows represent returns to the Treasury of money that went out of the Treasury in the form of loans.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. And this repaid loan money is going to be used for the purpose of giving grants. So not only are we respending the money, but we are converting the spending from the form of loans to the form of grants.

Mr. HUMPHREY. That is correct.

Let me say, first of all, that the Senate committee acted on a resolution adopted overwhelmingly by the House of Representatives, which also has a budget resolution. The bill passed the House under date of September 11. The House, I am sure, is also somewhat concerned about budget targets.

Mr. MUSKIE. Did the House include the reflows?

Mr. HUMPHREY. Oh, yes. This is the language of the House.

Second, I say that the Budget Committee has a global picture of foreign assistance, both economic and military. Those of us who have some responsibility here for looking at this global picture of military assistance and economic assistance, have different priorities than have been sent to us by the administration. For example, I happen to personally believe—and I have checked around with many members of our committee—that some of the requests for military assistance and military grant authority are excessive. I am sure that we will be well within the budget and I can assure the Senator we will be well within the target of the Budget Committee on overall global assistance, because we have a second bill coming down to us now from the administration, of approximately a little over $4½ billion, and we are going to have to excise that, and it is our judgment that in excising that we will make substantial changes in it and substantial reductions so that the overall budget figure, I believe, will be on track with the Committee on the Budget.

Mr. MUSKIE. I make this point insofar as the military assistance portion of the new security proposal is concerned. That comes under the national defense function. So cuts there, where we can use some cuts, will not be reflected in this foreign economic aid function which reflects only the supporting assistance and special requirements fund requests, and I suspect those may be more difficult to cut.

Mr. HUMPHREY. I realize how the Budget Committee acts because we have its scorecard report here. In the committee, as the Senator, who was on the committee, knows, we kept these two items literally working together in tandem side by side or had them all together in one bill. We have now separated them into two separate functions, so that we have nothing but the economic food assistance and humanitarian assistance in one package. We have the supporting assistance and the military assistance, military grant package in the second. It is our judgment that we will be well within it whatever targets the Budget Committee may set.

But I wish to be very frank with the Senator. We received the bill from the House. Actually the bill of the House of Representatives is much more generous than we are.

Mr. MUSKIE. That is sort of a reversal.

Mr. HUMPHREY. It is a reversal, I might add. They are generally substantially less than we. We took the language of the bill, and we worked on the subject matter. We revised some of the authorization figures that the House had. I believe our bill is $125 million less than the House bill. The House bill did have the reflow provision with language that is less precise than that which we are trying to work out. I believe that we will have another amendment offered by the Senator from Hawaii that will put a line item in on what we call administrative expenses which will again tighten up on the structural organization of the Foreign Assistance Act.

It is my feeling that the Senate budget scorekeeping by the Congressional Budget Office does not find us particularly out of line here in terms of the current status. It says under target in outlays by $400 million.

Mr. MUSKIE. That is correct. But is correct. But if the reflow of authorizations stays in the bill——

Mr. HUMPHREY. It will still be under it.

Mr. MUSKIE. No. If it is spent, that will reduce the $400 million margin that we have there by whatever amount out of the reflow which is appropriated and spent. I do not know what it will be; it depends on the programs.

Mr. HUMPHREY. Yes.

Mr. MUSKIE. In other words, that $400 million does not reflect on the other side.

Mr. HUMPHREY. I say, if the Senator will note, that it takes account of the House action, and the House passed this bill as with the reflows in it, if I am not mistaken. The Senator knows this book better than I.

Mr. MUSKIE. This does not include House action which increases the President's request.

Mr. HUMPHREY. This only includes Senate action.

Mr. MUSKIE. Yes, but only when spending requests are reported in the Senate or finally enacted.

Mr. HUMPHREY. It says total category 2C taken in account of House action to date. That is on page 17.

Mr. MUSKIE. I shall read from the Senate Scorekeeping Report which says the President's spending requests not yet reported in the Senate are "adjusted, where applicable, to reflect—completed congressional action on legislation that authorizes appropriations for ongoing programs at levels lower than the President's appropriation request."

But the point I do wish to make, may I say to the Senator, treating these reflows in the unusual way that they would be even with the Senator's amendment is not the conventional way to handle appropriations, meaning there will not be reflected in any accounting of the obligations in which the U.S. Government is committed. It will never show up in the budget authority.

Mr. HUMPHREY. I do not disagree with that. I simply say that is a lousy way to keep books. I think they ought to keep books better than that.

Mr. MUSKIE. No. Now the Senator is off target.

Mr. HUMPHREY. I am not speaking of the Senator's committee. I am simply saying there is a better way of keeping books than that.

Mr. MUSKIE. I will tell the Senator why the bookkeeping is not accurate is because gimmicks like this have crept into the law. The bookkeeping would be accurate if it were not for these kinds of gimmicks. I say to the Senator I am not talking about the merits of the proposals he would follow. The Senator is a much more articulate and eloquent spokesman of those kinds of programs than I am. I am running into this problem of trying to explain to other Senators why certain numbers in the budget documents are misleading. They are always being thrown back at me as though I were responsible for their misleading character. I am not accusing the Senator of saying that.

Mr. HUMPHREY. I am the last one to do that.

Mr. MUSKIE. No. But the problem is, if we are really going to make this bookkeeping accurate with what it reflects to those who read the numbers, we have to take on a more straightforward habit of entering into obligations and accounting for them.

I was not around when the reflow gimmick was first devised. I doubt very much that those who devised it were as straightforward in acknowledging its essential nature as the Senator from Minnesota and the Senator from New Jersey have been this afternoon.

I suspect it was devised, in the first instance, as a way of finding an indirect means for adding to foreign aid spending.

Mr. HUMPHREY. The Senator is absolutely right.

Mr. MUSKIE. All right. If that is the case, then it seems to me that we can further eliminate the misleading quality of Federal bookkeeping if we eliminate these gimmicks rather than try to doctor them up some more so they become barely acceptable. I would wish to see them go the whole straightforward route and eliminate this reflow gimmick and make their case on the merits. The Senator obviously believes that this $1,678,000,000 is solid on its merits. Here we are diverted this afternoon into talking about something other than the merits, because of this bookkeeping device that was put into the law years ago before I was around and which now ought to be wiped off the statute books, in my judgment.

Mr. HUMPHREY. I agree with the Senator. I agree with the philosophy of the Senator and not only his philosophy but his detailed explanation of how the budget process ought to work.

Let me just state the history a little bit. When Public Law 480 was first established, there were funds that were generated from Public Law 480 that came back into the Treasury that were used for whatever purposes anyone wished to use them without the appropriations process. At that time the distinguished Senator from Louisiana (Mr. ELLENDER) raised the point that this was not the way to handle funds that were being paid back under title I sales of Public Law 480.

Indeed, what we called the soft currency that we got under Public Law 4–80 was being used without the appropriation process. That was a type of reflow. I was one of those who supported the appropriation process on those soft currencies and on funds that were generated under title I.

In this bill, I thought we were being budgetarily responsible; but I see the merit of the argument of the Senator from Maine, when we were insisting that the reflows at least must go through the appropriation process. But I can see that from the point of view of giving an accurate picture in advance to the electorate, as well as to the Senate, it is much better to have it as a line item. This is why a moment ago I said to the Senator from Hawaii, in reference to administrative costs, that we would make it a line item, even though this committee went to great efforts to try to get the Department of State and the AID administration to give us estimates of what the administrative costs would be.

We turned back those estimates two times, because we felt they were not satisfactory. We now, I think, have an understanding with the Senator from Hawaii in reference to a line item on the administrative or operating costs.

I wish the discussion we had here today had taken place before the Committee on Foreign Relations. The House bill was passed on September 11, and we had not heard a word about this. It would be well if, once and for all, we could get this thing straightened out.

This is what I propose. I propose that we do away with the concept of reflows and that we then put on the basis of merit the items we are talking about—the $200 million for the international agricultural fund, the $50 million for the Sahel, and the other items that are included in those additions which are from reflow funds.

The Senator from Hawaii is cognizant of those items. Ordinarily, they would have been taken care of under the appropriation process. I see no reason why we should not try to handle them in a forthright manner now.

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

Mr. HUMPHREY. I yield.

Mr. MUSKIE. I have here a table of what these reflows have amounted to since 1962 and what the projected receipts for the next 5 years are likely to be. It would be very useful to Senators to have a table prepared by the Appropriations Committee, and I ask unanimous consent to have it printed in the RECORD.

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

Agency for International Development loan reflows available for reuse

Fiscal year:	Amount
1962	$220,000
1963	1,799,000
1964	7,942,000
1965	14,907,000
1966	23,354,000
1967	38,695,000
1968	53,441,000
1969	65,370,000
1970	166,295,000
1971	168,495,000
1972	189,617,000
1973	204,710,000
1974	[1] 167,884,000
1975	[1] 197,194,000
Grand total	1,299,923,000

[1] Fifty percent of scheduled receipts. The full amounts of scheduled receipts estimated for the next five fiscal years are as follows:

Fiscal year	Amount
1976	$353,000,000
1977	511,000,000
1978	540,000,000
1979	580,000,000
1980	570,000,000
Total	2,554,000,000

Mr. MUSKIE. Mr. President, in 1962, the amount of reflows available for use totalled $220,000. That amount climbed. By 1975, it amounted to $197 million, or a total over those years of $1,299,000,000 in reflow funds that have been subject to this reflow technique.

This is the reason why many of us, including the Senator from Minnesota, believe that this particular door to the Treasury should be closed. I compliment the Senator for the changes he is proposing.

Mr. HUMPHREY. Mr. President, the amendment is now before the Senate. If it is adopted, we will proceed with the other amendment, which the Senator from Hawaii has to offer, and then we will proceed with the amendments in order.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. INOUYE. 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 proceeded to read the amendment.

Mr. INOUYE. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 21, line 25, strike out "$603,800,000" and insert in lieu thereof "$500,400,000".

On page 22, line 1, strike out "$735,000,000" and insert in lieu thereof "$631,600,000".

On page 24, line 18, strike out "$243,100,000" and insert in lieu thereof "$203,700,000".

On page 24, line 19, strike out "$275,600,000" and insert in lieu thereof "$236,200,000".

On page 25, line 22, strike out "$89,200,000" and insert in lieu thereof "$74,000,000".

On page 25, line 23, strike out "$101,800,000" and insert in lieu thereof "$86,600,000".

On page 28, lines 19 and 20, strike out "$92,400,000" and insert in lieu thereof "$76,000,000".

On page 28, lines 20 and 21, strike out "$96,000,000" and insert in lieu thereof "$79,600,000".

At the end of the bill add the following new section:

"OPERATING EXPENSES

"SEC. 317. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"'SEC. 666. Operating Expenses. There is hereby authorized to be appropriated to the President for the fiscal year 1976, $174,400,000, and for the fiscal year 1977, such sums as may be necessary, for operating expenses of the agency primarily responsible for administering Part I.'"

Mr. INOUYE. Mr. President, this amendment has been discussed with the manager of the bill. It relates to the so-called cost of doing business. The President of the United States and AID have officially approved of the objective of this amendment. They are in favor of this concept. OMB approves this budgetary concept. The GAO and the Comptroller General approve this amendment. Finally, the appropriating committees of both Houses concur in this amendment.

I point out that until a year ago, we had an account known as administrative expenses and several program accounts.

What this amendment does, very simply, is to separate the operating accounts from the program accounts and put it into a line item called "operating expenses."

From the inception of the foreign assistance program, operating expenses, representing AID's "cost of doing business" was funded from a number of different appropriation accounts. This flawed system led many if not most Members of Congress to the mistaken impression that AID's "cost of doing business" was the $40 to $50 million authorized and appropriated for administrative expenses rather than the $237 million cost subsequently identified by the Agency at the Appropriations Committee's insistence.

The exercise of management and oversight of these funds has been little more than a "shell game." It has been little less than a tragedy that the situation became so bad that in 1 year—fiscal year 1972—when the authorizing committee ordered a reduction of AID's personnel and reduced administrative expenses from $60,200,000 to $50,000,000, AID simply transferred charges for 324 personnel involved from administrative expenses to program funds. Thus, the Agency continued, as before, having flaunted the expressed will of the Congress by a single act of bureaucratic legerdemain.

It was also under this system that AID let its personnel management get so out of hand that it was necessary to single it out for rather harsh comment in the committee's fiscal year 1975 report. These practices have improved in recent months but the funding system which permitted these excesses is about to be reinstituted and perpetuated. I, therefore, ask unanimous consent to have the pertinent section of this report printed at this point in my remarks.

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

PERSONNEL PROBLEMS OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For a number of years the Committee has taken the position that the Agency for International Development is overstaffed and that it poorly utilizes the personnel resources at its disposal.

Pursuant to the Committee's request, the General Accounting Office conducted a thorough and detailed review of the Agency's personnel costs and utilization. This study was carried out during the first half of calendar 1974 and the highly informative results are contained in GAO Report (B-165731) entitled *Cost And Use Of Personnel In The Agency For International Development* dated August 29, 1974.

Among GAO findings were the following:

Of the 645 Foreign Service Reserve officers assigned as of January 14, 1974 to AID headquarters in Washington, 415 (64 percent) were assigned to positions rated for personnel one to four grades below the grade for which they were being paid.

The average AID Foreign Service officer received an average annual salary of $26,878 as of December 31, 1973. This amount was $3,948 more than the average annual salary for Department of State Foreign Service officers; $3,173 more than for USIA Foreign Service Information Officers and $7,406 more than comparable staff personnel of the Peace Corps.

While only 20 percent of the U.S. nationals employed by nine American voluntary agencies engaged in overseas relief and development receive more than $14,500, 68 percent of AID's personnel receive more than this amount.

AID promoted 348 Foreign Service Reserve officers between March 1973 and May 1974 in the face of severe problems relating to overgrading. Of these 215 were promoted to positions receiving annual salaries in excess of $20,000. Following the Committee's annual hearings, however, AID did suspend promotions of high level Foreign Service personnel.

AID's personnel in Washington awaiting permanent assignments averaged over 150 between December 1973 to September 1974 at an annual cost estimated to be in excess of $4.5 million. A sampling of these employees revealed that over 40 percent had been waiting for assignments for over six months and that a number of employees had not even been given temporary work assignments for periods of from six weeks to three months. Furthermore, one employee—a class one Foreign Service Reserve officer ($36,000 per annum)—had been regularly paid although he had not performed any service or even reported for duty for over six months.

In connection with its own review of AID's proposed fiscal year 1975 personnel program and related budget estimates the Committee notes:

AID's new Auditor General has pledged to improve the management and quality of AID's Internal Audit operations while reducing the audit staff from 314 at the time of the Committee's last report to 242 (152 Americans) by the end of the fiscal year. This would reduce the percentage of AID's personnel resources committed to audit work from the excessively high 4.9 percent to 3.1 percent. The Committee applauds this move; however, it remains unconvinced that even these new levels are justified.

It is difficult to believe that AID can justify more positions for U.S. personnel in Washington (projected 2,621 as of June 30, 1975) than in its missions overseas (projected 1,756 as of June 30, 1975) and the Committee requests detailed justifications for this allocation in the Agency's fiscal year 1976 budget presentation.

At long last the Agency has moved to correct the problem of overgrading and overstaffing which has sapped its strength and depleted its resources for many years. It is hoped that this difficult and painstaking readjustment will resolve the problem once and for all and that it will be completed at the earliest possible date.

The Committee expects AID's fiscal year 1976 personnel report to be substantially improved; however, the magnitude of its personnel problem is still reflected in the following table which lists the distribution of AID employees by category and pay grade as of May 25, 1974.

AGENCY FOR INTERNATIONAL DEVELOPMENT, DISTRIBUTION OF FULL-TIME EMPLOYEES IN PERMANENT POSITIONS AS OF MAY 25, 1974

	Number of employees	Percent in each grade—by each pay schedule	Percent in each grade of agency total
Presidential appointees:			
EX-II ($42,500)	1	09.09	00.01
EX-III ($40,000)	1	09.09	00.01
EX-IV ($38,000)	7	63.64	00.08
EX-V ($36,000)	2	18.18	00.02
Total	11	100.00	00.12
Average salary, $38,227.			
Chiefs of Missions:			
FA-02 ($40,000)	1	12.50	00.01
FA-03 ($38,000)	6	75.00	00.07
FA-04 ($36,000)	1	12.50	00.01
Total	8	100.00	00.09
Average salary, $38,000.			
Foreign Service Reserve:			
FSR-01 ($36,000)	132	05.23	01.44
FSR-02 ($32,581 to $36,000)	429	17.01	04.69
FSR-03 ($25,800 to $30,960)	813	32.24	08.89
FSR-04 ($20,677 to $24,811)	658	26.09	07.20
FSR-05 ($16,799 to $20,159)	431	17.09	04.72
FSR-06 ($13,863 to $16,635)	38	01.51	00.42
FSR-07 ($11,641 to $13,969)	21	00.83	00.23
FSR-08 ($9,969 to $11,961)			
Total	2,522	100.00	27.59
Average taxable income,[1] $29,686.			
Foreign Service staff:			
FSS-01 ($25,800 to $33,540)			
FSS-02 ($20,677 to $26,873)			
FSS-03 ($16,799 to $21,839)	10	02.40	00.11
FSS-04 ($13,863 to $18,021)	40	09.59	00.44
FSS-05 ($12,429 to $16,155)	78	18.70	00.85
FSS-06 ($11,144 to $14,483)	122	29.26	01.34
FSS-07 ($9,989 to $12,986)	161	38.01	01.76
FSS-08 ($8,954 to $11,645)			
FSS-09 ($8,028 to $10,440)	3	00.72	00.03
FSS-10 ($7,198 to $9,358)	3	00.72	00.03
Total	417	100.00	04.56
Average taxable income,[1] $14,752.			
Classification Act:			
GS-18 ($36,000)	1	00.06	00.01
GS-17 ($36,000)	4	00.23	00.04

	Number of employees	Percent in each grade—by each pay schedule	Percent in each grade of agency total
GS-16 ($32,806 to $36,000)	11	00.62	00.12
GS-15 ($28,263 to $36,000)	186	10.55	02.03
GS-14 ($24,247 to $31,519)	153	08.68	01.67
GS-13 ($20,677 to $26,878)	179	10.15	01.96
GS-12 ($17,497 to $22,744)	113	06.41	01.24
GS-11 ($14,671 to $19,072)	133	07.54	01.46
GS-10 ($13,379 to $17,393)	6	00.34	00.07
GS-09 ($12,167 to $15,821)	145	08.23	01.59
GS-08 ($11,029 to $14,341)	67	03.80	00.73
GS-07 ($9,969 to $12,957)	222	12.59	02.43
GS-06 ($8,977 to $11,668)	182	10.32	01.99
GS-05 ($8,055 to $10,467)	209	11.86	02.29
GS-04 ($7,198 to $9,358)	118	06.69	01.29
GS-03 ($6,408 to $8,334)	32	01.82	00.35
GS-02 ($5,682 to $7,383)	2	00.11	00.02
GS-01 ($5,017 to $6,520)			
Total	1,763	100.00	19.29
Average salary, $17,058.			
Administratively determined:			
AD-18 ($36,000)	9	12.68	00.10
AD-17 ($36,000)	6	08.45	00.07
AD-16 ($32,806 to $36,000)	15	21.13	00.16
AD-15 ($28,263 to $36,000)	16	22.52	00.17
AD-14 ($24,247 to $31,519)	6	08.45	00.07
AD-13 ($20,677 to $26,878)	5	07.04	00.06
AD-12 ($17,497 to $22,744)	1	01.41	00.01
AD-11 ($14,671 to $19,072)	2	02.82	00.02
AD-10 ($13,379 to $17,393)	1	01.41	00.01
AD-09 ($12,167 to $15,821)	5	07.04	00.06
AD-08 ($11,029 to $14,341)			
AD-07 ($9,969 to $12,957)	3	04.23	00.03
AD-06 ($8,977 to $11,668)	1	01.41	00.01
AD-05 ($8,055 to $10,467)	1	01.41	00.01
AD-04 ($7,198 to $9,358)			
AD-03 ($6,408 to $8,334)			
AD-02 ($5,682 to $7,383)			
AD-01 ($5,017 to $6,520)			
Total	71	100.00	00.78
Average salary, $29,314.			
Wage systems:			
WP-16 ($12,626 to $13,957)	1	04.55	00.01
WP-15 ($12,272 to $13,562)	1	04.55	00.01
WP-12 ($11,190 to $12,355)	3	13.63	00.03
WP-10 ($10,483 to $11,586)	5	22.72	00.06
WP-08 ($9,755 to $10,795)	1	04.55	00.01
WG-06 ($9,402 to $10,982)	1	04.55	00.01
WG-05 ($8,944 to $10,442)	10	45.44	00.11
Total	22	100.00	00.24
Average salary, $10,906.			
Total U.S. Nationals	4,814		52.67
Average Taxable Income, $23,710.			
Average nontaxable benefits but excluding allowances for cost of living, quarters, education, representation, and official residence expenses $1,930.			
Total foreign nationals (not included in table above)	4,326		47.33
Total AID	9,140		100.00

[1] Includes overseas post differentials.

The Committee will continue to carefully monitor the distribution of AID personnel and operating costs by country and program. A most informative table reflecting this data appears at the beginning of page 1484 of the Committee's fiscal year 1975 hearings. There follows an extract of some of the more pertinent sections of this table:

AGENCY FOR INTERNATIONAL DEVELOPMENT,[1] OVERSEAS MISSIONS AND OTHER OFFICES, STAFFING, OPERATING EXPENSES AND PROPOSED PROGRAMS

[Dollar amounts in thousands]

Region and country	Total personnel as of Dec. 31, 1973[2]	Operating expenses fiscal year 1975 (estimated)	Pipeline, June 30, 1973, AID	Proposed program fiscal year 1975, as of Apr. 29, 1974: AID	Public Law 480	Total
Latin America:						
Argentina	11	$530	$8,438			
Bolivia	151	1,899	37,339	$22,239	$7,175	$29,414
Brazil	218	4,571	255,701	2,800	2,178	4,978
Chile	24	532	15,336	26,035	37,097	63,132
Colombia	106	1,897	174,569	21,908	9,986	31,894
Costa Rica	37	1,161	18,652	834	209	1,043
Dominican Republic	53	1,786	16,205	5,456	7,888	13,344
Ecuador	103	1,273	27,711	2,050	3,327	5,377
El Salvador	44	934	14,903	11,561	833	12,394
Guatemala	99	1,381	52,345	17,090	781	17,871
Guyana	31	814	22,926	3,550	74	3,624
Haiti	10	301	6,279	8,179	2,676	10,855
Honduras	53	1,191	13,303	22,038	698	22,736
Jamaica	13	335	25,158	8,450	1,558	10,008
Nicaragua	70	1,500	37,915	27,826	688	28,514
Panama	106	2,357	47,721	21,360	338	21,698
Paraguay	65	1,178	21,250	4,756	69	4,825
Peru	92	1,838	54,758	13,489	2,513	16,002
ROCAP	53	1,220	107,081	1,634		1,634
Uruguay	34	342	5,319	775		775
Venezuela	14		347			
Latin America regional	80		82,560	45,431	49	45,480
Asia:						
Afghanistan	313	4,016	35,746	14,647	1,175	15,642
Bangladesh	64	1,664	175,969	65,220	39,449	104,669
India	80	1,370	89,250	75,500	38,083	113,583
Indonesia	140	3,245	233,254	71,460	120,909	192,369
Korea	136	1,707	49,617	25,176	154,990	180,166
Nepal	171	1,674	9,869	5,721	402	6,123
Pakistan	223	2,962	93,063	78,745	43,299	122,044
Philippines	260	3,060	100,963	49,844	26,043	75,887
Sri Lanka	4	87	19	8,000	10,786	18,786
Thailand	563	3,190	30,143	6,005		6,005
Turkey	122	2,192	98,628	23,064	4,396	27,460
Yemen	4	627	1,865	11,496	2,078	13,574
Asia regional	25		18,960	4,231	5,774	10,005
Supporting assistance:						
Burma	5	$52	$923			
Cambodia	34	1,762	52,711	$110,000	$77,011	$187,011
Egypt				250,000		250,000
Israel				50,000		50,000
Jordan	21	447	12,438	78,175	10,277	88,452
Laos	1,108	8,277	26,812	56,000	253	56,253
RED—Thailand	53	806		15,220		15,220
Vietnam	1,807	31,225	234,356	751,000	160,553	911,553
Middle East unallocated				100,000		100,000
Supporting assistance regional			22,476	17,300	26,400	43,700
Africa:						
CWR—regional	79	2,326	46,867	26,874	9,090	35,964
Ethiopia	128	816	40,586	25,037	1,204	26,241
Ghana	81	1,369	26,365	13,746	692	14,438
Kenya	104	1,130	12,431	7,493	299	7,792
Liberia	97	1,230	24,654	7,206	458	7,664
Morocco	49	1,093	20,617	15,210	17,781	32,991
Nigeria	191	2,067	27,189	3,682	2,300	5,982
OSARAC	54	561	37,702	10,123	3,170	13,293
RDO—East Africa	17	191	4,395	1,563		1,563
REDSO—East Africa	21	1,032				
REDSO—West Africa	32	2,166				
Sudan	5	318	11,000	10,850	5,060	15,910
Tanzania	60	987	10,037	10,659	1,395	12,054
Tunisia	109	1,781	15,994	5,809	10,587	16,396
Uganda	35		1,537			
Zaire	46	1,618	23,524	6,013	336	6,349
Africa regional	61		43,358	24,727	4,001	28,728
Nonregional	22	6,506	243,092		104,234	104,234
AAG and ILS	262	7,106				
Unallocated				539,338	35,306	574,644
Washington, D.C.	3,181	92,400				
Total	11,234	[3] 220,100	2,922,229	2,842,415	995,928	3,838,343

[1] For complete table with footnotes see Senate hearings fiscal year 1975 pp. 1485 through 1489.
[2] Total of 11,234 AID personnel consist of the following: 4,969 U.S. direct-hire full-time employees in permanent positions; 4,649 foreign national direct-hire, full-time employees in permanent positions; and 1,616 U.S. contract and participating agency services agreement (PASA) personnel.
[3] As of Feb. 14, 1975, AID's estimate of its operating expenses was revised upward to $237,444,000.

Mr. INOUYE. Mr. President, in the words of John Murphy, Assistant Administrator of AID "it became more or less routine to transfer personnel to program accounts when 'administrative' funds were limited." Mr. Murphy went on to say that "upon discovery of this practice by various oversight committees much unhappiness ensued. In fact," he said "the problem in recent years has become a more or less continuing bone of contention in our relations with some committees."

Yes, Mr. President, much unhappiness did ensue when the Senate Appropriations Subcommittee on Foreign Operations focused on this confused state of affairs. This is why, on December 16, 1974, I took strong exception to AID's proposal to submerge all operating expenses into authorizations and appropriations for the functional accounts.

Mr. President, I ask unanimous consent to have the letter setting forth my position printed at this point in the RECORD.

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

Mr. JOHN E. MURPHY,
Deputy Administrator, Agency for International Development, Department of State, Washington, D.C.

DEAR MR. MURPHY: I have your letter with further reference to the matter of funding AID's Management and Operating Expenses, and acknowledging the Agency's past highly questionable practices in this area.

After reviewing this matter carefully, I proposed the language in last year's Committee report stating, "The preference of the Committee would be to have all operating expenses authorized and budgeted through this [AID Administrative Expenses] account." The name of the account is relatively unimportant but my position is still the same.

I am disappointed to learn that you apparently do not share my view and that the Agency will propose that while Management and Operating Expenses would be identified as such, "they would be fully funded from program accounts and make unnecessary continuation of a separate annual Administrative Expense appropriation." I regret that I cannot concur.

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommitte on Foreign Operations.

Mr. INOUYE. The committee's fiscal year 1974 report had stated:

The preference of the Committee would be to have all operating expenses authorized and budgeted through this (Administrative Expense) account. In the absence of such action, however, the Committee serves notice that it will not again fund AID's cost of doing business through two accounts.

The committee's fiscal year 1975 report stated:

The Committee again requests that an all inclusive Operating Expense appropriation be established in the fiscal year 1976 amendments to the Foreign Assistance Act through which these expenses can be authorized, appropriated and carefully monitored.

The House committee also requested this change in its fiscal year 1975 report stating:

The Committee believes it would make more sense to drop the administrative expense title and create an operating expense title so that all the operating expenses are reflected in one account.

I should also note that the Comptroller General has recommended that "all of the Agency's administrative and overhead dollar costs should be funded by the administrative expense account."

In response to these urgings, Mr. Daniel Parker, the Administrator of AID, agreed to propose an operating expense account that would, at long last, reflect these funds in a single appropriation.

Mr. President, I ask unanimous consent that a letter from Mr. Parker, dated March 17, 1975, a subsequent letter, announcing final approval of the President's Office of Management and Budget, dated March 18, 1975, together with pertinent portions of the administration's requested draft bill and analysis be printed at this point in the RECORD.

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

DEPARTMENT OF STATE,
AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., March 17, 1975.

Hon. DANIEL K. INOUYE,
Chairman, Senate Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Among the items discussed with you during John Murphy's and my visit to your office on March 14, 1975 was our plan for seeking authorization and appropriation for Operating Expenses of A.I.D. for Fiscal Year 1976. This letter confirms our oral advice.

As a result of recent action of the House Appropriations Committee, as expressed in its Report 94–53, and of our understanding of the strong position of your Committee, we will propose alteration of the President's FY 1976 Budget to establish an Operating Expense account for A.I.D. We have in mind that budget provision will be made available for this account by transferring funds from other accounts administered by A.I.D. so that no overall increase in the budget will be involved. Assuming approval by the Executive Office of the President, the proposed authorizing legislation to be submitted to the Congress for FY 1976 will reflect this change and we will request that necessary budget amendments be submitted at the appropriate time.

Sincerely yours,

DANIEL PARKER,
Administrator.

DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., March 18, 1975.

Hon. DANIEL K. INOUYE,
Chairman, Senate Appropriations Subcommittee on Foreign Operations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: With reference to my letter of March 17 in which I outlined A.I.D.'s plans for the treatment of Operating Expenses in FY 1976, I am now pleased to inform you that the plan as presented to you has been approved by the Director of the Office of Management and Budget.

We will, therefore, proceed exactly as indicated in my letter. With this assurance, I trust that you will see your way clear to appropriate the full $45 million authorized for Administrative Expenses for FY 1975.

Sincerely yours,

DANIEL PARKER,
Administrator.

OPERATING EXPENSES

SEC. 13. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 665. *Operating Expenses.* There is hereby authorized to be appropriated to the President for the fiscal year 1976 $205,200,000, and for the fiscal year 1977 such amounts as may be necessary for operating expenses of the agency primarily responsible for administering part I. These amounts may be increased by transfer of other funds made available under this Act, but the total amount available to carry out this section shall not be increased by more than 10 per centum of the amount initially made available."

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED FOREIGN ASSISTANCE ACT OF 1975

Section 13. Operating Expenses.

This section creates a new category of funding designed to cover all AID operating, administrative and personnel expenses. An authorization is provided for fiscal year 1976 at a level of $205,200,000 and for fiscal year 1977 at whatever level may be necessary. Because the Agency cannot project with absolute precision the travel requirements and operating costs connected with new programs, some funding flexibility is required. This is provided by the authority to augment the new account by no more than 10% with other funds made available under the Foreign Assistance Act.

Mr. INOUYE. Mr. President, where do we stand?

The Appropriations Committees of both the Senate and the House have requested a separate and discrete account for operating expenses.

The Comptroller General has recommended the isolation and separate funding of these costs.

AID has detailed the account in a massive study of manpower and operating expenses, fiscal year 1974–76, and justified a separate fiscal year 1976 appropriation to the Appropriations Committees.

The President and the Agency have agreed to a separate account and requested its authorization.

I am at a loss to know why it was not done in the manner requested, but I can tell you that unless it is, the Appropriations Committee will be severely hampered in its ability to analyze these costs and insure that funds appropriated for these purposes are wisely and prudently administered.

My amendment simply authorizes a separate account for $174,400,000 in operating expenses already identified and requested by the Agency for International Development and reduces program funds by a like amount.

It is a good housekeeping amendment having no budgetary impact whatsoever. I not only strongly commend it to the Senate, but also, I believe it is a necessary practice vital to congressional control of these costs.

Mr. HUMPHREY. Mr. President, so that we may understand the attitude here of the committee, this is what I said on behalf of the committee:

Over the years, it has been alleged that AID's operating expenses have been concealed and that they are excessive. In response to these concerns—

By the way, these concerns were expressed by the Senator from Hawaii as well as others.

In response to these concerns, the Committee on Foreign Relations has examined the cost of AID's operating expenses in some detail. At our request, the Agency provided us with detailed breakdowns of its operating expenses by geographic and functional categories. Their original initial request for operating expenses was $205 million. On ex-

amination we found that the amount actually necessary for the programs in this bill was some $176.4 million and a corresponding adjustment was made. Not content with that figure, we have asked AID to go back to its books and to seek further reductions.

So I think it is fair to say that we are on the same wavelength.

Mr. INOUYE. We are in tune.

Mr. HUMPHREY. The situation that we want to be sure does not develop is that a function of the program—such as, let us say, the family planning function or the food function—is not denied the personnel it should have. As I understand it, the Senator from Hawaii, in his subcommittee, will be careful to see that there is no shifting of personnel which could cripple the operation of a certain function that the Senate feels is a vital part of the Foreign Assistance Act.

Is that correct?

Mr. INOUYE. The manager of the bill can be assured of that.

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

Mr. HUMPHREY. I yield.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Frank DuBois, of my staff, be granted the privilege of the floor for the remainder of the day.

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

Mr. HUMPHREY. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have great confidence in the chairman of the subcommittee, and I have reason for this, as we have had much to do with each other in respect of these matters for years.

As I read the situation, the Appropriations Committee is taking the precaution, through the Senator, of having a firm grip on the amount which is expended for administration, so that, as I understand it from him, people cannot be put on various projects which are administration, but one really cannot pin it down to get an aggregate amount of what administration is costing.

I want to say this for the record. I know it, but I think it would be good to have it in the record for the benefit of the staff at AID, whose morale we want kept high. The idea is to tighten up, to make more efficient, and especially to have complete accountability. However, it does not represent any disguised effort to cut the heart out of administration and thereby to make it either too difficult or impossible to run the program, or to prejudice it in advance because it just will not have the personnel and the backing in order to do the kind of effective job we wish.

Mr. INOUYE. The Senator can be assured of that.

Mr. President, it is no secret that this bill, the foreign aid bill, is the most unpopular measure in Congress. If we are to bring about any credibility, if we are to convince our constituents that their tax moneys are being properly used, the least we can do is assure them that the bookkeeping will be clear, precise, and understandable. This amendment will bring about such credibility. I hope that it will be adopted by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

ANGOLA AIRLIFT

Mr. HUMPHREY. 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 5, line 23, strike the semicolon and insert in lieu thereof a period.

On page 6, beginning with line 1, strike out through line 14.

Mr. HUMPHREY. Mr. President, I am offering an amendment on behalf of the committee to strike the authorization of an additional $20 million for the Angola airlift. In other words, it reduces the bill by another $20 million.

The provision originated as an amendment requested by the executive branch. The Subcommittee on Foreign Assistance adopted it with the clear understanding that we would have a status report on the Angola airlift before we brought this bill to the floor. During the subcommittee hearings, I strongly urged that AID request other countries to provide assistance. AID indicated that a willingness to make this commitment would encourage other donor participation.

Mr. President, I have the report from Mr. William Dalton, Acting Foreign Disaster Relief Coordinator from AID, and without objection, I ask unanimous consent to have it printed in the RECORD.

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

DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., November 2, 1975.

DISASTER MEMORANDUM: ANGOLA CIVIL STRIFE—SUMMARY

BACKGROUND

In the summer of 1974 Portugal announced it would grant independence to its colonies. Following up on this, in January of 1975 a formal agreement was signed setting independence date for Angola as November 1, 1975. Rival factions in the country had been struggling to gain control since long before the announcement was first made, and this has resulted in a reported 10,000 deaths in the past year alone.

Several months ago there was some indication that the opposing groups might be able to reach a compromise before Independence Day that would permit Angola to make a peaceful transition from a colony to a sovereign nation, but no agreement was reached and civil strife continues unabated. Portugal has been gradually withdrawing its troops since February, and those remaining in the country are there to give what protection they can to Portuguese Nationals until November 11.

SITUATION

The deterioration of security in Angola left the remaining Portuguese Nationals, variously estimated at from 240,000 to 300,000, and thousands of native Angolans in hazardous and deprived circumstances. Tens of thousands fled Angola—some Portuguese Nationals returned to Portugal on their own while native Angolans moved from the cities to safer rural area. As the situation worsened, the problem of providing food and medical care became increasingly difficult. Most roads became impassable and in-country air travel non-existent or dangerous. This past summer some planes were shot at and some hit. White Portuguese moved from outlying towns and villages to Nova Lisboa and Luanda and plans were drawn for their mass evacuation to Portugal. If there is no agreement between the warring factions by Independence Day, expectations are that fighting may become even more fierce and Portuguese Nationals will be at even greater risk because Portuguese troops will not be there to protect them. Therefore, it is urgent that the mass evacuation be completed prior to November 11.

Outside assistance as a result of the civil strife is needed for three separate emergencies:

Within Angola—for native Angolans and for the displaced Portuguese Nationals until they can be moved to Portugal;

In support of the evacuation airlift;

Within Portugal—for the repatriates.

Angola in-country emergency

The first and most important observation was the catastrophic medical situation. Most doctors had departed the country leaving behind whole populations without medical care. Due to the paralysis of road transport, basic food supplies were beginining to run short. Emergency intervention was clearly necessary and ICRC offered its services to all the parties involved in the conflict.

On June 11, ICRC opened a delegation in Luanda and at the same time set up a headquarters organization in Geneva with the participation of the League of Red Cross Societies (LICROSS). On July 1 it launched an appeal to 17 National Red Cross Societies and obtained the support of Angolan authorities who provided necessary facilities and guarantees for the movement and transport of delegates and supplies. ICRC received prompt assistance from several National Societies and Governments, and the first medico-surgical team was able to leave for Luanda on July 10.

ICRC chartered a DC-6 for distribution of supplies, evacuation of the wounded and sick and the movement of its delegates to otherwise inaccessible places. As of September 30, 140 tons of medicines, medical and surgical equipment, food and other supplies had been distributed. ICRC has a medical team at Carmona serving the northern region, a surgeon and one nurse from the Danish Medical Team at Daltatando and a French medical team at Nova Lisboa. A fourth mobile team was to be recruited for Luanda. As of September 30, ICRC had 31 personnel in Angola, plus local employees. An ICRC report of August 28 indicated the following numbers of displaced: Luanda—20,000; Carmona—20,000; Ucua (east of Luanda)—5,000; Delatando—5,000; Nova Lisboa—30,000; Lobito—15,000 and Sa Da Brandeira—8,000, for a total of 103,000.

The United Nations Disaster Relief Office (UNDRO) is cooperating with ICRC and the League in in-country emergency relief operations.

Evacuation emergency

Faced with an airlift evacuation of from 240,000 to 300,000 people by November 11, the Portuguese Government sought assistance in making the airlift from other countries. People who wished to leave Angola had to move either to Nova Lisboa or Luanda since the evecuation plans called for departure from these two cities only. Relief centers were set up and operated by CNAD, the National Committee for Aid to Displaced Persons.

The Committee consisted of one representative each from the Departments of Social Assistance, Housing, Portuguese Armed Forces, Commerce and Health, plus the National Red Cross and Caritas. This Committee became the responsible Government executing agency for handling reception, shelter,

feeding, health, equipment, tickets, social reintegration, transport and baggage.

Airlifts were begun by the Portuguese Government in August. By October 20, returnees who had arrived in Portugal via the airlift or other means totaled 187,400. The U.S. portion of the operation was started at Nova Lisboa and was completed there on October 4. On October 5 our operation was switched to Luanda. While most planes have been leaving from Luanda as scheduled, numerous flights are departing with less than full loads. Reasons advanced for this are that there may not be as many refugees as originally estimated, or those left are waiting to see if a sealift will be made so they will be able to take their personal belongings. However, regular flights will continue and may be expanded as Independence Day draws closer. The following countries have provided aircraft:

Belgium—one C-130.
France—one DC-8.
Federal Republic of Germany—one 747.
Democratic Republic of Germany—one IL-62.
Great Britain—one RAF VC-10.
United States—two DC-8s.
USSR—one IL-62.

TAP (Portuguese civil airlines). TAP is performing the major portion of the operation, utilizing their own aircraft and chartering four from other countries.

Displaced Persons Emergency—In Portugal

The Portuguese Red Cross has appealed to ICRC to support its efforts to assist persons repatriated from Angola, and UNDRO has received a similar request from the Portuguese Government. There is no indication at this time on how many of the repatriates will need emergency help. ICRC and LICROSS have contributed 5 tons of powdered milk and $6,000 to start the program. UNDRO has sent a representative to Lisbon to discuss the needs.

ASSISTANCE PROVIDED BY THE U.S. GOVERNMENT

On July 12, Consul Killoran in Angola declared U.S. Government assistance was appropriate to assist in caring for Portuguese Nationals who had been displaced from their homes. He presented $25,000 in emergency funds to the Portuguese High Commissioner on July 16 to help with emergency feeding programs. On August 14, AID made a cash grant of $200,000 to ICRC to support ICRC's relief program in various parts of Angola.

On August 19, Ambassador Carlucci in Portugal declared a second emergency to exist and asked that U.S. aircraft be supplied to support the evacuation operation already launched by the Government of Portugal. AID/FDRC arranged with the Department of Defense Coordinator for the Military Airlift Command (MAC) to charter two DC-8's from U.S. commercial airlines, and the U.S. airlift began in Nova Lisboa on September 7. Operations were completed there on October 4, and on October 5 the airlift was switched to Luanda. On October 25, escalation to three DC-8's and one DC-10 was implemented. As of October 27, U.S. planes had carried 26,512 passengers to Lisbon, averaging 1,100 passengers daily. Our most recent estimate of those remaining to be evacuated was on October 31, when the figure stood at approximately 6,000. As of October 24, the U.S. Government had allocated $12 million for airlift, but it is anticipated that a portion of these funds will not be utilized due to the early termination. The airlift terminated on October 31, 1975; however, a DC-10 will remain available for airlifting purposes through November 3, 1975.

Total U.S. Government assistance to Angola/Portugal—$12,225,000.

ASSISTANCE BY U.S. VOLUNTARY AGENCIES

Church World Services sent $5,000 through the World Council of Churches (WCC) for a relief program of the United Methodist Church in Luanda and Malanje area. The WCC issued an emergency appeal to member churches for $100,000.

The only other information available on U.S. voluntary agencies is that Catholic Relief Services offered to send a shipment of rice on one of the Portuguese planes.

ASSISTANCE FROM THE INTERNATIONAL COMMUNITY

The following is only a partial report on the cash donations and value of supplies and services from international organizations and donor governments. For example, aircraft were provided by Belgium, France, the Federal Republic of Germany, the Democratic Republic of Germany, Great Britain and the USSR, but information is not available on the value of this assistance.

ICRC and LICROSS

Red Cross activities are reported in a previous section of this memo and the assistance channeled through ICRC and LICROSS are credited below to the appropriate country.

United Nations	
United Nations Disaster Relief Office—for blankets and food	$20,000
United Nations Development Program	20,000
World Food Program—for feeding program for 15,000	220,000
UNICEF—primarily for medical needs	150,000
	410,000
International relief agencies	
OXFAM—9,000 blankets and nonfat dry milk	33,300
Caritas Freiburg—5,500 blankets	22,000
Catholic Fund for Overseas Development	2,300
Save the Children Fund	2,640
	60,240
Governments and Red Cross Societies through ICRC (as of 9/16/75)	
Canada Government ($89,600); Red Cross ($16,059)	105,659
Belgium Red Cross	6,628
Denmark Government ($54,000); Red Cross ($18,000)	72,000
Federal Rep. of Germany Government ($64,440); Red Cross ($53,940)	118,380
France Red Cross	15,200
Ireland Red Cross	4,506
Japan Red Cross	3,601
Netherlands Government ($202,800); Red Cross ($18,000)	220,800
Norway Government ($39,640); Red Cross ($29,640)	69,280
Poland Red Cross	5,200
Sweden Red Cross	73,440
Sweden Government—Provided funds for Portugal for chartering airplanes	11,000,000
Switzerland Government ($446,120); Red Cross ($108,426)	574,546
United Kingdom Government ($56,500); Red Cross ($4,656)	61,156
	2,330,396
Total Assistance from the International Community	*2,800,636

*Incomplete.

Mr. HUMPHREY. I commend AID for accepting the committee's encouragement and finding other donors. As a result of these efforts, our need to commit funds for the Angola airlift has been reduced from our initial estimate of $20 million to less than $10 million. Thus, we will not require this additional $20 million for Angola disaster relief because the necessary funds can be provided from the regular Famine and Disaster Relief Fund for which a $25 million permanent authorization is already in the committee bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1026

Mr. HATFIELD. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Strike from page 13; line 12, through page 15, line 7, and insert in lieu thereof the following:

SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 111. Not more than 20 per centum of the funds for all commodities provided under this title shall be allocated and agreed to be delivered to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as "Most Seriously Affected" by the current economic crisis. A reduction below 80 per centum in the proportion of food aid allocated to most seriously affected countries which results from critical and unforseeable circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons, therefor, to the Congress.".

Mr. HATFIELD. Mr. President, I think this would be an appropriate time to give a brief résumé of the travels of this bill from committee to committee of the Senate and also from the House of Representatives. First of all, I wish to say that the Senate Committee on Foreign Relations reported this bill with a provision declaring that not more than 20 percent of the food aid commodities provided under title 1 of Public Law 480 could be allocated to countries other than those most seriously affected, commonly referred to as MSA countries, because of inability to secure sufficient food for their immediate requirements through their own production or commercial purchase abroad. In determining those countries most seriously affected, the President was to be guided by the United Nations designation of countries most seriously affected by the current economic crisis. The provision was very similar to the one in the Foreign Assistance Act of 1974, imposing a 30-percent limitation on title 1 of Public Law 480 for political purposes. Unfortunately, Mr. President, the Committee on Agriculture struck the 20 percent limitation on political food aid and replaced it with a very soft 30 percent limitation, virtually self-imposed by the President.

Last years' restriction of 70-30 on non-

political-political food aid is no longer a meaningful limitation of political food aid because of changes in the United Nations' most seriously affected list, which was amended to add Egypt and seven other countries. Combined with the broad discretion given the President in the version of the bill of the Committee on Agriculture, the restriction has no meaning at all. This year's title I program is projected to be $876.4 million, and 30 percent of this amount the total amount of this aid for political purposes, would equal $262 million. That compares to only $182 million, which was allocated last year to non-MSA countries. Thus, one can see that a 70–30 split on this year's bill will actually increase the political food aid by $80 million.

The main candidates for political food aid which are not on the MSA list are Chile, Korea, and Indonesia. Smaller amounts are projected to go to non-MSA countries in the Middle East. A 70–30 split on this year's bill will allow the administration to proceed with all these political allocations increasing significantly over last year's political food aid.

An 80–20 percent split would allow $175.2 million for political food aid, almost the same as last year's $182 million figure. The difference would be accounted for by the fact that $8 million worth of food aid last year was shipped to Vietnam, which will not be shipped this year. Therefore, an 80–20 percent split simply maintains the status quo and curtails political programs of food aid from rapidly expanding over last year.

Mr. President, we must remember that the food deficit for this year in the MSA countries is projected to be between 14 and 20 million tons, compared to last year's 15.9 million ton need. Thus, the need is likely to be greater in fiscal 1976 for humanitarian aid programs. Yet, this year's projection, with a 70–30 split, would allow for only $614 million for MSA countries in title I food aid, compared to last year's $679 million. It seems imperative, therefore, to adjust the percentage figure simply to keep pace with last year's efforts while the need continues to rise.

In addition, Mr. President, I believe another change needs to be made in the bill. Specifically, the 20-percent limitation which I propose in this amendment would read:

> Not more than 20 percentum of the funds for all commodities provided under this title shall be allocated.

As presently drafted, the law would apply to a percentage of the commodities instead of a percentage for the commodities, as was the case last year. The difference is that rice costs twice as much as wheat and is generally used more for political purposes for countries such as Korea. If the percentage limitation applies to commodities, it is likely that more political food aid will be given than if it applies to the funds, as it did last year.

This does not take into consideration cotton and tobacco which we ship out under this food for peace program, which is a ludicrous part of the whole program, especially tobacco, and we are spending millions of dollars trying to alert the American people to the dangers of tobacco, and here we have the audacity to send it out under food, the category of Food for Peace. But that is another story.

Mr. President, I think it is very important for us to recognize that this matter is not new that I am bringing to the floor today, that is, it is not new to either this body or to the House Chamber.

I would refresh our memories by restating the fact that last year this body chose to apply a percentage differential between political and humanitarian food aid. We applied the 70–30 split, and we chose at that time to require that the humanitarian aid be allocated on the basis of the MSA list drafted by the United Nations.

Mr. President, this year the House of Representatives held extensive hearings in the International Relations Committee on this whole matter of the proper division.

It is very interesting to note that the House of Representatives, after extensive hearings, in their wisdom chose a 70–30 split, but they also chose to retain the MSA designation as the basis upon which to give the humanitarian allocation.

On page 9, line 17 of H.R. 9005, which is an act for the authorization for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, and to amend the Foreign Assistance Act of 1961, it states:

> that the President shall be guided by the United Nations' designation of countries as most seriously affected.

But then, at the last minute, on the floor of the House, an amendment was offered, after the committee's careful deliberations, and they provided the President with the discretionary power that he may be guided by the United Nations' designation of such countries.

It moves to the Senate side and, I think, it is very important for the record to be established clearly today that again the Senate Foreign Relations Committee gave careful consideration to this whole question as to the allocation, both percentage and the basis upon which humanitarian food should be allocated. The percentage was determined to be 80–20, 80 percent was for humanitarian and 20 percent for political; and it was further determined, after careful deliberation by the Senate Foreign Relations Committee, that the MSA countries, as designated by the United Nations, should be used as the basis of distribution.

I would like to quote from the report of the Committee on Foreign Relations on H.R. 9005, dated October 1, 1975, from page 18, section 207—Assistance to Most Seriously Affected Countries.

> Section 207 adds a new section 111 at the end of Title I of Public Law 480. It requires that not more than 20 percent of food aid under Public Law 480 Title I shall be allocated to countries other than those countries most seriously affected (MSA countries) by inability to obtain enough food for their immediate requirements through domestic production or commercial purchase from abroad. The calculations are to be made by commodity weight, not by dollar value. The President may waive the percentage limitation if he certifies to Congress that such use of food assistance is required for humanitarian food purposes.
>
> In that event, such food assistance may be provided if neither House of Congress disapproves by resolution within 30 calendar days after the certification. In determining which countries are most seriously affected, the President shall be guided by the United Nations list of countries most seriously affected by the current economic crisis.
>
> A reduction below 80 percent in the proportion of food aid allocated to MSA countries resulting from critical and unforeseeable circumstances occurring after initial allocation shall not constitute a violation of the percentage requirement. Any reallocation of food aid due to changed circumstances shall be in accordance with this section so far as practicable, and the President shall promptly report to Congress any reduction below the 80 percent, if it occurs, and the reasons therefor. This emergency provision is intended to apply only to circumstances which were unforeseeable, and the time so critical, that the President cannot wait thirty days for Congressional action on a deviation from the 80–20 formula. It would apply, for example, in the case of an immediate need for Title I food aid in a non-MSA country due to a disaster. It would also apply if there were a cancellation of a major allocation to an MSA country that was so large it could not be re-distributed among other MSAs and so late in the year that the President could not wait thirty days for Congress to act. In all cases where action is less than thirty days is not essential, the President is expected to follow the waiver and certification procedure outlined in this section.
>
> This section is similar to, but stronger than section 55(a)(5) of the Foreign Assistance Act of 1974 which expired June 30, 1975. That provision provided for a 70–30 ratio. Under this provision the 80–20 ratio "shall" apply, rather than "should" as in the 1974 law, and it carries no termination date. It requires a Presidential certification to Congress for any waiver, compared with the 1974 provision for waiver when the President "demonstrates to the appropriate committees of Congress" the humanitarian purpose therefore; and it provides that no such waiver can take effect until 30 calendar days after certification, during which period the waiver can be rejected by either House or Senate by simple resolution.
>
> The 70/30 ratio of last year no longer is a meaningful limitation of political food aid because of changes in the UN's MSA list which added Egypt, along with seven other countries. Once Egypt was added to the MSA list, the actual split in allocations for fiscal year 1976 was 80–20 percent, as shown in the table below:

Then there is a table.

This year's title I program is projected to be $876.4 million. Thirty percent of this amount for political purposes would equal $262 million. That compares to only $182 million which was allocated last fiscal year to non-MSA countries. Thus, a 70–30 split this year would actually increase political food aid by $80 million. The food deficit for this year in the MSA countries is projected to be between 14–20 million tons, compared to last year's 15.9 need. Thus, the need is likely to be greater in fiscal year 1976. Yet, this year's projection with a 70–30 split, would allow for only $614 million allocated for MSA countries in title I food aid, compared to last year's $679 million. The 80–20 ratio recommended by the committee, thus, has only the effect of maintaining last year's effort.

The Public Law 480 title I program

proposed by the executive branch is shown below:

And there follow the various statistical data on this.

The Foreign Relations Committee lists the so-called MSA countries on the current U.N. list which, under the amendment I have offered, would return that as the base for allocation for the humanitarian program. These are referred to as MSA or the most seriously affected nations:

Afghanistan	Lesotho
Bangladesh	Madagascar
Burma	Malawi
Cambodia	Mali
Burundi	Mauritania
Cape Verde Islands	Mozambique
Central African Republic	Niger
Chad	Pakistan
Dahomey	Rwanda
El Salvador	Senegal
Egypt	Sierra Leone
Ethiopia	Somalia
Ghana	Sri Lanka
Guinea	Sudan
Guinea-Bissau	Cameroon
Guyana	Tanzania
Haiti	Upper Volta
Honduras	Uganda
India	Western Samoa
Ivory Coast	Democratic Republic of Yemen
Kenya	Yemen Arab Republic
Laos	

We come now, Mr. President, to the Agriculture Committee's interesting wording on page 14 of H.R. 9005, subsection (b), starting on line 15, which I submit means nothing. It states:

(b) For purposes of applying the provisions of this section, the President shall determine which countries are most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad. The President shall make his determination on the basis of an assessment of global food production and needs and the latest available information on gross domestic product, overall nutritional status, shortfalls in food availability, and balance of payments difficulties for the countries of the developing world. Such list of countries shall be submitted to the Committee on International Relations of the House of Representatives and the Committee on Agriculture and Forestry of the Senate not later than thirty days after the enactment of this section. Any subsequent revision in the list of countries shall be submitted to such committees not later than thirty days after the date of such revision.

Mr. President, I submit this is language that comes out with a big cipher as far as any meaning or any purpose to which it might serve the humanitarian needs of countries that are now so designated as MSA countries. It gives no formula, it gives a lot of rhetoric, a real fine sounding rhetoric in some instances, but it does not say what allocation or what weight the President shall give.

Mr. TALMADGE. Will the Senator yield?

Mr. HATFIELD. To the main quality that shall not exceed—I yield to the Senator.

Mr. TALMADGE. What is the formula the U.N. would require to spend American tax money?

Mr. HATFIELD. Mr. President, very simply, that the U.N. has had a very careful study made of the MSA countries on many criteria to determine their needs and they allocate and they weigh according to their production.

We have no allocation listed here. The President may say global food production is 90 percent of his equation, or he may say that there are shortfalls in food available there by 10 percent of his equation.

Mr. TALMADGE. Will the Senator yield further?

Mr. HATFIELD. Yes, I yield.

Mr. TALMADGE. The American Government provided $25 billion worth of foreign aid food since the conclusion of World War II, how much has the U.N. provided?

Mr. HATFIELD. Mr. President, I think we are getting some sand in the eyes now as to the issue at hand. We are not debating, I believe, the basic philosophy of whether we should be a participant in the U.N. or what rate of participation. We are talking about hungry people.

Mr. TALMADGE. That is exactly what I am talking about.

Mr. HATFIELD. We are talking about a program that has been very successfully administered under the U.N., it has been more successfully administered under the U.N. than by the U.S. Government that has played politics with its food aid, that was more frequently food for war than food for peace.

We can go back to Vietnam and see the distribution formula used by our own United States Government as to whether the food got to hungry people or whether it got to political military alliances.

The U.N. in this instance has a pretty fair record. In fact, I would like to compare that record in greater detail, between that and what the United States distributed under food for war, Public Law 480, in the last 8 to 10 years of the war in Vietnam.

These are objective criteria suggested by the United Nations. This is objective criteria that was carefully reviewed by the House Foreign Relations Committee, by the Senate Foreign Relations Committee.

If we want to get out of the U.N. and reduce the U.N. and get the United States into another relationship with the world than under the U.N., let us debate that issue.

This is an issue on food, this is an issue on food for hungry people and whether it has gotten to the stomachs of hungry people or into the coffers of the military elite and the political elite that have made money off our food for aid for too long in Southeast Asia.

The record is not that good on the United States, but it is under the United Nations.

I would like to read again from the report of the Committee on Agriculture and Forestry on page 54, under the Notes on page 55:

Criteria for determining a country as "most seriously affected" was set forth in declaration on the establishment of a new economic order, adopted by the General Assembly of the United Nations in May 1974. The purpose of this designation was to indicate those countries for which the increased prices of petroleum and food created the most serious need for economic assistance.

The specific criteria for designation of "most seriously affected" countries is economic in nature and consists of a projected balance of payments deficit at year end of greater than 5 percent of imports and a per capita gross national product of less than $400. Other but less influential, criteria such as economic growth rate, foreign exchange reserves and access to International Monetary Fund reserves and financial facilities were also considered in this designation.

The absence of balance of payments projections for many of the countries on this list is due to the fact that these figures have not been available from the World Bank or the International Monetary Fund. The balance of payments figures which appear in this table are projections for those countries which were designated as "most seriously affected" in the Secretary General's original listing.

This is the U.N. criteria in the Agriculture Committee report itself. It certainly is a definitive criteria, especially in comparison to what we read on page 14 which I consider bureaucratic gobbledegook. It means very little.

Why do we ask for this 80 to 20 division in the light of today's situation on the decrease of money for humanitarian and increase for political?

I will say why, Mr. President. Here are some projections on the AID program for political food, for using food for political purposes. These are projections:

Chile, 55.1 million; Korea, 150 million; Indonesia, 30 million; Morocco, 13.8 million; Israel, 15 million; Syria, 30 million; Jordan, 7 million.

In other words, the projections at this point total over $300 million just for political aid and if we went with the Agriculture Committee even on a 70 to 30, we would find that that is over the target of the $262 million.

That is why we have to put breaks on this administration's distribution of food for political purposes, to make sure that more of it gets to the needs of hungry people.

I want to also say, Mr. President, we would be wise to recognize that the hunger of people is certainly something far greater than any humanitarian objective.

I recognize there are those that are not moved by the fact that there are hungry people in the world, some are not even moved by the fact that there are hungry people in this country. But let me also point out, if we are not moved by the humanitarian objectives of people in trying to help solve their problem, I would suggest that the most destabilizing force in the world today, the most threatening force to the Western World and particularly to the United States security stability, is hunger and famine. A far greater threat than any bomb or any kind of military hardware system they want to identify because it is out of the bellies of hungry people that people become reckless and that we find politicians rising to exploit that situation.

Bear in mind that in many of these parts of the world today, they have nuclear materials. So it is no longer just having hungry people over there to organize against us, the countries that have surpluses. I think, therefore, we ought to look at it from the pure political point of view, from the pure military point of view, from the pure self-interest

point of view, if we please, if we are not moved by the humanitarian needs.

Therefore, I consider this the most grave division in the world today. It is no longer the division between east and west; it is no longer an ideological division between the Communist and non-Communist world, but, rather, the division of the world today which should concern us most as far as the future of this Nation as an economic division, and a division between the north, as in the case of the United States, Europe, Japan and the Soviet Union, all the industrialized developed powers of the world, and the division with the south of the world, the 49 nations of the world with a per capita gross national product of less than $275.

This is the poverty belt, the Fourth World, where the wretched of the world's poor struggle for existence. How the rich nations relate to their poor neighbors will determine the prospects for true peace for us in all the decades ahead.

I believe that hunger and starvation most vividly portray the realities of this division and the suffering which is the result. Our foreign policy for the future should be more concerned about the balance of bread than the balance of power.

Alan Berg describes the effects of the constant hunger in his book "The Nutrition Factor" when he said, "The light of curiosity absent from the children's eyes, 12-year-olds with the physical stature of 8-year-old bodies, youngsters who lack the energy to brush aside the flies collecting about the sores on their faces, agonizing slow reflections of adults trying to cross traffic, 30-year-old mothers who look 60. All are common images in developing countries, all reflecting inadequate nutrition, all having societal consequences" and, I might add, global consequences.

Only this kind of effective language can make the numbing statistics sensible. We talk about 10,000 people starving every day, but we can pass that across our tongue with little response or little reaction. We can read about 400 million people, almost a half billion people, severely malnourished. We can talk about children's minds and bodies permanently stunted by poor diet; hungry populations decimated by ordinarily mild diseases. The media has jammed us with a recitation of these facts and their graphic depiction. Hunger still is remote to us, most of us, for our stomachs are full as we consider such legislation here.

We talk about the energy crisis because it is perhaps more manageable. We have had no more success in finding solutions to the problems it has caused. An insufficient energy afflicts our machines more than people.

Food is essential. Its absence means death, not just a loss of convenience. Rich in food, the richest nation in food, since World War II, we as Americans have been slow to realize the complexities of the world food crisis. We have made noble efforts to try to alleviate the crisis. I give great credit to the American public for its voluntary contributions through nonpolitical organizations and through the Government of the United States which has extended itself in many billions of dollars to help these people. But this means that we are still in the battle. We cannot withdraw. We cannot retract. We cannot pull back our efforts any more than we could when we were in the midst of a military battle and we said the light is at the end of the tunnel.

The capriciousness of our corn blights, the changes in Pacific currents, the recurrence of bad weather and other unpredictable developments frustrate the attempts to deal with food shortages in traditional ways. I admit to that. There is the fatigue of tackling the problem that has been around at least as long as Joseph in the Old Testament.

But this time I believe a world food shortage has come upon us concurrent with a failure of will. It is not that there is not enough food to go around but that we lack the resolve to see that it is distributed properly to those in need.

Our problem is not supply; our problem is distribution. Vietnam, Watergate, the deterioration of our inner cities all have eroded belief in the efficacy of our ideals and our ability to respond to a crisis with courageous and principled leadership. Wendell Berry, a Kentuckian of compassion and not without hope, has made the observation that as a nation we no longer have a future that we can imagine and desire. We have become the worshippers and evangelists of the technology and wealth and power which surpass the comprehension of most of us and for which the wisest of us have failed to conceive and name. And we have become, as a consequence, more dangerous to ourselves and to the world than we are yet able to know.

Mr. President, all of our confusion and uncertainty have driven the discussion of the world food crisis into the language of cynicism and apocalypse, both of which paralyze our imaginations. Cynicism mocks all meaning, whether it be true of deceiving and becoming self-fulfilling in its low estimate of man. Talk of apocalypse is, of course, provocative, but to the degree it convinces, it immobilizes.

The reality of overwhelming human suffering that hunger causes is staggering. In our action to end this suffering there is equally great potential to revive our own humanity. The great world problems of energy, pollution and war are primarily problems involving the machines that we have created. By contrast, insufficient food for people has at its root a human matter of the individual and his body.

Terminal guidance warheads are a luxury and a luxurious absurdity for someone who dies for lack of a potato or a bit of wheat. If we can muster the will to end world hunger through attention to human needs rather than technological imperatives, it is possible that we can rediscover the essential oneness of mankind and reject the narrow nationalism that can drive us all further apart.

Let me indicate that when I happened to be a delegate to the World Food Conference in Rome, there were great discussions of what we were to do about the immediate needs of people who were hungry under the heading of food aid and the problems of what we were going to do in the long range, in the long term, to help increase food production. These are two different and yet interrelated problems.

I think we found in that conference there was great emphasis on the part of the developing world to attain from the industrial world great sums of money.

Mr. President, I do not support the proposition that great sums of money poured indiscriminately into the developing part of the world will solve its long-term food production problem. We will find that politicians there are like politicians here. More frequently they like to see great material developments upon which they can place a bronze plaque with their name having been developed and created under their administrations. What we really are talking about is a minimal of capital outlay because we should put the emphasis on labor-intensive investment rather than capital-intensive investment.

This is an illustration of what I am asking for today in this amendment. It is not a great sum of money to build great dams and reclamation projects, but it is, under food aid, a short-term effort to try to reduce the number of deaths and the misery that now exists.

I think we have to attack and address ourselves to the long-term problem. Again, I would support those efforts for labor-intensive investments rather than the quickie answers that we like to hear or see through the engineer mind which says, "Build a huge reclamation project representing the capital-intensive investment."

I am reminded of the day I was chairing the American delegation and we were sitting next to the delegate from Tanzania. Another African delegate was making a statement on the floor in which he was calling for large capital investments for the third world from the industrialized world. He was, of course, espousing the cause of capital-intensive investments. A very bright-eyed and very alert young man who was representing the country of Tanzania turned to me and said, "You know, he is precisely in error. If you send a tractor to my country, you would have one man operate it and you would have 1,000 men watch him operate it. What we need in our country is labor-intensive investment which puts 1,001 persons into food production."

So it is that we are not going to solve all of these problems, either the short term or the long term, in this measure or in my amendment.

But I think it does do this: It announces to the world that we are putting our emphasis upon human beings, upon life, upon that which is the greatest destabilizer of the stability and peace of one country, and it reaches the entire globe.

One might ask the question, how did we get to this crisis in the world today? Because the present world food crisis, as generally understood, emerged fairly recently, in fact in 1972, with widespread crop failures and dislocations in world trade, exacerbated by the effect on demand of rising affluence in the rich

nations and increasing population in the poor world.

World production of cereal grains fell 58 million tons short of what was needed to meet demand.

Per capita food production in the developing countries dropped and has not recovered to 1971 record levels.

Obviously, the effects of this world food shortage did not fall equally on the rich and the poor alike. While the increase in food prices affected virtually everyone, it was not a matter of survival to citizens of rich nations. While people were dying for lack of a pound of grain a day, livestock in affluent nations were consuming vast quantities of grain to produce meat.

I might indicate that in the United States, our per capita grain production is about a ton a year. About 1,850 pounds of that ton go for meat production, and about 150 pounds of that ton of per capita consumption go for production of bread, pastries, et cetera; whereas in the developing parts of the world, people are lucky if they can scratch out 400 pounds of grain per year per capita, and practically all of that is used for direct consumption.

The 370 million tons of grain used to feed animals in 1969–71 exceeded the total human consumption of cereals by the combined populations of China and India, which together comprise 30 percent of the world's population.

Recently increased grain prices have slowed increases in animal grain consumption, and more cattle are being range-fed for longer periods, but the basic pattern has not been altered.

The food shortage does not appear to be as severe today as a year ago. At least it is no longer a news item; it has disappeared from the headlines and our television screens, and occasions fewer world conferences. There is every indication, however, that this relief from famine is only temporary.

The food shortage is not an aberration, but the logical result of an ongoing process, for this reason: Between 1970 and 1985, food demand in developed countries is expected to rise at an annual rate of 1.5 percent. That means a 26-percent increase in demand in that 15-year period.

But for the same period, food demand in the developing countries is projected at an annual growth rate of 3.6 percent, an increase in total food volume of about 70 percent between 1970 and 1985. Higher than expected income growth rates could raise that figure even more, since greater affluence means greater food demand.

To satisfy these increases in world demand, world agriculture in 1985 will have to provide additional annual outputs of: 230 million tons more of cereals for direct human consumption than in 1970; 40 million more tons of sugar; 110 million tons more of vegetables; 60 million tons more of meat; and 140 million more tons of milk.

Therefore, the total requirements in terms of cereals for all purposes in 1985 will be 520 million tons more than in 1970; an increase of 43 percent in 15 years.

That, again, illustrates why we cannot slide behind. We cannot permit this momentum that we have built since last year's 70 to 30 division to fall behind by this kind of unrealistic approach.

The demand increase in developing countries will be about 63 percent of the total; the demand increase in the developed countries will be about 29 percent of the total.

If we extrapolate from these production demand figures, it is possible to project a net cereal deficit in the developing countries in 1985 of almost 85 million tons. In Africa, for example, between 1970 and 1985, food demand will rise by 76 percent, but production will only rise 45 percent. Also, food production in poor countries may often be less than that necessary for adequate nutrition.

These figures and projections are all taken from the United Nations' report on world food issued as the working document for the World Food Conference last November. They do not convey the solution but only the immensity of the problem.

What is to be done? To meet the world food crisis, most traditional proposals advanced by national and international agencies and private aid organizations have been based on the following concepts:

First, an increase in support for rural development, with particular emphasis on productive investments in the agricultural sector and technical assistance for the farmer, especially sophisticated technology.

Second, reliance on the high-yield varieties of grain and the technologies needed to support their production—that is, the green revolution.

Third, increasing attention being paid to the other half of the Malthusian equation, population, with the developed nations seeking to impose zero population growth on the developing nations as a means of curbing demand.

Fourth, the creation of a world food bank controlled by an international agency, and drawn upon in time of need.

I mention these data because when we talk about increasing our food aid on a short-term basis and making it available on an 80-percent allotment for humanitarian needs, again we are trying to maintain a nutritional level which will help these people solve their long-term needs of increasing food production.

The problem is that as we look at these traditional methods of trying to increase food production, these proposals have formed the core of existing plans to deal with the world food crisis of recent years. Yet none of them offers anything really new: they are all traditional concepts of the conventional wisdom which has done nothing to help the poor, and has, in fact, worsened their plight as the gap between the rich and the poor continues to widen.

The fatal flaw of these traditional propositions is that they are all paternalistic, or what some will call culturally imperialistic, in the sense that they seek to impose our wishes and our concepts; rooted in our particular history, on different cultures, societies, and economies that have entirely different dreams.

Among the myriad of studies that have been made on the world food shortage is one which identifies a constellation of 64 different factors that affect food production and demand. Any attempt to deal with the elimination of world food shortages on a lasting basis by addressing any one or only a few of these factors will achieve only temporary, palliative results.

For example, why advocate increasing irrigation if the technology to do so is not available in the developing nation, and is too expensive to purchase?

How will proposals to improve production and yield be received if there is not attention to how the benefits of these improvements accrue to the producers, who need to pay for the necessary technological inputs?

What is the point of increasing agricultural output if the potential consumers lack the fund to purchase the goods?

So long as the continuing food crisis is seen as a simple failure to produce enough food, proposals to feed the world's hungry will either rely on increased food aid from the rich to the poor nations, or efforts to increase the food production of the poor nations themselves, and that is our objective, to help them stand on their own feet.

So we do not have to have these debates and arguments on whether we should extend food aid.

There are two responses that can be identified as strategies of assistance and development, and I wish to identify them today in this debate.

In the strategy of assistance, the basic goal is to meet commodity shortages in stricken nations through direct aid from surplus nations, and that is what this 820 is all about. A classic example is the vast amount of American food aid provided to India in the mid-sixties when U.S. storage bins were full to bursting and the Indians were in the midst of an extended drought.

A strategy of "development" sees direct aid as an emergency stopgap measure useful only in times of disaster, and that is what we are proposing today, with the real goal the development of the recipient countries' own resources and productive capacity so that direct aid will eventually become unnecessary.

Both theories have their advantages, but both are, as presently conceived, inadequate for dealing with a continuing food crisis.

Programs of assistance are based on "surplus charity"—the aid is provided not necessarily when it is needed, but when there are surpluses to be disposed of in the donor nation, and that is an example of Public Law 480. We are talking about food surpluses in the United States.

The U.S. Public Law 480, food for peace program originally permitted shipment of only those commodities officially designated as surplus by the Secretary of Agriculture.

In 1966, the commodity availability criteria were changed to permit shipment of commodities after domestic needs had been met, a carryover accounted for and commercial exports anticipated.

Commodities available for aid shipments were relegated to the lowest priority, and food for peace became a "residual" program.

As domestic consumption climbed and exports increased substantially, Public Law 480 dropped to its lowest point ever in the same year that the full effects of food shortages were descending upon us.

The strategy of "development," on the other hand, has been more in vogue in recent years, in part a reaction to the poor nations' resistance to what they perceived as paternalism; in part in response to pressures within the rich nations against helping those who supposedly would not help themselves. The idea has been to provide technology and technical assistance, and let the developing nations "bootstrap" themselves up onto the high plane of affluence.

The Public Law 480 program has its developmentalist aspects, in that it provides agricultural commodities for resale in the developing nations, with the revenues from the sales to be devoted to improving the recipient nations' economy in general and their agricultural productivity in particular. But this part of Public Law 480 serves our own interests at least as much as those of the developing nations.

All agreements carry the proviso that the receipt and resale of the commodities, and the improvements made by use of funds generated by the sales, cannot be used to disrupt "usual marketings" of American agricultural commodities.

As the recipient nation manages to develop its own agricultural capacity and markets, it must also increase its imports of American commodities.

Whatever exports it may eventually be able to muster cannot displace American exports in other markets.

Resale revenues must frequently be used to purchase other American goods, as when India was persuaded to buy fertilizer from Standard Oil as a condition of the massive food aid she received in the sixties.

An even more clear-cut example of shortcomings in the strategy of development is the green revolution, which has its origins in the high-yield dwarf wheat strain developed by Dr. Norman Borlaug.

There is not doubt that the miracle wheat strains have helped a number of developing countries tremendously, and saved many thousands of lives.

But their production requires heavy applications of fertilizer and a good deal of irrigation.

Fertilizer has been in critically short supply and quite expensive, and may likely remain so because of the world petroleum situation in part.

Irrigation systems are also expensive, and require fuel for pumps.

One of the more poignant scenes in recent months has been the sight of Indian farmers waiting in line for days to get fuel for their pumps, while we have grumbled about waiting to get gas for our automobiles.

In short, the green revolution is a success for those who can afford it, but simply does not exist for the small farmer, the person who lives on the edge of starvation and who has the least resources to pull himself up out of his plight.

In this respect, the green revolution is typical of development programs that rely heavily on the transfer of technology.

Too often, such assistance programs produce benefits that primarily accrue to those that are already well off, rather than the poor who are in the greatest need.

It is afflicted with the short-sightedness that makes us assume that what is good for the rich must be good for the poor, irrespective of social, political, and economic structures in the recipient country that are no less complex because they exist in an "underdeveloped" country.

It is imperative to remember that the principal cause of world hunger is poverty. No one starves who has money in his pocket.

We need only remember that the United States feeds animals more grain per year than the anticipated deficit in the poor nations of 85 million tons of grain in 1985 to realize this.

The principle cause of poverty, in turn, is unemployment.

It is utter foolishness, therefore, to offer poor farmers diesel tractors at $5,000 each rather than employing 100 men at $50 each to do the job.

Continuing such counterproductive activities indicates that this kind of aid may be more for the development of the seller than the purchaser.

Why has aid failed?

We might ask why has U.S. aid for "development" to poor taken the form of self-benefiting government-to-government sales through Public Law 480, the advocacy of energy intensive agriculture, or the sale of labor-saving equipment in lands that are afflicted with severe unemployment?

The answer is that such aid is based on the belief that sooner or later the benefits will "trickle down" from those who are able to afford them to those who need them.

The same idea prevails in our country.

But even at home, the poor have benefitted from the trickling down of wealth from the rich only to the extent that the official definition of poverty has been revised upward by several hundred dollars.

The poor's share of the wealth has not increased, and the gap between rich and poor has not narrowed, with all our foreign aid and with all of our welfare at home.

In traditional strategies of development, "the message to the poor and discontented is that they must not impatiently upset or kill the goose that will assuredly, in due course, lay golden eggs also for them. And the message to the rich is that they must be intelligent enough from time to time to help the poor, because this is the way by which they will become richer still."

Our economic system does not respond to need, only demand, and demand is created by money. The perniciousness of this doctrine is trenchantly expressed in the words of one of its titans, Lord Keynes:

> There might come a day when we will value needs above means and prefer the good to the useful. But beware. The time for all this is not yet. For at least another hundred years we must pretend to ourselves and to everyone that fair is foul and foul is fair, for foul is useful and fair is not. Avarice and usury and precaution must be our gods a little longer still. For only they lead us out of the tunnel of economic necessity into daylight.

Through the travail of our recent experience in Indochina we should be wary of anything that rejects a change of course on the basis of light at the end of the tunnel.

World hunger exists not because of insufficient food, but because its distribution is determined by those who can pay the price. Since the rich can pay the price, they eat and others do not. Hence we may say that the food crisis "is caused by plunder, not scarcity."

For better or worse, our own economic system is unlikely to change dramatically of its own accord any time soon. It is equally unlikely that we and the other rich nations will relinquish our claim to a highly disproportionate share of the world's resources by 1985, the year the World Food Conference has designated as the year by which we should end world hunger.

First. The fact is inescapable that millions will starve in the meantime if we wait for man to abandon his vices.

Second. What will we do in the meantime to prevent a calamity without planting the seeds for a recurrence of food shortages.

Third. Let me make some suggestions.

It is hard to envision successful development in the poor nations of the world if comprehensive land reform and income redistribution are not made the first tasks.

First. This reform should be aimed at eliminating sharecropping and farm operations too small to accomodate the single family living on them.

Second. The new units created should be large enough that the land can be worked without the substantial inputs of technology and energy required by American methods of agriculture.

Third. Heavy capital investments that are needed would be financed by cooperatives serving these small landowners rather than urban bureaucrats or foreign corporations.

Fourth. Outside assistance in the form of technical aid should all be directed toward facilitating the operation and production of these small units and their cooperative organizations, as much as possible bypassing profiteering bureaucrats and middlemen.

This emphasis on relatively small operations replacing majority of peasants would accomplish several goals at once.

First. It would help stop the flight from rural areas to the even worse conditions of urban slums by protecting the small farmer's land form acquisition by the rich elite.

Let us bear in mind that in some of the developing countries today we see what has happened is that they have replaced a foreign elite with a domestic elite. Oftentimes today, the domestic elite in control is as little sensitive to the needs of the people of their own country as were the foreign elite when they were in colonial status.

Second. Rural development in this fashion would foster rural employment by the use of labor-intensive methods to the maximum extent possible.

Third. Rural employment would begin to create for the rural poor the small

measure of prosperity that so enhances population control efforts.

Fourth. Marketing procedures would be simplified, and distribution costs reduced through the operation of cooperatives, to the benefit of rural producer and urban consumer alike.

Adopting a policy relying on the participation of millions of Lilliputs rather than a handful of Gullivers will require fundamental changes in the way we see the world's economy, for this means turning consumers into producers. So long as price remains a barrier to the fulfillment of basic human needs, we must move more people from the distribution end of the market system to the production end.

There is no question about the obstacles which lie in this path. Chief among them are national elites in poor countries who resist such fundamental internal reforms because of the threat such steps would pose to their own base of power.

First. There is no assurance that the leaders of poor nations will naturally choose those policies most beneficial to the whole of their people.

Second. In such situations, the danger is that our external assistance, regardless of the motivations behind it, only further solidify the power of such elites.

When those governments have been loyal or friendly to us, we have tended to overlook the shortcomings of their internal policies, and given aid for political advantage rather than human development. This is what the whole crux of the 80–20 and 70–30 is all about.

First. If we are to put conditions on our foreign assistance, let them be humanitarian rather than political ones.

Second. Let us recognize that our national interest is best served by a world freed from hunger, and extend our assistance only as we know it will be used to that end.

Then, to those who rightly point out the impossibility of feeding a world that is so rapidly increasing in population, I would point out the impossibility of controlling the birth rate among the poor and hungry as long as they have no hope. This is a two-sided coin.

One. What we must increasingly realize is that any strategy of population must not be isolated from steps which give concrete hope to the impoverished.

Two. Children are social security to the poor, and seen as needed colaborers.

Three. Without hope for a better future, the poor will fear that contraceptives may worsen their plight rather than better it.

I also believe that part of this change must involve the readjustment of our rapacious lifestyles. The resources of poverty is the "Fourth World" will not be available if we continue to regard our planet as a quarry for exploitation.

One. Kenneth Boulding said years ago that anyone who believes that man can go on forever plundering the resources of a finite earth must be either a madman or an economist.

"Forever" is the key word, for time is what the growth/no growth debate is all about.

Two. But whatever the specific time frame, it is apparent now that the size of the pie is limited, and the amount we consume, and the way in which we consume it, is going to affect our ability to transfer resources to the poor and help them become producers rather than consumers.

Three. If we have a commitment to ending world hunger, then it is best we begin this change now, before we come to regard a fixed, inequitable portion of the world's resources as intrinsically "ours."

At the heart of the issue are questions of global morality and ethics.

It is in the long-range interest of our security as a people to overcome the gap between the world's rich and impoverished and heal the division between the North and the South.

When we consume one-third of the world's energy resources, and at least 40 percent of its other basic raw materials and reserves, all for the primary benefit of 6 percent of the world's population, we are inherently in a situation prone to breed instability and violence and war.

Establishing a more just balance of food is essential to our security and to the world's peace. This is the realistic component that should motivate us to meet such challenges.

Yet, I do not stop there, and I am convinced that we must ultimately seek as a frame of reference matters which transcend formulations of "national security."

Many have warned against a "new isolationism," and I share this concern. But the real isolationists, I believe, are those who seek to find our national identity in the world through relying on our supremacy and might.

One. Those who believe that our self-concept of being "number one" is essential to our foreign policy are those who would isolate us from the plight of the world's masses of poor.

Two. True leadership in today's world will come from those nations and people who can most authentically identify with the world's wretched and impoverished millions, sensing their suffering, joining their struggles, and providing the compassion and resources which give them hope for their future.

We have, then, the task of meeting the needs of those millions who are hungry, fundamentally, because they, and we, are neighbors in this global village, and because they are hungry and we are well fed.

One. The separation of the world into warring camps is accomplished and perpetrated by governments, not by the people they represent. Dwight Eisenhower once said that "the people want peace so much that some day governments had better get out of the way and let them have it."

Two. I suspect the same holds true for the elimination of hunger.

The way we go about devising and implementing development policies must be grounded in an ethics that recognizes the essential oneness and commonality of mankind.

One. That conviction will put an end to self-serving "foreign aid" programs and make possible the kinds of programs I have suggested as a step toward the fair distribution of the world's resources.

Two. Ghandi said "The earth provides enough for every man's needs, but not enough for every man's greed."

Three. By using this maxim to replace Keynes sanctification of greed, we may be able to accomplish the task.

To sense our common humanity, and shape our lives by that reality, requires resources and compassion that are nurtured in our spiritual depths.

In the end, there is no rational justification or no nationalistic motivation for the impulse of compassion which reaches toward another's suffering as if it were his own.

Two. It is a leap of faith which allows us to declare that ultimately, we are bound to a love which transcends the boundaries of nations.

Three. Yet, it is by such a leap, and only by one, that the hungry will finally be fed.

So let us build a new balance of food in the world, with a true vision of peace in our hearts. And let us search, and even pray, for the courage to make our own leap of faith, for the sake of those who today face starvation and death.

I urge again, Mr. President, that as we reach this decision, it can be reached from many directions and for many reasons and from many motivations. We can move from the purely pragmatic, the purely practical, the purely political, the purely military, and we will reach the same goal if we would but shed those causes and objectives and recognize the humanitarian objectives that should motivate us. Because, under either motivation, we will reach out to help the poor and stress that emphasis in our 80–20—rather than to fall back, back, as we have been falling back—in sharing more for aid for people than for political and military purposes.

Mr. CLARK. Will the Senator from Oregon yield for a question or two?

Mr. HATFIELD. I shall yield to the Senator from Iowa for only a question.

Mr. CLARK. The Senator's amendment, as I understand it, will simply restore last year's legislative formula, will it not? It is simply going back to the formula which we used in the last fiscal year, or does it do something more, or less, than that?

Mr. HATFIELD. The Senator is correct. As the Senator realizes, through his leadership on the floor, along with Senator HUMPHREY and others, we established the 70–30. Then there was a change in the listing of MSA by the transfer of countries like Egypt, in which the actual application turned out to be 79–21. Therefore, we achieved, in effect, almost 80–20 in that percentage division. What the Committee on Foreign Relations did this year was review that change in the MSA's and the change in Vietnam, which received $8 million last year which it will not be receiving this year. So the Committee on Foreign Relations recognized that, by adopting the 80–20 division this year, it would, in effect, be carrying us at approximately the same level of what we realized last year in actual distribution.

If we fell back, as the Committee on Agriculture has proposed, to 70–30, then we would find that it would be more for political aid this year and less for humanitarian aid.

Mr. CLARK. As I understand the Senator's amendment, it would try to do again, for this pending fiscal year 1976, exactly or almost exactly what was done in the last fiscal year, except it would be—the total amount shipped last year was 79 percent and the actual amount of the amendment of the Senator from Oregon would be 80 percent; is that correct?

Mr. HATFIELD. That is correct. The Senator from Iowa is precisely on target. Let me translate this into dollars to illustrate the point further.

When we had the 79–21 of the current fiscal year, the MSA countries received $679 million for humanitarian purposes. When the Senate Committee on Foreign Relations met this year and considered this matter and decided that they should move to an 80–20 percent division, it would provide $701 million for humanitarian purposes. In other words, a very close amount there, a slightly larger amount for humanitarian purposes. But if we fell back, if we went in a retreat, as proposed by the Committee on Agriculture, under a 70–30 division this year, we would find $614 million, or in other words, $65 million less for humanitarian needs.

Translating to the other side, playing politics, on the political side, so to speak, I would phrase it—and I do so to emphasize my point—instead of last year's 79–21, there was $182 million for political purposes and the Senate Committee on Foreign Relations this year, in its wisdom adopting the 80–20, would keep that at $157 million, which is only $70 million less for political purposes. But if we retreat under the Committee on Agriculture formula to 70–30, we would rise from $182 million to $262 million for political purposes in this year—a total of $876 million in the bill authorization.

So whatever we do, in this amendment that I am introducing, we are only on the dollar question then and on the percentage question. There is another question which we must stress and that is how we determine what must be the MSA or humanitarian need base.

On the percentage question, that part of my amendment would only maintain the status quo of what we have actually done this fiscal year and support what the Committee on Foreign Relations approved by, I understand, a unanimous vote.

Mr. CLARK. I have a further question. As I understand what the Senator said in his opening statement, and as I recall it occurring on the floor, it was partly because of the revelations of the amounts, the levels, of money that were being allocated to Southeast Asia or Indochina—something over 60 percent—that, combined with the world food conference at Rome stimulated a great number of people here—I think Senator HUMPHREY, the Senator from Oregon, and many others—to offer the so-called MSA 70 percent amendment. Did that not work? Has there been strong objection raised to that question? What is the opposition to it?

Mr. HATFIELD. I have to respond again by saying that when we look at what Senator HUMPHREY, Senator CLARK, and others offered on the floor last year as an amendment, the 70–30, that evidently did not inhibit the Department of State or our conduct of foreign relations as it related to the distribution of food. As I indicated, because of a shifting base, it ended up at approximately 80–20 anyway in the distribution formula.

The thing that concerns me this year, in addition to maintaining the level for humanitarian purposes of last year, is the communication we received from the AID agency indicating their projected political food aid that now is totaling $301 million, which compares to only $182 million last year, and which is over the target of even the Committee on Agriculture formula of 70–30, which would be $262 million. These are projected. These are anticipated or projected expenditures. So there is obvious movement here. I listed in my opening remarks the countries and the amounts of money that the Department of State and others are trying to move back into the political realm—raising the question that I think the chairman of the committee (Mr. HUMPHREY) raised in our Committee on Foreign Relations hearing about the distortion of what seemed to be a fairly noble program of Public Law 480 during the Vietnam war, now that we are out of Southeast Asia, we have that sort of behind us. But this opens a whole new ball game in my vision. I am not so sure it is all behind us. It may be all behind us in relation to those specific countries, but not in the question of priority. It looks to me as though, from these statistics, the State Department is moving back to the old habits of priority for political-military aid and decreasing the priority that they had already established in 1 year's experience for humanitarian aid.

Mr. CLARK. Will the Senator yield for a further question? He is speaking now of the 1976 proposal by the administration, is he not?

Mr. HATFIELD. I am.

Mr. CLARK. Within that, it is my understanding that 85 percent of all food aid that is to go to Latin America goes to one country, namely, Chile.

Mr. HATFIELD. It goes to Chile. The Senator is right. It is a $55.1 billion project.

Mr. CLARK. So 85 percent of all the food aid to Latin America goes to Chile alone?

Mr. HATFIELD. Yes, as far as Latin America is concerned. The aid to Korea has more than doubled in the projections, too. The aid to Korea is now projected at $150 million, from this year's approximately $75 million.

Mr. CLARK. How does that compare to a country like Bangladesh, where there is the greatest hunger, I suppose, in the world?

Mr. HATFIELD. No marked increase for Bangladesh.

Mr. CLARK. How does Korea compare to Bangladesh? Bangladesh, I guess you could say, is the hungriest nation in the world or one of the two or three. How does that compare with Korea?

Mr. HATFIELD. The dollar volume is $150 million for Korea, and it is $154 million for Bangladesh.

Mr. CLARK. So they are virtually the same.

Mr. HATFIELD. Approximately the same.

Mr. CLARK. It is my understanding that the situation in Korea is much healthier in the sense of food needs, at any rate, is it not? Why would we propose to send as much to South Korea as Bangladesh?

Mr. HATFIELD. I think there is no question that the productive capacity, agriculture productive capacity, of Korea is far more developed, far more sophisticated, than that of Bangladesh, even though Bangladesh has an even larger population. I do not have the population statistic comparison immediately before me, but it is larger, and it is certainly far more primitive in its agricultural productive capacity than is Korea.

I think this illustrates again, you see, I would say to the Senator from Iowa, why the division is so important in that we are talking in the case of Bangladesh of getting food to hungry people, and that is the primary purpose under the most seriously affected nation category in this aid as determined by the United Nations.

I think we would have to say that in Korea there may be a certain amount of gap between production and need, but it is so far less it becomes obvious that the aid going there is for other than humanitarian purposes, which is perfectly legal and legitimate. I am not questioning the legality of this under Public Law 480, section 1, but I say it puts so much into the policy of where we want our priority.

If Korea is in any kind of military danger, let us face that on the basis of a military question. Where there is such great need for people to have the bare necessities of life vis-a-vis Bangladesh in comparison to Korea, let us move the food to Bangladesh and move more arms to Korea. I will vote against it, but let us take it on as a military question.

Mr. CLARK. Is it true we are proposing to send more food assistance under title 1 to Egypt than to Bangladesh?

Mr. HATFIELD. It could be higher. I must say that at this point the Egyptian figures have not been announced, to my knowledge. They were not in the list we received most recently from the AID agency.

Mr. CLARK. But, in any case, the Senator is saying, as I understand it, that the administration proposal for fiscal 1976 would exceed the 30-percent requirement that was imposed on last year's, on fiscal 1975's, legislation.

Mr. HATFIELD. That is true. The most imminent and most pertinent question that confronts us is not the administration's figure and the proposal of my amendment on 20 percent, but it is what we have before us today as the proposal conditionally approved by the Foreign Relations Committee, and then that

which retreated under the formula of the Committee on Agriculture.

My amendment, if the Senator will yield, restores, in effect, what the Foreign Relations Committee had approved unanimously and which, in effect, was the distribution in this fiscal year lacking 1 percent, 79–21 versus 80–20.

Mr. CLARK. Will the Senator be a little more specific about how funds were used for food for peace prior to the imposition of the 70–30 MSA amendment? This was applied in fiscal 1975. What kind of distribution was used, how was food aid used, let us say, in fiscal 1974, 1973? It is my recollection that it was my former colleague, Senator Hughes, who made quite a revelation on this floor that, in fact, food aid was not food aid. It was not food for peace but food for war, and most of it was being used, title I being sold on the open market in South Vietnam and as supportive of the war effort. Was he accurate in that revelation?

Mr. HATFIELD. I say to the Senator that in 1973, take 1973, as the date prior to our effort to get a better distribution, we had about 60 percent going for political purposes, and of that 60 percent, about 55 percent was going to Southeast Asia and, therefore, it was predominantly political.

Let me translate that further into an example to confirm that particular statistic. In that year we were exporting about 600,000 tons of fertilizer in the world market, but 530,000 of it was going to Vietnam, as an example, to take this commodity that could produce food, to take the food materials and commodities themselves, and to place them upon the base of political distribution for military purposes rather than upon the human need of meeting hungry bellies.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield briefly?

Mr. HATFIELD. I yield.

VISIT TO THE SENATE BY MEMBERS OF THE ITALIAN PARLIAMENT

Mr. HUMPHREY. Mr. President, we are privileged to have as visitors in the Senate today members of the Italian Parliament, and we are very honored to have them with us. I know those of our colleagues who are present here would like to greet them individually and collectively.

May I say the relationships between the United States and Italy are good, cordial, strong, and friendly, and we are always very honored when we have representatives of the Parliament of a great and free country to pay us a visit. We generally learn a great deal from them as they talk to us. We hope they may find in the United States matters worth their time for each of them.

Mr. President, I shall ask unanimous consent that we stand in recess for a period of not to exceed 5 minutes so that we can cordially welcome our visitors from Italy and can pay our respects to them.

Mr. President, I ask unanimous consent to place in the RECORD the names of the Italian delegation.

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

Sen. Giuseppe Vedovato, Christian Democratic Party, Chairman of Delegation, President, Italian Group of the Interparliamentary Union, Member Foreign Affairs Committee of Italian Senate.

Dep. Giulio Andreotti, Christian Democratic Party, Twice Prime Minister of Italy (1972–1973), currently Minister of the Budget.

Dep. Sergio Segre, PCI, Member of Foreign Affairs Committee in Chamber of Deputies.

Sen. Franco Calamandrei, PCI, Member of Foreign Affairs Committee of Italian Senate.

Dep. Pietro Lezzi, Socialist Party, Member of Budget Committee in Chamber of Deputies.

Dep. Giuseppe Amadei, Socialist Democratic Party, Former Minister of Post and Telecommunications, Secretary of Italian Group of the Interparliamentary Union.

Dep. Fausto Quilleri, Liberal Party, Member of Public Works Committee in Chamber of Deputies.

Dep. Luigi Turchi, MSI, Member of Committee on Budget Programs and State Participation in the Chamber of Deputies.

RECESS FOR NOT TO EXCEED 5 MINUTES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate stand in recess for not to exceed 5 minutes.

There being no objection, the Senate, at 4:58 p.m. recessed until 5:02 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STONE).

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. CLARK. Will the Senator from Oregon yield for a couple more questions?

Mr. HATFIELD. I am happy to yield to the Senator from Iowa.

Mr. CLARK. As I understood the Senator's answer to the last question, there has been a great deal of misuse of food aid in the past and we did, in fact, pass this 70–30 MSA amendment last year. It worked effectively.

Is there a greater shortage or is there less need for it in this year in the Senator's judgment?

Mr. HATFIELD. The question on need is, of course, that it will be computed by the input of new data on crops coming to harvest.

The most data we can get, there is a projection of shortage of 14 to 20 million tons.

That, to give us a point of reference, would compare to this current year where our allocations are on the base of 15.9 million tons.

So, in effect, to answer the question, the best data we have at hand is a larger deficit of food in this coming year, a greater need, a greater potential for famine.

The Senator asked me a while ago, if I may go back to a point, about comparing Bangladesh and Korea where we have $150 million allocated for Korea and $154 allocated for Bangladesh.

I indicated the difference in general terms about the sophistication of agricultural production, that Korea was far more capable of producing food and such than was Bangladesh.

At that time I did not have the population statistics, I have since acquired that, and I would like to give to the Senator, as a further example of the disproportionate share between these two particular countries, the population of South Korea based on 1974 figures is 33,333,000, the 1974 population of Bangladesh is 71,000,316. More than double the size in population, Bangladesh is with less capability of production and getting only $4 million more, in effect, under this program as between the political aid and the humanitarian aid.

I think it illustrates again very vividly the fact that the aid that we are trying to put an emphasis on here in this suggested formula of 80–20 is an attempt to get more food to people of need than for people to utilize for economic or political or other purposes.

Mr. CLARK. As I understand the Senator's statement, then, if I may ask further, he indicates that South Korea is about twice as small as Bangladesh, twice as populous as South Korea, and yet under this formula proposed by the administration both would get approximately the same dollar amount of aid.

Is it not also a fact that South Korea has a per capita income of 5 or 6 or 8 or 10 times that of Bangladesh?

As I recall Bangladesh, its per capita income is about $70 a year.

I do not frankly know what it would be for South Korea, but it must be significantly higher.

Mr. HATFIELD. The Senator is correct.

Another way to make a judgment on the question of need as between two countries, one for political and one for humanitarian aid, is to look at the relative income.

I believe the Senator has suggested that to meet the objections raised by some that the United Nations should not be the determining factor for those who receive food aid for humanitarian purposes, he has an amendment proposed to put it at a GNP level.

Mr. CLARK. Yes.

Mr. HATFIELD. I would say to the Senator that I am not wedded to my particular formula as incorporated in this amendment because there are some advantages, I would say, in the Senator's proposal of moving from an MSA list of countries to a GNP designation, provided—and I state a very strong proviso—that when we set the level at the GNP that they would qualify, I would think that we ought to set it whereby we would get the broadest distribution within that formula for the people in need.

I think the Senator knows what I am speaking of here, or referring to, and that is whether to go to a $200 GNP, or a $250 per capita GNP, that if we go the

250, we get a little distortion by the inclusion of Egypt, which could, based upon our projections now that we think we know of 22 percent of the aid, would tend to distort again the ability of that formula to get the aid out to the greatest number of need.

Mr. CLARK. If I may ask the Senator more specifically, I have an unprinted amendment which I will be proposing to call at a later time and I would like to read it to the Senator and see if this would meet the criteria he is outlining:

In no case shall countries with a per capita gross national product of $200 or less (as adjusted to reflect that country's annual rate of inflation). In determining gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank and relied upon by the Secretary of the Treasury.

It is my understanding that this would include 39 of what I would call the hungriest nations in the world, the poorest nations in the world, that is almost one-fourth of the world population that live on an annual per capita income of less than $200 a year, would that in the Senator's judgment meet the criteria that he is trying to achieve with his amendment?

Mr. HATFIELD. I would say in response to the Senator's question that I have before me, based on the World Bank annual report, a per capita income list of countries below $150, countries $150 to $175, countries $176 to $200, $201 to $225, $226 to $250, $251 to $275, $276 to $300.

As I glance at the MSA countries, as designated by the United Nations, it would seem to me that a cutoff of the countries on the basis of GNP per capita of $200 or less would pretty well correspond to the countries designated by the United Nations under the MSA classification.

I know the feeling that people have about the United Nations and many of its activities. Let me say that I am no carte blanche, enthusiastic supporter of the U.N. in everything that it does or does not do. I certainly do not have that kind of commitment to the U.N. point of how we distribute the food that is the base for the formula. If we want to set the formula on the Senator's amendment base of $200 or less, I certainly would yield to that point as compared to holding tight on the MSA list as determined by the U.N.

Frankly, I could not care less whether it is the U.N. list or whether it is the Senate and the Congress working together with the President as long as we are getting the major part of this food surplus into the hands of the people in need. I am not wedded to the exact detail of the formula of how we distribute it. I am wedded to the 80–20 but certainly I would yield on this part of the question that has raised concern in the minds of a number of our colleagues about the role of the U.N. I can understand that viewpoint. I may not agree with them on this particular part of the U.N., but there are certainly many other parts of the U.N. that I would agree with them on in expressing some displeasure and some concern about whether or not it is working to the advantage of the world, let alone just the United States. But on this point I certainly am not inflexible.

Mr. CLARK. Let me ask the Senator further. As I understand what he is saying, in view of the strong opposition to the use of the most severely affected nations, the MSA list, the United Nation's list, the Senator would be prepared to support this amendment as a substitute that would be a $200 per capita income amendment, is that correct?

Mr. HATFIELD. That is correct. I would say to the Senator from Iowa if there is reason to believe that we could get more support in this body for the approach the Senator's amendment has taken in determining the list on the basis of GNP per capita, rather than the United Nation's MSA list, I certainly am not going to hold out for the U.N. list. I would be very happy to accept the substitute of the Senator from Iowa.

Mr. CLARK. I appreciate that. I wonder if I might ask a couple of additional questions along the lines we were talking about earlier.

Mr. HATFIELD. Before the Senator goes to those additional questions, I would like to add one addendum. I would like to say to the Senator I think we ought to do some checking to make sure that we are not backing off of a part of this battle that we were waging here and then find ourselves not really gathering in more support by taking a little different turn on this matter of what should determine the neediness. I am sure there are those colleagues of ours who object to the whole 80–20 proposition regardless of how it is allocated. I believe there are others who probably resist the allocation formula as expressed in my amendment and perhaps would be more prone to the approach expressed in the amendment of the Senator from Iowa.

I do think rather than yielding in just a form of colloquy here, we ought to have the opportunity, perhaps overnight, to discuss this with some of our colleagues and see what the reaction is. I feel that might be the best strategy at this point.

Mr. CLARK. May I ask the Senator further in view of that fact whether he would not feel that the time to get some additional cosponsors of this amendment would give him that kind of assurance. I do want to say that to date there are a number of cosponsors: Senators SCHWEIKER, MONDALE, METCALF, MCINTYRE, MCGOVERN, MCGEE, JAVITS, HARTKE, PHIL HART, DURKIN, CRANSTON, CASE, PELL, ABOUREZK. If the Senator were to cosponsor, that would be 16 Members of the Senate.

My question is this: Is it the Senator's proposal that we try to get additional cosponsors to this amendment?

Mr. HATFIELD. I would suggest to the Senator from Iowa that perhaps he might consider changing the formula on his proposal to 80–20 with GNP and $200 and let us make a move to substitute his amendment. That would give us an opportunity for a vote on that proposal. If it fails, we will still be in place, parliamentarily speaking, to consider the merits of the pending amendment. I would think that that might be the best way to determine the support or the lack of support for both of our amendments. I would like to think that perhaps the 80–20 based upon our record of this year, along with the $200 level of cutoff for the GNP per capita, would be a very fine substitute that I would enthusiastically support. We could then take that to a vote and, as I said, if that fails, we would have this pending amendment to fall back upon and see where we go from there.

Mr. CLARK. Let me ask the Senator is he suggesting in view of the fact that another proposal is pending for tomorrow that this one be set aside until Wednesday or Thursday in an effort to try to find out whether there is that kind of support for this kind of substitute amendment?

Mr. HATFIELD. I would only say to the Senator that I am ready to vote tonight on a substitute. I am willing to set it aside, if it is agreed by the body, to a later time. I think we have covered a great part of this ground already when we consider two committees of the Senate have studied this and deliberated upon it. I do not know the calendar the leadership has established for the next day or so. I would think before we made a unanimous consent, which would probably have to follow, we should confer with the leadership on that proposal. I would be reluctant to attempt to make that determination without consultation with the leadership.

Mr. CLARK. Let me ask the Senator some further questions.

Is it not true that, in fact, the food aid that has gone through the food for peace program over the last several years has significantly declined? It is my understanding that 10 years ago, or as recently as 9 years ago, 1966, the levels of our food aid were something like 18 million tons. Last year, as I recall, we delivered 4.9 million tons. This year the administration's proposal before us for fiscal 1976 is 6 million tons. That would be only one-third of the total amount that we actually gave in food aid 9 years ago. Is it true that there has been a declining volume of food aid going abroad?

Mr. HATFIELD. The Senator is correct. I believe the Senator cited the figure of 18 million tons in 1966. I think it would be very interesting if we went back to a further point of reference in history. In the year 1918 we were supplying much of the food aid for our allies in World War I. We exported 18 million tons, the same figure, with far less capacity and far less sophisticated technology than we had in 1966 or have in 1975.

Interestingly, in 1919, we exported 20 million tons to the war effort and the aftermath of the war, World War I. This was a result of the genius of American agriculture, but it was also in large part the result of effort on the part of the American consumer to make it available for the war effort by reducing domestic consumption.

I think it also interesting to note that we had this sharp decline in production in 1972, for reasons of drought, bad weather, and what have you.

All I am saying is, I do not believe American agriculture has less capacity today than in 1918 and 1919, nor do I think the American consumer is less compassionate today, to make food

available through reduced consumption, if the issue is squarely presented.

These are peculiar trends. I do not have the statistics before me, but I imagine an interesting graph could be drawn showing the increase in arms exports at the same time that food exports went down, that I dare say would show we produced a pretty steady level, or even an increase, of arms exports.

I believe the question is not so much one of technology as it is of priority. Our Government seems willing, today, to take $50 out of our foreign aid budget for life-destroying instrumentalities for every $1 it spends for life-sustaining programs. This to me is an imbalance, and represents the wrong priorities. I do not believe it has brought us greater peace, security, or military or diplomatic understanding in the world. If anything, I think probably our problems in those areas have increased.

Mr. CLARK. Is it not true that if our volume of food aid constantly declines, if it has gone down from 18 million tons to less than 5 million tons delivered in the last fiscal year, it becomes all the more important that the food aid we give go to those areas where people are hungry? Is that not even more important, that if we give less food aid it go to those areas where people are hungry, rather than places like South Korea, Indonesia, and the Philippines, which are in for very large volumes this year?

Mr. HATFIELD. I would say to the Senator one might accuse us, perhaps, of speaking on the same frequency or from the same soapbox, with the same principles and priorities, and, therefore, I might be expected to reply to the Senator's question in a certain way because of our shared viewpoint.

I would say to the Senator, yes, it seems to me only logical that if we have less food and are talking about a food for peace program, the criteria should be overwhelmingly in favor of getting that food from the source of supply to the point of need, and the point of need should be that of human beings for food, for nutrition, to build strong bodies.

But it would also seem to me to be a very pragmatic argument. I cannot conceive of anything, looking at the conditions in the world today from a military or political point of view, and the present political situation, which breeds autocracies of the right and the left, which breeds communism and facism, and more than dispirited people, people who have nothing to lose and no hope, and who consequently will follow after any kind of ideology or any kind of promise made by those who would exploit their condition.

What has communism been, other than exploitative of people's misery and the injustices they have suffered, rather than creative? But these are the breeding grounds of that kind of political instability and rivalry in the world we have today. I cannot understand how anyone could not be moved by the humanitarian purposes, objective, or goals, and be able to blind themselves to the political reality of the importance of eliminating the breeding swamps of the isms, the arrogance, the autocracy of governments and political ideologies that would be considered our adversaries in the world today.

I am always reminded of what I consider to be a very poignant analogy or simile used by some writer—I do not recall his name—who indicated that in trying to deal with those forces that create revolutions in the world, we should remember that when scientists determined it was a mosquito that caused malaria, they did not recommend going out and shooting all the mosquitoes, but that we drain the breeding swamps.

I believe that with our military firepower, we went out there with a hammer to kill a mosquito, and thinking we are going to meet the adversary and defeat him on that ground is about as vain and futile as our effort to meet him in Vietnam; whereas, if we would drain those swamps and increase the spirit of people who are totally demoralized because they have no hope of being able to build a stable future, that would be the greatest offensive that we could take in the world today. And I believe that is as pragmatic an argument as any the Pentagon could present.

Mr. CLARK. Let me ask the Senator one further question, to make sure I understand his position and the basis of his amendment.

It seems to me that what the Senator is saying is that because there has been a great deal of misuse of food aid, because we found, in fiscal 1973 and 1974, that more than half of all food aid going abroad in the food for peace program was going to South Vietnam, that because of misuse of food aid and the problem of food shortages itself, that because of all these factors there has been the decision to go ahead with the 70–30 MSA amendment; that because of the desire to limit the amount of food aid being used for political purposes, this body went ahead with that amendment in the last fiscal year, and the Senator's effort—I ask this—is based on the assumption that we ought to continue that kind of allocation, that it is necessary to continue that kind of allocation in this fiscal year as in the last. Is that the basis of the amendment?

Mr. HATFIELD. Before I answer the question of the Senator from Iowa, I yield to the majority leader, without relinquishing my right to the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, we have been having some conferences as to the future time period for this bill, and I would like at this time to yield to the distinguished assistant majority leader, who will propound a unanimous-consent request that might hopefully be agreeable.

Mr. ROBERT C. BYRD. Mr. President, with the understanding that there will be no rollcall votes tonight, I ask unanimous consent that on each of four amendments to be offered by the Senator from Virginia (Mr. HARRY F. BYRD) there be a 1-hour limitation, to be equally divided between the Senator from Virginia and the Senator from Minnesota (Mr. HUMPHREY); that on each of two amendments to be offered by the Senator from Alabama (Mr. ALLEN), there be a 1-hour limitation, to be equally divided between Senator ALLEN and Senator HUMPHREY; that on any amendments to those amendments, there be a limitation of 20 minutes to be equally divided, in accordance with the usual form, the understanding being that the final vote on passage would not occur tomorrow, that there would probably be one or two rollcall votes tomorrow, and that rollcall votes, in addition thereto, would be put over until the next day on Wednesday.

Mr. TALMADGE. Mr. President, reserving the right to object, I do not know what the nature of the amendments are. I am floor manager for title II and section 311. It is under the clear jurisdiction of the Committee on Agriculture and Forestry. So if those amendments relate to that particular provision of the bill, as the pending amendment does, I wish time, as chairman of the committee, to yield as may be appropriate under the circumstances.

Mr. ROBERT C. BYRD. I so modify my request, Mr. President, to provide that if any of the Allen amendments or Byrd of Virginia amendments——

Mr. TALMADGE. Or any other amendment. There is one pending now, and Senator CLARK has another.

Mr. ROBERT C. BYRD. The time agreement is only with respect to those, approving of the amendment.

Mr. TALMADGE. Yes.

Mr. ROBERT C. BYRD. If any of those amendments go to the section of the bill over which the Agriculture Committee has jurisdiction and the time in opposition to the amendment be under the control of Mr. TALMADGE.

Mr. TALMADGE. This is as to title II and section 311.

Mr. CURTIS. Mr. President, reserving the right to object, and I shall not object, is there anything in this request that would preclude the junior Senator from Nebraska speaking on another subject for about 15 minutes this afternoon?

Mr. ROBERT C. BYRD. No, not a thing.

Mr. CASE. Reserving the right to object, is there an understanding that the last vote tomorrow will take place not later than 4:45 p.m.?

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for reminding me of that other element of the request. I include that provision to the effect that no rollcall votes occur tomorrow after the hour of 4:45 p.m.

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

Mr. ROBERT C. BYRD. Yes.

Mr. HUMPHREY. The unanimous-consent request does not preclude a motion to table.

Mr. ROBERT C. BYRD. It does not.

Mr. HUMPHREY. On other amendments that we may have, would the Senator include a request that that is not including the one that is pending now?

Mr. HATFIELD. Or the substitute.

Mr. HUMPHREY. Or the substitute. But on other amendments, which I have gone over I believe with all of the proponents of those amendments, will the Senator include that there be time limitation of 30 minutes to the amendment equally divided?

Mr. HARRY F. BYRD, JR. Reserving the right to object.

Mr. ROBERT C. BYRD. Could we get the request I have first?

Mr. HUMPHREY. Yes, indeed.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. CLARK. This does not include a time agreement for vote on final passage?

Mr. ROBERT C. BYRD. It does not.

The PRESIDING OFFICER. Is there further objection?

Mr. HARRY F. BYRD, JR. Reserving the right to object, may I ask the assistant majority leader, does the unanimous-consent request include the proviso there might be several votes tomorrow?

Mr. MANSFIELD. Yes.

Mr. ROBERT C. BYRD. Yes. One or two, at least.

Mr. HARRY F. BYRD, JR. I thank the Senator.

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

Mr. HUMPHREY. Does it also include the rule of germaneness?

Mr. CASE. Yes, it does.

Mr. ROBERT C. BYRD. Mr. President, I ask that the agreement, with respect to each amendment, be in the usual form.

Mr. ALLEN. Does that have reference to the six amendments with respect to which the agreement is made?

Mr. ROBERT C. BYRD. Only to the six amendments and amendments thereto.

Mr. HUGH SCOTT. Mr. President, reserving the right to object, I understood there probably would not be more than two votes tomorrow. I think the Senator said several.

Mr. ROBERT C. BYRD. Yes.

Mr. DOLE. Mr. President, reserving the right to object, is there any agreement on the pending amendment?

Mr. HUMPHREY. No.

Mr. ROBERT C. BYRD. No.

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

Mr. ROBERT C. BYRD. Yes.

Mr. TALMADGE. Is it the Senator's desire that we lay aside the business that was announced tomorrow and continue on this bill tomorrow?

Mr. ROBERT C. BYRD. Yes. The so-called sunshine measures would come after the action on this measure.

Mr. TALMADGE. What time does the Senator intend the Senate to come in tomorrow?

Mr. ROBERT C. BYRD. 10 a.m.

Mr. TALMADGE. I have no objection.

Mr. HUMPHREY. On Wednesday?

Mr. MANSFIELD. 9 a.m.

Mr. ROBERT C. BYRD. Nine.

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

ORDER FOR ADJOURNMENT UNTIL 10 A.M., TUESDAY, NOVEMBER 4, 1975, AND 9 A.M., WEDNESDAY, NOVEMBER 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today and tomorrow it stand in adjournment until the hours of 10 a.m. on Tuesday and 9 a.m. on Wednesday respectively.

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

Mr. CURTIS addressed the chair.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CURTIS. Yes. I have the floor.

ANNOUNCEMENT OF JOINT MEETING ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, the Senate and House will assemble in joint meeting on Wednesday, and Senators will proceed in a body from the Senate Chamber to the other body around 12 o'clock noon on Wednesday.

ORDER OF BUSINESS TODAY

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

Mr. ROBERT C. BYRD. Yes.

Mr. TALMADGE. Is it the intention to have any votes tonight?

Mr. ROBERT C. BYRD. There will be no rollcall votes tonight.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon had the floor. Has he given up the floor?

Mr. HATFIELD. No, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon has not yielded.

Mr. HATFIELD. No, I have not yielded.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I will yield for a moment to the Senator from Nebraska, if he asks unanimous consent that I not lose the right to the floor, if he has something he wishes to say.

Mr. CURTIS. Mr. President, will the distinguished Senator yield? Will the distinguished Senator yield for a unanimous-consent request?

Mr. HATFIELD. I will yield for a unanimous-consent agreement.

Mr. CURTIS. Mr. President, I ask unanimous consent that the distinguished Senator from Oregon be permitted to yield to the junior Senator from Nebraska for a period of 10 minutes without losing the floor and on the completion of the remarks that the floor then go to the Senator from Oregon.

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

THE JEREMIAH O'LEARY ARTICLES

Mr. CURTIS. Mr. President. I find it is necessary that I make a statement to the Senate and to the public on a very important matter. It is important because I shall speak of some actions which interfere with the orderly operation of this Government. I shall speak concerning the scandalous, false, and misleading articles written by Mr. Jeremiah O'Leary and published in the Washington Star.

For me to keep silent would be unfair to myself. It would be unfair to a distinguished public servant, the Honorable Turner Shelton, who is in the process of being appointed Ambassador to the Bahamas, and to others mentioned in the O'Leary articles.

During Ambassador Shelton's 28 years in government service, he served under seven Presidents beginning with President Franklin D. Roosevelt. He has received commendations for outstanding performance and the highest awards for excellence given by the Government of the United States. These have included both the Distinguished Service Award and the Award of Valor.

He was selected to initiate and help to negotiate the Cultural Exchange Agreement with Russia and Romania and spent approximately 6 months in those countries. He was complimented by Secretary Dulles for his performance.

He served 2 years as Counselor of the American Legation in Budapest, Hungary, and on the basis of his performance there was made Consul General to the Bahamas. Because of the excellent efficiency reports while serving in the Bahamas, President Nixon selected him as Ambassador to Nicaragua. I do not believe that any Ambassador ever had a better record representing the United States than he did in Nicaragua as attested by the fact that then Secretary of State William Rogers personally presented him and his staff with one of the highest awards the State Department can give—the Award of Valor.

The Government of Nicaragua, upon his departure, presented him with the highest award available to any individual, the Ruben Dario Award.

Every American can take pride in Ambassador Shelton's service in connection with the disastrous 1972 earthquake in Nicaragua. On January 8, 1973, Maurice J. Williams, the President's Special Coordinator for Emergency Relief to Nicaragua in a signed memorandum to the President said:

> It is a pleasure to report that the performance of Ambassador Turner B. Shelton and his staff during the recovery was outstanding, even heroic. * * * In particular, Ambassador Shelton is deserving of special commendation. Throughout the emergency he performed with exceptional skill and courage a task that would test great generals. Nicaragua and we are fortunate that he was there when the challenge came.

Mr. President, in pointing out the wrongful acts and the falsehoods of this one writer, and this one newspaper, I want to express my respect and admiration for the honest, conscientious, and reliable members of the press. I am sure that the vast majority of the men and women of the media fall into that category. I appeal to them and to their sense of fairness in this matter.

Mr. O'Leary's articles, because they were false and unreliable, have been damaging and unfair not only to Ambassador Shelton, but also to many others mentioned. The O'Leary articles have been false and unfair to me. Mr. O'Leary's irresponsible writings have been most unfair to President Ford.

We live in troubled days, and the burdens and responsibilities falling on the President of the United States are tremendous. Of course, it is in the public interest that all the facts be presented to the American people; and it is clearly in the public interest that positions, acts, and issues be challenged and debated.

But, it is not in the public interest for a reporter to resort to falsehoods, innuendoes, misleading propaganda, and lies because they make it more difficult

for the President and all public officials to make a sound judgment based on truth.

Mr. President, in order to set the record straight, I wish to report the words of Mr. O'Leary and then in each instance set forth the true facts in the form of a statement made by Ambassador Turner Shelton.

Mr. O'Leary:

Why did Shelton acquire ground from Nicaraguan President Anastasio Somoza for a new embassy in earthquake-shattered Managua without a written lease and for a 10-year-span at a token payment of $1 a year?

Ambassador Shelton's statement of facts:

The 10 year lease for the land on which the temporary prefabricated chancery in Managua is constructed is a written lease and was obtained for $1.00 a year in order to provide a location outside of the earthquake zone for the construction of this temporary facility. Further negotiations are successfully going forward for an extension of this lease and I had President Somoza's personal assurance that he would ask his family to approve a 20 year extension to this lease.

Mr. O'Leary:

Did Shelton, while serving as ambassador there, use embassy stationery to write wealthy friends in the California movie colony urging them to contribute to Nixon's second presidential campaign?

The facts as stated by Ambassador Shelton:

I have never written a letter on any stationery, official or otherwise, soliciting funds for any individual or political campaign. I may add that neither have I solicited such funds orally.

Mr. O'Leary:

Did Shelton, while serving in both the Bahamas and in Nicaragua, order U.S. consular employees to cut legal corners to send Bahamian and Nicaraguan maids to friends in the United States, including at least one member of the House?

The facts as stated by Ambassador Shelton:

I have never "cut legal corners" in connection with any matter relating to immigration or otherwise.

Mr. O'Leary:

Why did Shelton receive Hughes' security chief, Jim Golden, as a house guest in his official residence on the outskirts of Managua before the eccentric multi-millionaire moved into the Managua Intercontinental Hotel early in 1972?

The facts as stated by Ambassador Shelton:

Jim Golden, a former White House secret service agent, has been a personal friend of mine for a number of years. His wife is the daughter of the former Turkish Ambassador to Peru and Brazil, and a personal friend of my wife. They came to Nicaragua on a vacation and were guests in my home for approximately three days. Mr. Golden is now with the Department of Justice. His connection with Hughes, if any, had nothing to do with the visit to my home.

Mr. O'Leary:

Why did Shelton arrange a personal meeting between Gen. Somoza and Hughes after Hughes arrived for a stay that lasted only until the Christmas week earthquake destroyed the Nicaraguan capital?

The facts as stated by Ambassador Shelton:

I arranged a personal meeting between Mr. Howard Hughes and President Somoza at the request of Mr. Hughes who stated that he wished to express his personal appreciation to President Somoza and to me for the courtesy and hospitality with which he had been treated during his stay in Nicaragua. It was a purely social meeting and no business was discussed.

Mr. O'Leary:

For what purpose did Shelton make a number of trips to Key Biscayne, Florida, to see Rebozo and Nixon while he was ambassador to Nicaragua?

The facts as stated by Ambassador Shelton:

I have never visited Key Biscayne, Florida, for the purpose of seeing either President Nixon or Mr. Rebozo. To the best of my knowledge Mr. Nixon was never in Florida when I visited Key Biscayne.

Mr. O'Leary:

The contributions of Shelton and his wealthy wife, the former Lesly Starr, to Nixon's campaigns are not in contention.

The facts as stated by Ambassador Shelton:

Neither my wife nor I has ever made a contribution to any political campaign or to any candidate.

Mr. O'Leary:

Shelton unquestionably ingratiated himself with Nixon in 1961, when Nixon's political career was at low ebb and Shelton was counselor of the American legation in Budapest, Hungary.

Shelton gave Nixon the red-carpet treatment when Nixon was touring Europe after his defeat for the presidency.

The facts as stated by Ambassador Shelton:

When former President Nixon visited Hungary while I was serving in Budapest as Charge d'Affaires I treated him with every courtesy I would show to any American citizen who had been a Member of the House, a Member of the Senate and Vice President. I should add that the treatment I accorded Mr. Nixon was given to others regardless of political affiliation.

Mr. O'Leary:

His reporting was challenged in 1974 by a young political officer in the Managua embassy, James R. Cheek. When Kissinger saw Cheek's report, he concluded that Shelton was presenting far too optimistic a picture of Somoza's popularity and the nature of opposition to the general.

The facts as stated by Ambassador Shelton:

The error of the Cheek dissent seems obvious in light of subsequent election in Nicaragua. The tenor of the Cheek dissent was that I did not recognize the strength of the political opposition to President Somoza. In the election following that dissent President Somoza's party received approximately 92% of the vote which would seem to make the dissent quite questionable.

Mr. O'Leary:

That he paid for personal services and expenses out of government funds . . . Officials in the State Department, who declined to be identified, said Shelton habitually gave a loose interpretation to what were personal expenses and what were governmental duties in his use of consulate and embassy funds.

The facts as stated by Ambassador Shelton:

I have never confused Embassy or Consulate business with personal affairs. I have never paid any private bills with public funds. I have on occasion advanced my own personal funds for official business when the official funds were inadequate.

Mr. O'Leary:

There also are unconfirmed reports that Shelton left unpaid debts in Nassau when he shifted to Managua.

The facts as stated by Ambassador Shelton:

I have never left unpaid personal debts anywhere in my life and did not leave unpaid debts in Nassau.

Mr. O'Leary:

. . . that he (Shelton) used embassy phones to make long distance calls to try to drum up support for keeping his ambassadorial post.

The facts as stated by Ambassador Shelton:

In order to pay for any portion of these calls referred to in the closing portion of my service in Nicaragua, I gave my personal check to the Embassy's Finance Officer in the sum of approximatley $600.00 and left a memorandum asking that if any other bills came in of personal charges, I be notified so that I might pay them.

Mr. O'Leary:

Mysterious trips to Managua, Nicaragua, by President Richard M. Nixon's finance chairman, Maurice Stans, and by White House 'plumber' E. Howard Hunt in 1972 have been uncovered in connection with the current investigation of former Ambassador Turner B. Shelton. . . . Vesco lived in the Bahamas and then in Costa Rica, where he still resides, during the period of the Stans trip to Nicaragua.

The facts as stated by Ambassador Shelton:

I have never met or even seen Mr. Vesco. I have never met or even seen M. E. Howard Hunt. I have never communicated in any way with Mr. Vesco or Mr. Hunt. I have seen Howard Hughes once when I introduced him to the President of Nicaragua at Mr. Hughes' request.

Mr. O'Leary:

Informed sources said Stans returned to Managua after he resigned from the cabinet to become finance chairman of the Committee to Re-elect the President. The sources said Hunt, involved in the Watergate burglary and other arcane operations during his service in the White House, also visited Nicaragua in period before the 1972 election.

The facts as stated by Ambassador Shelton:

Former Secretary of Commerce Stans visited Nicaragua during the first month of my assignment there as Ambassador. He was on an official visit as Secretary of Commerce and was treated accordingly. If Mr. Stans ever came to Nicaragua at any other time I have no knowledge of it. I seriously doubt that he was ever in Nicaragua except on the official visit mentioned.

Mr. O'Leary:

It was in the same period that the Watergate investigation linked the Nixon re-election committee (CREP) with money-laundering operations in Mexico to conceal the source of illegal campaign contributions to the committee.

The facts as stated by Ambassador Shelton:

I have never received, transmitted, handled or in any manner had any connection with political contributions to former President Nixon or anyone else.

Mr. O'Leary:

Shelton was a small contributor to Nixon's campaign but ingratiated himself with the former president in the early 1960s.

The facts as stated by Ambassador Shelton:

I have never contributed to former President Nixon's campaigns or to any other political campaigns. Neither has my wife. I have never written a letter on any stationery, official or otherwise, soliciting campaign funds for former President Nixon or any other politician.

Mr. President, the facts are that the Honorable Turner Shelton, who is about to be appointed Ambassador to the Bahamas, is an honest, dependable, outstanding American citizen. He has a long record of public service to which our Nation can point with pride. The smears and the innuendos and falsehoods, of which Mr. O'Leary is guilty, represent a black mark in the public life of America. What Mr. O'Leary has done is unfair to every newsman of integrity in our country.

Mr. President, in discussing this matter with the distinguished Committee on Foreign Relations of the Senate, we have but one request. Let us develop the facts in a fair and judicious manner, and on that we rest our case.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Oregon yield to me for a unanimous-consent request?

Mr. HATFIELD. I yield.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ORDER FOR ROUTINE MORNING BUSINESS ON TOMORROW AND WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow and Wednesday, after the two leaders or their designees have been recognized under the standing order, there be a brief period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 3 minutes each.

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

ORDER FOR CONSIDERATION TOMORROW OF H.R. 9005, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of routine morning business, the Senate resume consideration of the then unfinished business.

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

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 9, OPEN COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 9, open committee meetings, upon the disposition of the pending measure, the International Development and Food Assistance Act of 1975.

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

ORDER FOR CONSIDERATION OF S. 5, OPEN MEETINGS OF GOVERNMENT AGENCIES AND CONGRESSIONAL COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of Senate Resolution 9, the Senate proceed to the consideration of S. 5.

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

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

The Senate continued with the consideration of the bill (H.R. 9005) to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Oregon yield a couple of minutes to the Senator from Virginia, without losing his right to the floor?

Mr. HATFIELD. Without losing my right to the floor, I am happy to yield.

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

AMENDMENTS NOS. 1034, 1035, 1036

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk three amendments to the pending measure.

The first amendment would reduce the funds for the United Nations from the amount listed in the bill to the same figure as was authorized for the past fiscal year.

The second amendment would confine the authorization to 1 year, instead of having the funds for international organizations authorized for 2 years. I do not know why the Senate wants to abdicate its responsibility by making a 2-year authorization. It eliminates the opportunity to oversee the programs.

Of course, it can be argued that appropriations must be made subsequently, and that is correct, but it would eliminate any opportunity for legislative amendments which normally would be considered in an authorization bill and which are prohibited in an appropriation bill.

The third amendment I offer is the following:

No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress, by concurrent resolution, approves of such settlement.

FOREIGN DEBT SETTLEMENTS

Mr. President, my proposal would require congressional approval for any settlement of a debt owed the United States in an amount less than face value.

In the past 3 years, the State Department has negotiated debt settlements which piped out over $5 billion of outstanding debt settlements which wiped out over $5 billion of outstanding foreign indebtedness to the United States.

The net return: about $112 million.

Looking at it another way, we netted or will net about 2 cents on the dollar.

The largest settlement was signed in 1972 in the first wave of "détente." We agreed to cancel $2.6 billion in claims arising from Russian lend-lease indebtedness.

The State Department negotiators agreed to the following settlement by the Soviets: a pledge for the payment of $48 million, and an additional $674 million, plus interest, if Russia is granted most favored nation status. Russia has refused to comply with certain MFN limitations, and as a result, has not paid off any of this latter sum. Thus the United States has received from the Soviet Union less than 2 cents on the dollars owed.

The second major debt settlement was the cancellation of about $2.2 billion of debt owed to the United States by the Indian Government in rupees. These debts are in addition to the $3 billion owed in dollars by the Government of India.

It should be noted that in spite of U.S. generosity India faces continued economic stagnation. Now, Prime Minister Ghandi has eliminated democracy in that massive nation.

The most recent settlement is an agreement to settle a $370 million claim against the Government of France arising out of Charles DeGaulle's 1967 ouster of NATO forces.

President Ford has agreed to settle this for $100 million. Under a standing agreement with our NATO partners, they will receive 36 percent of that sum. Remaining French indebtedness to the NATO organization still remains to be settled. The United States stands to gain approximately one-third of the final settlement.

The total of the claims: $5,170 million.

The total which will be received. $112 million.

All of these settlements were made without congressional approval. Yet, these debts are owed to the people of the United States. Only Congress can appropriate U.S. reserves.

It has been said that such a requirement would violate the executive branch's authority to conduct foreign affairs.

On the contrary, the State Department would still be empowered to negotiate with foreign nations.

This measure will, however, prevent money owed to the people of the United States from being given away without congressional approval. The Constitution delegates to the Congress the power to appropriate funds. Congress which answers to the people will have final responsibility for approval of these debt settlements.

It should be made clear that this measure would not restrict the right of the managers of foreign loans owed to the United States, to reschedule these loans. Under certain circumstances, it is a prudent and needed arrangement to protect U.S. investment. Although there are indications that rescheduling of loans is excessive, it is not the intention of this amendment to regulate this practice.

Finally, Mr. President, it should be recognized that the Senate is already on record in favor of the principle embodied in my legislation.

On September 28, 1973, by a vote of 67

to 18, the Senate approved an amendment to the military procurement authorization bill which provided that any settlement of India's debt to the United States at less than face value would need congressional approval before it could take effect. That amendment was, unfortunately, not enacted into law having been deleted in conference.

The State Department reports that the principal of debts owed to the United States as of December 31, 1974 totaled $33,359,613,931, of which $600 million was delinquent. In addition, World War I debts still outstanding was $23.9 billion.

Thus the total owed the American people by foreign nations exceeds $57 billion.

Mr. President, I ask unanimous consent that all of these amendments be printed in the RECORD and that the amendments be printed and made available to the Senate tomorrow.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

AMENDMENT No. 1034

On page 48, line 19, strike out all after "1976" through the period at the end of line 20, and insert in lieu thereof "150,800,000."

On page 49, between lines 21 and 22, insert the following:

"(d) Funds made available to the United Nations, or any affiliated agency or program, under Section 302 of the Foreign Assistance Act of 1961 shall not exceed $125,000,000 for the fiscal year 1976."

AMENDMENT No. 1035

Amendment to be offered by Senator HARRY F. BYRD, JR. to H.R. 9005.

At the end of the bill, insert the following new section:

"No debt owed to the United States by any foreign country may be settled in an amount less than the full amount of such debt unless the Congress by concurrent resolution approves of such settlement."

AMENDMENT No. 1036

On page 5, line 14, insert the following: Strike after the word "Congress", the following: "together with the fiscal year 1977 budget materials".

On page 5, line 21, Strike after 1977 "from the funds made available (through line 22) pursuant to section 103(e) of this Act,"

On page 21, line 25 through page 22, line 1, Strike after 1976 "and $760,000,000 $735,000,000 for the fiscal year 1977,"

On page 23, line 7, Strike "for each of the fiscal years 1976 and 1977" and insert in lieu thereof "the fiscal year 1976"

On page 24, line 19 through 20, Strike after 1976 "and $280,600,000 $275,600,000 for the fiscal year 1977,"

On page 25, line 23, Strike after 1976 "and $101,800,000 for the fiscal year 1977,"

On page 28, line 20 through 21, Strike after 1976 "and $104,500,000 $96,000,000 for the fiscal year 1977,"

On page 29, line 23, Strike after than "$20,000,000" and insert in lieu thereof "$10,000"

On page 29, line 24, Strike after the "fiscal years 1976 and 1977," and insert in lieu thereof "fiscal year 1976,"

On page 34, line 2 through 3, Strike after for "each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,"

On page 34, line 14, Strike "each of the fiscal years 1976 and 1977," and insert in lieu thereof "the fiscal year 1976,"

On page 48, line 20, strike all after the figure, "$194,500,000," and insert in lieu thereof a period, ".", after the figure, "$194,500,000."

On page 48, line 22 and 23, strike the following, "and $500,000 during the fiscal year 1977".

On page 49, line 9, strike the following, "and 1977.".

On page 52, lines 20 and 21, strike the following, "$2,000,000 in the fiscal year 1976, and $2,000,000 in the fiscal year 1977," and insert in lieu thereof, "and $2,000,000 in the fiscal year 1976,".

Mr. CHURCH. Mr. President, will the Senator yield to me pending action on the amendment?

Mr. HATFIELD. I am very happy to yield to the Senator from Idaho without losing my right to the floor.

Mr. CHURCH. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 23, beginning with line 3, strike out through line 20.

The PRESIDING OFFICER. There is an amendment pending. It will take unanimous consent to consider this amendment at this time.

Mr. CHURCH. I ask unanimous consent that the amendment I have just sent to the desk may be considered at this time.

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

Mr. CHURCH. Mr. President, I propose an amendment to H.R. 9005, the foreign aid bill, which will, over the next 2 years, eliminate $756,000,000 in unbudgeted spending that would be authorized in this bill.

H.R. 9005 allows vast sums, estimated at $353,000,000 in fiscal year 1976, $403,000,000 in fiscal year 1977, to be used to give additional foreign aid beyond the specific dollar amount requested by the President.

This bill authorizes $1,325,000,000 in foreign aid for fiscal year 1976 and $1,473,000,000 for fiscal year 1977, a total of $2,798,300,000 for the 2 years, $58,000,000 more than the President's request. But an estimated $756,000,000 more than that will be available from loan repayments, a 27-percent increase above the amounts listed.

Senators should understand precisely what is involved here. The bill before the Senate would allow more than three quarters of a billion dollars to be siphoned out of the Treasury for unbudgeted foreign aid during this and the next fiscal year.

The President did not ask for this additional foreign aid money.

The Director of the OMB did not give his approval.

And the Secretary of the Treasury certainly has not found an extra $756 million hidden in a closet.

These are hard dollars which, if this bill goes through, means that the $72 billion budget deficit we face for 1976 will be increased by $353 million. And $453 million will be added on to next year's deficit. This bill is already above the budget, without these additions.

It must be remembered that this bill is only a part of the American foreign aid program. A total of $7.83 billion in foreign aid was proposed in the original program request. Soon Congress will be faced with a multibillion-dollar request for foreign military aid and for aid to the Middle East bringing the total to $8.5 billion in program requests. In spite of the fall of Indochina, which consumed such vast amounts of our aid, there is no peace dividend. With the overall dimensions of the foreign aid program so uncertain, this is no time to increase this one segment 27 percent beyond the President's request. The Congress has taken great strides to strengthen its hand over the Government's fiscal affairs through the new budget review process. For Congress to turn around and allow use of vast sums above the budget would be both foolish and fiscally irresponsible.

There are a number of other points about this matter that Senators should bear in mind. We do not know how the bulk of these funds will be used. Only $250,000,000 of the $756,000,000, to be available in the 2-year period is slated for specific projects, $50,000,000 for Africa and $200,000,000 for support of the International Fund for Agricultural Development, a proposal which has not yet been presented to Congress.

I do not believe that foreign aid of this size can be justified to the American people. This bill is deceptive. The totals for the 2-year authorization period that Senators see in the report are actually $756 million less than the foreign aid program that would be authorized, all of that above the President's budget request. If the Senate is really serious about fiscal responsibility it must adopt my amendment.

I urge that my amendment be adopted.

Mr. President, the distinguished floor manager (Mr. HUMPHREY) is acquainted with the nature of the amendment and I understand is willing to accept it for purposes of facilitating the business of the Senate.

Mr. HUMPHREY. Mr. President, this amendment relates to the reflows. It has been discussed with the ranking minority Member (Mr. CASE). Senator JAVITS participated in the colloquy about it as well. In behalf of Senator CASE and myself, as I have indicated earlier, we think the amendment is appropriate and we support the amendment.

As I have indicated to the Senator from Idaho, I shall offer, later on, for the consideration of the Senate, an item of authorization which would have been covered by the reflow proposal that was in the bill.

Mr. JAVITS. Mr. President, if the Senator will yield, is this the same item which we have agreed with Senator INOUYE would be open to appropriations, if authorized in this bill?

Mr. HUMPHREY. This is a separate item, I say to Senator JAVITS. Those amendments were agreed to with Senator INOUYE. This item simply removes from the bill the category of what we call reflow funds and requires that any authorization that would have been taken care of by reflow would have to be taken care of by precise language in the bill.

Mr. JAVITS. Yes, but does the authorization now appear in the bill, or will it have to be put in by amendment?

Mr. HUMPHREY. It will have to be put in by amendment.

Mr. JAVITS. Does the Senator not feel that we should first put it in by amendment before we agree to this? We may be left with nothing to do in the bill if this amendment is accepted, and that is the end of it.

Mr. HUMPHREY. I say most respectfully that this item, insofar as reflows are concerned, primarily relates to the $200 million requested for the International Agricultural Development Fund and the $50 million for the Sahel. The administration is sending us a request that will be here, we hope, by tomorrow for the $200 million on the International Agricultural Development Fund. I shall offer such an amendment and hope that the Senate will agree to it, since both committees—the Committee on Agriculture and the Committee on Foreign Relations—did agree to that under the terms of reflow.

Mr. JAVITS. But it is a fact, is it not, that if we take out this provision, we leave nothing in the bill for that to be included as an amendment, whereas if we waited for the amendment to be enacted, then it will be taken out, which will be much more safe than doing it this way. I am not saying we shall not do that, but we should be quite realistic about it.

Mr. CHURCH. I might say I was doing this partially because of my own schedule, which has made it very hard for me to come to the floor; partially to accommodate the manager of the bill, and because I did not think it would occasion any argument, I felt that I would not insist on a record vote. If it is going to occasion an argument, I shall withdraw the amendment and ask for a record vote tomorrow.

Mr. JAVITS. May I ask my colleague, instead of doing that—I do not want to put him to a lot of trouble—if he will refrain from moving reconsideration at this time so we may see what our situation is tomorrow. That is all I care about. I have no doubt it will work out. I just did not want to lock the door completely on this.

Mr. CHURCH. I would have preferred a record vote to begin with, because I think it strengthens our position. I have been trying to stop back door financing for 5 years. Every time we get it stopped, it opens up again.

Mr. JAVITS. I am not disagreeing with the Senator. I am asking the Senator if he would mind not moving reconsideration. Then we at least will have some opportunity if nothing happens on what Senator HUMPHREY calls a necessary amendment. That is all.

Mr. CHURCH. I say to the Senator that if that is going to be the case, I should have to be assured that I shall be notified and have an opportunity to come to the floor.

Mr. JAVITS. Absolutely.

Mr. CHURCH. I should have to be assured that on reconsideration, I would have a chance to ask for a rollcall vote. Otherwise, I may just simply withdraw my amendment now and ask for a rollcall vote when it is on the floor.

Mr. JAVITS. I would rather the Senator not do that. I shall accept all those conditions. The Senator will be notified.

Mr. CHURCH. On those conditions, just to protect my rights, I shall be happy to have this go to a vote now and I shall not, at this time, insist on reconsideration on a motion to table.

Mr. HUMPHREY. Mr. President, I have no further comment. I agree fully with the understanding that has been arrived at.

I assure the Senator from Idaho that there will be advance information of any such possibility of reconsideration.

Mr. CHURCH. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GLENN. Will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes, I yield.

Mr. GLENN. I ask unanimous consent that Jim Humphrys of my staff be accorded floor privileges during consideration of this bill.

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

ORDER FOR RECOGNITION OF SENATOR HATFIELD FOLLOWING MORNING HOUR TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent, so that we may expedite the work of the Senate tonight, that following the morning hour tomorrow—I believe that has been called for in the majority whip's announcement—the Senator from Oregon be recognized when we take up consideration of H.R. 9005.

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

Mr. HUMPHREY. Mr. President, on behalf of Senator MCGEE, I offer an amendment which has also been cleared. It is really a technical amendment. It has been cleared with the minority as well as the majority of the committee.

The PRESIDING OFFICER. The Senator is advised that it will take unanimous consent, since an amendment is pending.

Mr. HUMPHREY. I ask unanimous consent that that be done.

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

The amendment will be stated.

Mr. HUMPHREY. I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 29, after line 4, insert the following:

The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House Committee on International Relations fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these Committees no later than March 31, 1976 and shall not be implemented until thirty days after its transmittal or until passage by each Committee of a resolution in effect approving its implementation.

Mr. HUMPHREY. Since the establishment of an intermediate technology is a new innovation in the new directions of the congressional mandate, it is important that AID not be required to establish a mechanism to facilitate this section immediately upon enactment of this bill.

Since there is still considerable discussion as to whether an intermediate technology institute should be established within AID, or in the private sector on a contract basis with AID, this amendment requires that a detailed proposal be prepared by March 31, 1976, as to how the institute will be established and its functions carried out. In the meantime, AID would not be able to implement this new function until March 31 of next year.

In essence, this amendment would reflect the desire of the committees to proceed cautiously in this area until all wrinkles are ironed out. It is in no way intended to diminish the importance to intermediate technology flows to the less-developed nations or the dissemination of intermediate technology information to the LDC's. It just allows more time to establish what would be the most effective means of carrying out this section.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I also send to the desk another amendment for myself and Senator CLARK. This amendment relates to the disaster assistance for the Sahel West African countries. We will take up those amendments, hopefully tomorrow.

The PRESIDING OFFICER. Is that amendment for printing?

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. 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. HUMPHREY. Mr. President, if the Senator from Massachusetts is ready with some of his amendments, may I say there are certain amendments which we have talked over, discussed, with the distinguished Senator from New Jersey (Mr. CASE) and others that we can act upon here tonight without a rollcall vote, and others where that may not be the situation. So if the Senator wishes to call up his amendments, I will inform him as we go along as to those I believe it will be necessary to have a rollcall on, if there are any such, and those we can act upon by voice vote.

Mr. KENNEDY. That is fine.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered would require unanimous consent as an amendment is pending.

Does the Senator make such a request?

Mr. KENNEDY. I make such a request.

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

The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill add the following new section:

LIMITATION ON ASSISTANCE TO CHILE

SEC. 317. Notwithstanding any other provision of law, the total amount of economic assistance (including but not limited to housing guarantees and sales under title I of the Agricultural Trade Development and Assistance Act of 1954) that may be made available to Chile may not exceed $90 million during the fiscal year 1976 and $50 million during the fiscal year 1977.

Mr. KENNEDY. This is an amendment dealing with our economic aid to Chile, Mr. President. It places a limit on that assistance.

Mr. President, a year ago, Congress adopted section 24 of the Foreign Assistance Act to prohibit any military aid to the Government of Chile. I sponsored that amendment. In addition, the provision limited the level of economic assistance to some $25 million. Yet, in fact, the United States provided a grand total of more than $112 million to the Government of Chile in economic assistance in fiscal year 1975.

It did so by adding to the $20 million in economic assistance development loans, agreements providing $30 million in housing guarantees and $57.8 million in title I Public Law 480 food assistance to Chile, and $4 million in title II programs.

I should add that initially we were told the Chile Public Law 480 program last year would be only $17 million. Then it was modified in late November to $33 million. Then in April it jumped to $51.7 million, and in May again it was amended to reach $57.8 million—all without any regard to the congressional intent and all without regard for an actual increase in Chile's own wheat production.

During this past year, the Inter-American Commission on Human Rights issued a report, after an onsite investigation, that concluded Chile had engaged in "repeated violations of the rights set forth in articles I, II, IV, VIII, XVII, XXV, and XXVI of the American Declaration of the Rights and Duties of Man."

It found that the right to life was violated by the junta's actions, that torture, inhumane treatment including the application of electric shock during interrogations, arbitrary imprisonment, threatening relatives of detainees, and physical and psychological mistreatment had occurred. They found the violation of due process of law, the nonexistence of freedom of expression, thought or information, suspension of the right to meet, denial of the freedom of association, absence of equal treatment before the law and the abolition of all political rights.

The Organization of American States in its general assembly meeting in May accepted that report and passed a resolution directing Chile to abide by the recommendations to halt the violation of human rights.

In July, the junta denied entrance to the ad hoc working group of the United Nations Commission on Human Rights. Only a few weeks ago, the Commission, based on its other investigations and documentations, issued a report condemning in the most direct manner the continued violations of human rights within Chile, and I might add, adopted a resolution, supported by the U.S. Delegate, deploring those violations.

Also, continual reports, which I shall place in the RECORD, from newspaper reporters and from individuals and respected international groups with access to direct testimony, have confirmed the continuing repression, the continuing use of torture and the continuing violations of human rights.

Yet, we find the economic aid package for Chile this year to be as sweet as it was a year ago—a grand total of $102 million.

Knowing that the Congress would once more prohibit military assistance—and I will file an amendment this week to insure that result—they have submitted a military aid bill without a provision for direct aid to Chile.

But let us look at the economic aid package proposed for Chile.

And let us start with Public Law 480 title I. The administration is proposing—at this time—for a $55.1 million title I program for Chile. That represents 85 percent of the total title I program requested for all of Latin America.

Is Chile a "most severely affected" nation as defined by the United Nations?

No. Chile is not but four others in Latin America are and only two of them are receiving any title I help.

Is Chile one of the poorest nations and those which the Congress has urged receive particular attention?

No. Chile's per capita income is now $793. Haiti has a per capita income of $123. Honduras has a per capita income of $276. El Salvador has a per capita income of $352. Guyana has a per capita income of $390.

Yet only Haiti and Honduras are scheduled in fiscal year 1976 to receive assistance on title I Public Law 480 at all and then only 15 percent of the total funds. In fact, Chile has the fifth highest per capita income in the hemisphere.

Does Chile have a substantially larger population than the other countries on the MSA list?

No. Haita, Honduras, and El Salvador have total populations which when taken together—not even including Guyana—are greater than that of Chile.

Or does Chile have a substantial portion of its population which has per capita income under $150, again the target presented by the Congress in the past? Again, the answer is "No."

Chile only has approximately 16 percent of its population with a per capita income under $150. El Salvador has more than 43 percent of its population in that category, yet it receives no title I Public Law 480 funds at all. Honduras has 58 percent of its population in that category, yet it receives one-eighth that which Chile receives. Haiti has, according to the Library of Congress, more than 60 percent of its population with income less than $150, yet it receives less than one-sixteenth what Chile receives. If one then looks at the relative populations—in those countries alone—one finds that there are 5.7 million persons with incomes below $150 in Haiti, Honduras, El Salvador, and only 1.6 million in Chile. Yet Chile receives, under the administration plan, $55.1 million of the total $65 million proposed under title I Public Law 480 in all of Latin America.

Under the agreement, the proceeds from the sale of this wheat we have been granting to Chile are to go into the same programs for which we are also providing direct development loans of $22 million under the foreign assistance act—agricultural and nutrition assistance.

Also, let me emphasize that apart from MSA countries, there is only one country which receives more than Chile in title I Public Law 480 under the administration proposal worldwide and that is Korea.

Finally, it should be noted that in addition to the $55.1 million for title I, Public Law 480, there is also $8.9 million in title II, Public Law 480 funds, some $25 million in additional housing guarantee funds, $22 million in direct development loans, and $1 million economic aid grants.

The end result is that Chile would receive more than double the total economic aid package of any other Latin American country and nearly one-fifth of our total assistance to Latin America.

The reality is that this is a request framed out of a perceived political interest in maintaining close relations with the military junta of Chile.

It is a political request that disregards the evidence of human rights violation. And it is a political request made under the same shortsighted view of our interests that in the past has seen us embrace a dictatorial regime of colonels in Greece, a dictatorial regime in Portugal, and a dictatorial regime in Spain.

Conditions have changed in Greece and Portugal and we are suffering today for our past support of the previous authoritarian regimes. That may soon be the result of our past relations with Spain.

In the case of Chile, we have followed the same policy of operating within a moral vacuum and in the long run that may prove contrary to our own interests.

Finally, I would note for my colleagues something else of interest before I conclude.

My intention was to restrict the level of assistance from all sources—including but not limited to Public Law 480 housing guarantees, and development loans—to $50 million. This would represent approximately a 50-percent reduction in the level of assistance planned by the administration.

However, I understand now that the Ambassador to Chile on July 21, 1975, signed an agreement providing for $45.7

million in Public Law 480 title I assistance to Chile for fiscal year 1976. I also understand that he signed a similar authorization in August for the housing guarantee program of $25 million. And an $8.7 million title II contract with the voluntary agencies. I also understand that some $200,000 has been expended for educational grants. Thus, in fiscal year 1976, there already—even without any development loan program—has been a commitment of $79.4 million to Chile.

Therefore, this amendment does two things. First, it limits the total level of assistance for this fiscal year, from all sources and including Public Law 480, the housing guarantee program and the development loans to $90 million permitting only what has been already obligated and reducing in half the AID program. This would mean a $21 million savings. For the following fiscal year, this amendment would place a $50 million ceiling on all sources of economic assistance, including Public Law 480 and the Housing Guarantee program, and under all present indications it will mean at least a $50 million reduction in the administration's likely aid request.

Mr. President, I ask unanimous consent that articles on this subject by Jack Anderson and Anthony Lewis be placed in the RECORD as well as an excerpt from the U.N. Human Rights Commission report on Chile.

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

[From the Washington Post, Oct. 11, 1975]

U.S. AID TO CHILE GROWING LARGER

(By Jack Anderson and Les Whitten)

The closer we examine the relationship between the U.S. government and the Chilean dictatorship, the more curious it becomes.

The military regime in Chile holds the dubious distinction of being one of the most repressive in the world. Thousands of Chileans have been arrested, beaten and tortured for their political beliefs. Hundreds more have simply disappeared without a trace.

Yet U.S. support for the dictatorship has never waned. Indeed, it's getting stronger.

The year after Chilean strongman Augusto Pinoche took over, for example, U.S. economic assistance to Chile doubled from $9.8 million to $20.5 million. According to current plans, Chile will get $77 million in 1976.

Of this, $55 million in "Food for Peace" funds alone will be earmarked for Santiago. Chile in short, will get 85 per cent of the food aid that will be pumped into all of Latin America.

On Dec. 30, 1974, Congress cut off all military assistance to Chile. Until Congress intervened, however, military aid to Santiago was steadily climbing. It stood at $16 million in fiscal 1974.

These are merely the obvious ways Washington has helped keep the junta afloat. Occasionally we also get a glimpse of the covert assistance given to Chile.

Take, for example, the Army's "School of the Americas," located in the Panama Canal Zone. The school, stuck back in the jungle near the Caribbean coast, has been around in one form or another for three decades. It is specifically designed to train Latin American soldiers; all classes are taught in Spanish.

To no one's great surprise, we discovered about a third of the school's students in 1975 came from Chile—575 out of a total enrollment of 1,765.

One popular course entitled "Officer Combat Arms Orientation," was attended by 993 students. Over half of them—504—were Chilean officers.

They were given standard military training in such subjects as map reading, first aid and signal communications. The emphasis, however, was on anti-guerrilla warfare.

A full 16 hours of instruction, for example, were devoted to "basic concepts of counterinsurgency in urban areas." Nine hours of "psychological operations" were taught. But the most intensive instruction was given in 125 hours in "counterinsurgency operations; anti-guerrilla warfare in the field."

Until Congress put an end to military assistance to Chile nine months ago, in short, the U.S. Government was teaching the junta's foot soldiers how to repel the "dissidents" who oppose them.

Footnote: Ten of the 11 countries that sent soldiers to the basic officers course in 1975 are outright dictatorships. Bolivia, presided over by the repressive Col. Hugo Banzer, sent 1,203 students. The once-democratic Uruguay, which now has what experts believe is the highest per capita ratio of political prisoners in the world, sent 37 students.

[From the Washington Post, Oct. 16, 1975]

TWO CHILEAN AIDES GET U.S. RED CARPET

(By Jack Anderson and Les Whitten)

Chile's controversial military dictatorship appears to have an inside track in Washington.

At least two top-level representatives of the junta have paid recent visits to the nation's capital, where the red carpet was rolled out for them. A third delegate is expected to hit town this week.

The most notorious of the Chilean visitors was Col. Manuel Contreras-Sepulveda, head of the infamous National Intelligence Directorate, known as DINA. It is this military organization—a Latin American version of the CIA, FBI and Defense Intelligence Agency all lumped together—which has been directly responsible for the arrests and torture of hundreds of political prisoners over the past two years.

Before coming to Washington, Contreras stopped off in New York. He paid a quiet visit to the United Nations, where officials are preparing a report on violations of human rights in Chile.

Three months ago, a U.N. working group on human rights attempted to visit Santiago for an investigation, but the junta abruptly canceled the invitation. In his talks with U.N. officials, say our sources, Contreras attempted to convince them the U.N. group was barred only because it consisted of Marxists, assorted leftists, and troublemakers.

Contreras then hopped down to Washington, where his goings-and-comings were considered so secret that even the Chilean embassy was kept in the dark.

We have learned, however, that the colonel stopped off at the CIA where, say our sources, a private chat was arranged with the deputy director, Lt. Gen. Vernon Walters.

The State Department, meanwhile, was unofficially asked to suggest a few people Contreras might see. The department cooperated, but recommended the colonel visit some members of Congress who are critical of the junta.

On Capitol Hill, Contreras faced his only unfriendly audience. He wandered into the offices of Sen. Frank Church (D-Idaho) but could find no one to talk with. Staffers recall him as a "short, round" man who appeared "blase and somewhat disoriented."

Contreras also visited the House International Organizations Subcommittee, headed by Rep. Donald Fraser (D-Minn.). There he was sternly interrogated by a subcommittee staff member about human rights violations in Chile. The colonel responded with the familiar claim that reports of the killing and torture of political prisoners were a Marxist plot to embarrass the junta.

Another prominent Chilean who passed through Washington, shortly before Contreras, was the junta's press attache, Federico Willoughby. He suffers from a chronic kidney problem and came to the United States primarily for medical tests at Johns Hopkins Hospital in Baltimore.

During his 10-day stay, however, Willoughby visited the CIA, the State Department, and several members of Congress. He managed to see Church, who told our associate Joe Spear that he gave the Chilean a long, stiff lecture on human rights.

On Friday the junta's Minister of Justice, Miguel Schweitzer, is scheduled to arrive in Washington. His main mission, say our sources, will be to lobby in favor of a resumption of U.S. military aid to Chile, which was cut off by Congress last December.

Meanwhile, Sen. Edward Kennedy (D-Mass.) has informed the Senate CIA committee of the Contreras trip and has requested it be investigated. We have learned independently that committee staff members are preparing written requests for information concerning the visit.

Our own inquiries at the CIA about the Walters-Contreras meeting, meanwhile, produced only a curt "No comment."

Footnote: The Chilean visitors are not the only controversial people who have been able to gain access to top U.S. officials. Giorgio Almirante, the Italian neo-Fascist leader, came to Washington in September and met with two officials of the National Security Council.

[From the New York Post, Oct. 25, 1975]

SECRET TRIALS IN CHILE

(By Jack Anderson, With Les Whitten)

WASHINGTON.—Back in 1972, we exposed how ITT plotted against any government that dared to oppose the conglomerate's financial interests.

There had been talk in Argentina, for example, of nationalizing the ITT telephone system. The company immediately tried to stir up a revolution.

In 1968, the governor of Puerto Rico considered taking over ITT's profitable but poorly serviced telephone company. ITT threw its resources against the governor, who was defeated at the polls.

In 1970, the Marxist Salvador Allende, campaigning on a platform of nationalization, won Chile's presidential election. Without waiting to see whether he would be able to keep his promises, ITT tried to stop him from taking power.

ITT owned 60 per cent of the Chilean telephone company and intended to keep it. On Oct. 23, 1975, ITT's Washington vice-president, William Merriam, sent a message to Henry Kissinger in the White House. It was a stilted, rather ungraceful demand for tough American action to stop Allende.

Kissinger endorsed a CIA-ITT conspiracy to block Allende from becoming president. When this failed, the CIA began to undermine the new Allende regime. The idea was to set him up for a fall.

The CIA spent an admitted $8 million on the anti-Allende campaign. This helped to bring Allende's subsequent downfall. For their money, the American taxpayers now have as an ally a military dictatorship far more oppressive than the Allende government ever was.

Since we have a proprietary interest in the story, we have continued to keep an eye on Chile. We have reported how the Chilean junta first turned upon the communists and leftists, then upon democratic leaders. We

have also told how the junta tortures political prisoners and burns books.

The dictatorship has responded by sending representatives to Washington to assure U.S. officials that the repression is over and that human rights are now respected in Chile.

The ugly truth is, however, that the junta not only has renewed its repression of Allende's associates but of religious leaders and democratic politicians as well. At this moment, for example, the Chilean Navy is preparing three secret trials of about 100 political prisoners in the port city of Valparaiso.

Ten prominent Chileans will be charged, according to smuggled documentation, with "collaborating and participating in an illegal government." Yet it is the junta that is illegal; the Allende government was legally elected and illegally deposed. Thus the prisoners are being tried for a crime that was actually committed by their accusers.

Among those who will be hauled before the junta's kangaroo court are the following:

Pedro Felipe Ramirez, 34 former housing minister under Allende and son-in-law of Radomiro Tomic, the Christian Democrat who ran against Allende in 1970. Ramirez was among those released by the junta with great fanfare a month ago, as part of its second anniversary celebration. Minutes after Ramirez walked through the prison doors, he was re-arrested by Navy agents.

Andres Sepulveda, about 50, former congressman and Socialist Party leader. He was arrested after the coup, released on Sept. 20 and re-arrested five days later.

Sergio Vuskovic, 49, former mayor of Valparaiso and professor of philosophy. He also was arrested after the coup, released about Sept. 15 and re-arrested five days later.

Luis Corvalan, 56, former senator and acknowledged Communist. Although suffering from a bleeding ulcer and a serious spinal disorder, he has spent the last two years in prison.

The second secret Navy trial, also in the works, will bring about 55 political prisoners before the bar on charges of illegal arms importation during the Allende years.

The third secret trial will take up vague charges of "treason" against a number of other prisoners.

No one is immune, it seems from the junta's paranoiac purge of dissenters. Last month, the military dictators zeroed in on a private church group, known as the "Committee for Cooperation and Peace," which has been trying to keep account of the thousands of imprisoned Chileans.

The committee's secretary, Gina Ocaranza, simply disappeared on Sept. 12. She was five months pregnant at the time. Her associates believe she has been secretly arrested.

A few days later, according to diplomatic sources, the two top leaders of the Presbyterian church in Chile, Pastor Juan Polanco and his assistant, Pastor Dennis O'Shay, were detained.

The committee's co-chairman, Lutheran Bishop Helmut Frenz, was in West Germany on church business when he received word on Oct. 3 that the junta had barred him from returning home. Frenz has been internationally recognized for his work with Chilean refugees.

Footnote: At the urging of the Chile Solidarity Committee, a District of Columbia group pushing for human rights in Chile, several members of Congress have written to junta leader Gen. Augusto Pinochet demanding that the secret trials be stopped. Sen. Kennedy (D-Mass.) has also asked the State Dept. to issue a formal protest over the Frenz expulsion. The Chilean embassy had no comment.

[From the New York Times, Oct. 2, 1975]

FOR WHICH WE STAND: II

(By Anthony Lewis)

BOSTON, October 1.—When Americans hear about repression in another country, about concentration camps and torture, our concern is often limited by a sense of distance from the horror. After all, what has it to do with us? In any case, what can we be expected to do about it? There are so many wrongs in the world. . . .

It is true enough that the United States cannot right all the world's inhumanity. Recent history permits no confidence in visions of global American benevolence. But it does not follow that we can feel detached from particular outrages to human rights, in terms either of responsibility or of the ability to help.

The reasons we cannot escape involvement are indicated by the example—the acute example—of Chile. It is two years now since the Allende Government was overthrown. The killing and torture and mass arrests that followed might have been thought a transitional phenomenon. But by all accounts, the military junta that governs Chile has institutionalized repression.

The junta admits that it has 5,000 political prisoners now; others say there are twice that many. By official count, 40,000 persons have been held in detention camps altogether since the coup; sources in the Catholic Church put the figure at 100,000—one in a hundred Chileans. The equivalent in this country would be two million political prisoners.

Torture has been widely used by the secret police and military. There are numerous verified reports, so gruesome in detail that one shrinks from description. An unknown number, probably thousands, have been killed.

Why does the terror go on without end in Chile? Part of the answer may be beyond reason, the paranoid character that right-wing military regimes assume. The Economist of London, a most conservative paper, said recently that such dictatorships tend toward "senseless, undirected, confused brutality."

But the repression may also be related to an economic policy that could not be imposed on a free society. Consumer prices rose 370 per cent in the junta's first year, and inflation is still running at about that rate—225 per cent from January to August this year. Unemployment is around 20 per cent. Industrial production fell 20 per cent in the first six months of 1975. The real income of lower-income families has been cut in half in two years.

What has it all to do with us? Why should we feel any connection with the cruelty and misery in Chile?

The first inescapable reason is that we share responsibility for bringing about the siuation that exists. The Central Intelligence Agency, under orders of the Nixon White House, worked to destabilize Allende's legitimate government by helping opposition forces. Overtly, the United States cut off financial aid to Chile at a time when the result was devastating to her stability.

Even beyond the official connection there are areas of American responsibility. A very interesting one is economic. The Chilean junta's economic policy is based on the ideas of Milton Friedman, the conservative American economist, and his Chicago School. Friedman himself has visited Santiago and is believed to have suggested the junta's draconian program to end inflation.

The policy, in keeping with the Chicago School's theories, is to cut public expenditure, curb monetary expansion and sell off publicly owned facilities. If there is a growing disparity between the incomes of rich and poor, that would in the Friedman view have the desirable effect of increasing investment and eventual economic growth.

Of course, any political or economic theory may be perverted from what its framers intended. But if the pure Chicago economic theory can be carried out in Chile only at the price of repression, should its authors feel some responsibility? There are troubling questions here about the social role of academics.

American universities should feel particular concern about Chile because academic life there has been so decimiated. Just two months ago the junta expelled seventy faculty members from the University of Chile and the Catholic University, many of them with degrees from the United States. Some were arrested.

In fact, many American institutions have been concerned and helpful. For example, pressure from deans of medical schools has helped some Chilean doctors get out of prison, though not all, and invitations to lecture in American universities have led to the release of some former officials.

American attitudes do make a difference—an enormous one. We cannot remove totalitarian regimes, but we can shame them. And we can help their victims. All of which makes it depressing that the reaction of the United States Government to official terror, in Chile and elsewhere, so often appears to be a studied indifference. The attitude was exemplified by Secretary of State Kissinger's famous remark when he heard that Ambassador David Popper was cautioning Chile's junta about the repression: "Tell Popper to cut out the political science lectures".

EXCERPT FROM "REPORT OF THE AD HOC WORKING GROUP OF THE COMMISSION ON HUMAN RIGHTS" CONCERNING CHILE

D. QUESTION OF TORTURE, CRUEL AND INHUMAN TREATMENT, INCLUDING THREATS TO HUMAN LIFE AND SECURITY OF THE PERSON, AND THE ALLEGED EXISTENCE OF "CONCENTRATION CAMPS"

184. The attention of the Commission on Human Rights has been specially drawn by the Sub-Commission on Prevention of Discrimination and Protection of Minorities and by the General Assembly to the torture and other cruel, inhuman or degrading punishment and treatment reported to be practised in Chile. The Sub-Commission expressed its concern in its resolution 8 (XXVII). This text was endorsed and adopted by the General Assembly, which had itself made its views clearly known in its resolution 3059 (XXVIII), in which it expressly rejected any form of torture and other cruel, inhuman or degrading treatment or punishment. The General Assembly, in its resolution 3219 (XXIX), urged the Chilean authorities to respect fully the relevant principles of the Universal Declaration of Human Rights, particularly those relating to safeguards against threats to human life and liberty.

185. Under the terms of article 3 of the Universal Declaration, "everyone has the right to life, liberty and security of person". The same principle is formulated in article 6, paragraph 1, and article 9, paragraph 1, of the International Covenant on Civil and Political Rights. The principle that "no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment" is set out in article 5 of the Universal Declaration and article 7 of the Covenant. Moreover, the Standard Minimum Rules for the Treatment of Prisoners provide in article 31 that "corporal punishment, punishment by placing in a dark cell, and all cruel, inhuman or degrading punishments shall be completely prohibited as punishments for disciplinary offences".

186. Many of the persons heard by the Group testified to the existence of themselves had been the victims of torture or ill-treatment. Other persons testified that they had seen other detainees being tortured: others still testified to their conviction that certain persons had been tortured. Earlier themselves on strong indications of this, as for example, the physical state of the alleged victims and screams heard in the places of detention. Several persons said that they had been tortured only a short time prior to their appearance before the Group; this confirmed the Group in its belief that it is nec-

essary to continue its investigations to verify these allegations.

187. The Group also heard a few persons who denied any knowledge of the existence of torture. These persons expressed their conviction that detainees enjoyed satisfactory protection and that whenever any abuses were alleged, these were quickly checked out, and, if necessary, remedial action was taken. None of these persons, however, was able to give precise information on any such investigation or remedial action, if any. Some of the persons who gave a reassuring picture of the situation in Chile maintained that they were wholly unaware of certain torture centres that are well known and that are systematically mentioned by alleged torture victims.

188. Although most of the places of detention are located in Santiago, the Group received evidence showing that ill-treatment took place in other parts of Chile. The persons who appeared before the Group made the distinction between detention centres, where several hundred persons—most of whom had been arbitrarily arrested—are detained, and places where persons are taken for interrogation. The latter were mentioned as being predominantly used for obtaining information, or for intimidation by methods of systematized torture, although some persons testified that torture also occurred in detention centres. Certain detention centres were in operation immediately after 11 September 1973, whereas others were established later. The following locations were mentioned as detention centres: (1) Pisagua (in the province of Tarapaca); (2) Chacabuco (in the desert of Atacama); (3) Tres Alamos (in Santiago, Calles Vicuna Mackenna y Departamental, the former Seminario de los Oblatos de Maria Immaculada), and Cuatro Alamos, commonly described as the place where detainees are held incommunicado ("Patellon de Incommunicado"); (4) Melinka, also called Puchuncavi (in the province of Valparaiso; a former popular summer resort); (5) Ritoque (in the province of Valparaiso; also a former popular summer resort); (6) Dawson Island (in the province of Magallanes); (7) Quiriquina Island (facing "Bahia de Talcahuano", province of Concepción); (8) Academia de Guerra Aérea (AGA); (9) "Las Meloras"; (10) Pirque (for women); (11) Carcel Correccional de Mujeres (for women). Some of these centres are reported to have since been closed down.

189. The evidence shows that prisoners are periodically taken from the detention centres to places where they are interrogated by methods amounting to torture. The location of these interrogation centres, commonly referred to as "torture centres", is often shifted to minimize the possibility of their being traced. It is, therefore, impossible to determine if these centres are still being used or if new ones have been established. The follow places have been referred to as having been used at one time or another: (1) Calle Londres 42 (former Socialist Party headquarters); (2) Tajas Verdes (120 kilometers west of Santiago).

(3) José Domingo Canas 1367; (4) José Domingo Canas 1347 (at the corner of Calle República de Israel); (5) Villa Grimaldi, in Calle José Arrieta (at one time a discothèque "El Paraiso"); (6) Villa Macul, in Calle Irán, Punta de Rieles; (7) Los Torres de San Borja; (8) Colonia Dignidad (in Ciudad de Parral, province of Linares); (9) Calle Santa Lucia 124 (former MAPU Party headquarters), used for recuperation after particularly severe torture; (10) the naval base of Talcahuano; (11) Fuerte Borgono (in Talcahuano, Cerro Las Canchas). Villa Grimaldi was mentioned often in this respect and by many persons.

190. Detention and interrogation are essentially the responsibility of the intelligence agencies pertaining to the three armed services and the *carabineros*, of the civil police and of the Direccion de Inteligencia Nacional (DINA). These agencies are described in section B above. Among these intelligence agencies, the Servicio de Inteligencia de la Fuerza Aérea was said to be especially known for its refined techniques in torturing political detainees. The DINA, it was reported, has houses and centres where it carries out torture on detainees. Practically all testimony of torture shows DINA as being the agency primarily responsible in the present situation for the degrading and inhuman treatment of persons under detention.

191. The evidence before the Group has further shown that torture mostly takes place in the period immediately following arrest, before any legal safeguards against arbitrary arrest, such as *amparo*, can be invoked. In this context it may be recalled that, as explained in chapter III, legislation has been promulgated in Chile prolonging the permissible period of preventive detention from 48 hours to five days, for offences within the competence of military courts. In practice, however, according to the evidence, persons are held incommunicado and under interrogation for longer periods, often running into months. It is during these periods that most of the torture described to the Group takes place. . . .

195. It is with profound disgust that the *Ad Hoc* Working Group feels that it is obliged to report these elements to the General Assembly, which were presented to it by many Chileans of both sexes, of all ages, and of many political convictions or none, some of whom had left Chile in the very recent past. Whether it is for the purpose of punishing past political enemies or extracting in a haphazard way information which might possibly endanger the régime which has now been in power without significant disturbance for nearly two years, such acts are forbidden by international law even under an emergency situation, and it goes without saying that many of them are inexcusable and constitute an affront to the elementary moral standards of mankind and the dignity of the human individual. The fact that massive torture methods appear to be taught and learnt by investigating officers, whether members of the armed forces or not, as a technique or a new science, merely from the standpoint of their effectiveness and without consideration of any human standards, is ominous and calls for strong reprobation. The Group feels that the question of torture and cruel and inhuman treatment, including threats to human life and the security of the person, and the allegations relating to the existence of "concentration camps", should continue to retain the urgent attention of all organs of the United Nations concerned in one way or another with the implementation of the United Nations provisions concerning human rights.

Mr. HUMPHREY. Mr. President, I think it should be noted that this amendment, as the Senator from Massachusetts said, does reduce the overall authorization by $20 million which again is helpful in terms of our budget resolution and in bringing this within the budget target. The amendment is acceptable and I hope the Senate will agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. It requires the unanimous consent.

Mr. KENNEDY. I ask unanimons consent for its immediate consideration.

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

The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 48, line 18, immediately after the word "by" insert "(A)".

On page 48, line 24, add the following: "and (B) by inserting "(1)" immediately after "(a)", and by adding at the end of such new paragraph (1) the following new paragraph:

"(2) The Congress reaffirms its support for the work of the Inter-American Commission on Human Rights. To permit such Commission to better fulfill its function of insuring observance and respect for human rights within this hemisphere, not less than $357,000 of the amount appropriated for fiscal year 1976 and $358,000 of the amount appropriated for fiscal year 1977, for contributions to the Organization of American States, shall be used only for budgetary support for the Inter-American Commission on Human Rights.".

Mr. KENNEDY. Mr. President, one of the really most effective instruments of the Organization of American States has been their Human Rights Commission which has done very exceptional work under difficult financial pressure over the past 4 years.

Mr. HUMPHREY. On this one would the Senator withhold his amendment? I regret to say I did not have a chance to discuss this amendment with the Senator from New Jersey, and I believe if the Senator will do so we can take care of it tomorrow.

Mr. KENNEDY. I had an opportunity to talk this over with the minority, not personally. I understand it is acceptable to them, but I will follow the Senator's advice.

I will tell the Senator that if he will accept it, I will not ask for reconsideration. If it should be reconsidered I would understand that to be——

Mr. HUMPHREY. Is that agreeable?

Mr. JAVITS. I will take a chance that it is agreeable. I will vote "aye" so as to be able to move to reconsider.

Mr. HUMPHREY. If it is not I would be quite willing to——

Mr. JAVITS. Knowing Senator CASE as we do, that would really be better, to wait for Senator CASE. I am willing to do it. I have no quarrel here, but if the leader has not——

Mr. HUMPHREY. I mentioned the matter to him. I did not have a copy of the amendment, and I just want to be exceedingly fair and careful here.

Mr. KENNEDY. I do, too.

Mr. HUMPHREY. I know the Senator

does. We might accept the amendment with the full understanding that if in any way tomorrow it is in disagreement I shall move to reconsider.

Mr. KENNEDY. That would be completely agreeable.

It is my understanding that the ranking Republican Member has seen it and is in support of it.

It is also supported by Assistant Secretary of State for Inter-American Affairs William D. Rogers for the administration.

The purpose of the amendment is to further indicate the support of the Senate for the activities of the Inter-American Commission on Human Rights and to increase the contributions of the United States to that agency.

The amendment would direct a 2-year contribution of $715,000 by the United States to the Commission, an increase of some $300,000 in the anticipated allotment over those 2 years.

These additional funds are being proposed after consultation with the Bureau of Inter-American Affairs of the Department of State and with the support of the Department.

The level of funding is crucial to prevent a drastic cutback in the operations of the commission as a result of a budgetary restriction within the OAS.

The Commission's proposed budget was cut back by more than $150,000 as a result of budgetary restrictions.

As a result it would have to cancel its planned seminars, special studies, and certain pending investigations of the situation of human rights in the Americas.

This amendment will prevent that severe curtailment of the Commission's activities as well as to permit an expansion planned and authorized by the OAS in the past.

If there is one area of increasing concern to the people of the United States and the people of the hemisphere, it is the growing evidence of human rights violations within the hemisphere.

We have seen the evidence of that in Chile, Brazil, and Uruguay, and the documented reports of greatest substance have consistently been the work of the Commission. The Commission has reported—although it was denied an onsite inspection—on allegations of violations of human rights in the case of Cuba as well.

In many instances, most recently with regard to Chile, its activities have at least spotlighted the continued concern of the hemisphere that member states respect the Universal Declaration of Human Rights and the provisions of the OAS Charter protecting human rights.

Article 3 of the Charter of the OAS, states, The American States proclaim the fundamental rights of the individual without distinction as to race, nationality, creed or sex.

In our relations with other Latin American nations, it is invaluable to have an inter-American agency with the prestige of the Commission available to investigate, report, and make recommendations with regard to the condition of human rights within the hemisphere.

That is why it is essential to continue to have an independent and vigorous agency. I believe the current executive secretary of the Commission, who has been with the Commission since its inception, has consistently produced thoroughly documented reports which are of inestimable utility to those concerned with human rights.

The Commission has the duty to devote its attention and concern to the task of insuring observance and respect for the: Right to life, liberty, and personal security; right to equality before the law; right to religious freedom and freedom of worship; right to freedom of investigation, opinion, expression, and dissemination of ideas; the right to a fair trial; the right to protection from arbitrary arrest; and the right to due process of law.

I can conceive of no more important organ within the OAS than the Commission and I urge support for this amendment to increase its ability to fulfill its functions.

I would like to submit for the RECORD a letter indicating strong support for this amendment from Mr. Rogers, Assistant Secretary for Inter-American Affairs. So it has the strong support of the administration.

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

DEPARTMENT OF STATE,
Washington, D.C., November 3, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I have learned this morning of your proposed amendments to the International Development and Food Assistance Act of 1975, one of which would increase the funds granted to the Inter-American Human Rights Commisison during fiscal years 1976 and 1977, the other which would delete that provision of Public Law 480 which prohibits Title I sales agreements with countries trading with Cuba.

I wish to express my wholehearted support for strengethening the Inter-American Human Rights Commission for earmarking additional resources. All of us are concerned when any of the peoples of the Hemisphere are denied their basic human rights. The Inter-American Human Rights Commission is one of the more effective instruments available for focusing the attention and concern of the governments and peoples of the Hemisphere on this problem. Furnishing additional funds to the Commission will hopefully enable it to engage in even more effective programs in future years. Time has not permitted obtaining advice from the Office of Managment and Budget as to the relationship of this proposed amendment to the program of the President.

With respect to the provision of Public Law 480, I have previously stated that modifications of those aspects of our Cuban denial policy which affect other countries are a logical and practical corollary to the termination of mandatory OAS sanction. [Thus, the Administration has previously expressed support for the provision in H.R. 9005, which gives the President broader waiver authority to provide P.L. 480 Title I food sales to countries which trade with Cuba.]

Sincerely,

WILLIAM D. ROGERS,
Assistant Secretary for Inter-American Affairs.

Mr. HUMPHREY. This is one that the administration sent the amendment on?

Mr. KENNEDY. The Senator is correct that the administration supports this amendment to provide an additional $300,000, over the currently planned contribution of $415,000 to the Human Rights Commission of the Organization of American States or a 2-year U.S. contribution of $714,000 which should permit the Commission to operate on a budget of some $922,000.

I ask unanimous consent that a description of the Commission be printed in the RECORD at this time.

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

THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS

1. What is the Inter-American Commission on Human Rights?

It is one of the principal organs of the Organization of American States (OAS) the main function of which is to promote the observance and protection of human rights and to serve as a consultative organ of the Organization in these matters.

2. What are human rights?

Human rights are not the rights of man derived from the fact that he is a national of a certain state, but the rights that are based upon attribute of the human individual.

3. Which are the human rights protected by the American regional system?

The American Declaration of the Rights and Duties of Man adopted by the Ninth International Conference of American States (Bogotá, April 1948), established the following rights:

Right to life, liberty, and personal security;
Right to equality before the law;
Right to religious freedom and freedom of worship;
Right to freedom of investigation, opinion, expression, and dissemination of ideas;
Right to protection of honor, personal reputation, and private and family life;
Right to a family and to the protection thereof;
Right to protection for mothers and children;
Right to residence and movement;
Right to inviolability of the home;
Right to the inviolability and transmission of correspondence;
Right to the preservation of health and to well-being;
Right to education;
Right to the benefits of culture;
Right to work and to fair remuneration;
Right to leisure time and to the use thereof;
Right to social security;
Right to recognition of juridical personality and of civil rights;
Right to a fair trial;
Right to nationality;
Right to vote and to participate in government;
Right to assembly;
Right of association;
Right to property;
Right of petition;
Right to protection from arbitrary arrest;
Right to due process of law;
Right of asylum:

It is the duty of the Inter-American Commission on Human Rights to devote special attention to the task of insuring observance and respect of the following rights:

The right to life, liberty, and personal security; the right to equality before the law; the right to religious freedom and freedom of worship; the right to freedom in investi-

gation, opinion, expression, and dissemination of ideas; the right to a fair trial; the right to protection from arbitrary arrest; and the right to due process of law.

4. What duties does the American Declaration of the Rights and Duties of Man establish?

The duties are:

a. Duties to society;

b. Duties toward children and parents;

c. Duty to receive instruction;

d. Duty to vote;

e. Duty to obey the law;

f. Duty to serve the community and the nation;

g. Duties with respect to social security and welfare.

5. When did the Inter-American Commission on Human Rights begin functioning?

The Commission was set up in 1959 and began functioning in 1960, following the approval of its Statutes by the OAS Council and after the election of the first group of seven members who compose it. The members are chosen in their personal capacity from panels of three persons presented by the governments of member states and they are elected for a term of four years.

6. Whom do the seven members of the Commission represent?

They represent all the member states of the Organization and act following the dictates of their consciences. They must approve the Rules of Procedure of the Commission and elect, every two years, the Chairman and Vice-chairman who are the officers of the Commission.

The American Convention on Human Rights approved in San Jose, Costa Rica, on November 22, 1969, which will enter into force upon its ratification by eleven member states of the Organization, recognizes the following rights: right to judicial personality; right to life; freedom from torture; freedom from slavery; right to personal liberty; right to a fair trial; freedom from ex post facto laws; right to compensation; right to privacy; freedom of conscience and religion; freedom of thought and expression; right of reply; right of assembly; freedom of association; rights of the family; right to a name; rights of the child; right to nationality; right to property; freedom of movement and residence; right to participate in government; right to equal protection; right to judicial protection.

7. Where is the seat of the Commission?

The permanent seat of the Commission is the city of Washington, D.C., but the Commission may go to the territory of any American republic with prior consent of the government thereof to hold meetings or for other purposes within its scope of action.

8. When does the Commission meet and who convokes it?

The Commission meets for a maximum of eight weeks a year, in one or two regular meetings, as it may decide, and it may hold special meetings when so convoked by the Chairman or at the request of a majority of its members.

9. Who provides the secretariat services the Commission requires?

The secretariat services are provided by a specialized functional unit of the OAS under the direction of an Executive Secretary.

10. What is the competence of the Commission?

In accordance with its Statute, the Commission has two main functions which, as has been said above, are:

a. To develop an awareness of human rights among the peoples of America;

b. To watch over the respect and observance of the rights in the American states.

11. By what means does the Commission develop an awareness of human rights?

For this purpose, the Inter-American Commission on Human Rights engages in the following activities:

a. Carrying out a General Work Program under which it examines fundamental aspects of human rights, prepares studies, reports, legal research and compilations, which are published and distributed to official institutions, educational centers, civic associations, labor unions, etc.

b. Organizing series of lectures, university seminars, and exchange of information to further interest in the study of human rights at the academic and professional levels.

12. By what means does the Commission perform its function of watching over the observance and respect of human rights?

The Inter-American Commission on Human Rights carries out this task by the following means which are found in its Statute:

a. It examines the communications and complaints addressed to it by individuals or institutions, denouncing violations of human rights in American countries;

b. It requests from the governments of member states information that may clarify the facts that have been denounced and that refer to their respective authorities;

c. It requests from a government, when it deems it advisable, consent for it to visit the territory of the state in order to examine the situation regarding human rights there;

d. It recommends to the governments of member states that they adopt progressive measures in favor of human rights, within the framework of their national legislation and, that, in accordance with their constitutional precepts, they take appropriate measures to further the faithful observance of those rights.

13. What requirements should communications or claims meet?

In order to be considered by the Commission, a denunciation must include in the first place, the full name, address, and signature of the claimant or claimants, together with an account of the act or acts denounced and the name of the victim or victims of the supposed violation, and it may not contain disrespectful or offensive language. The denunciation should be submitted in writing but may be presented orally when the claimant is illiterate or unable to write.

The Secretariat verifies whether the denunciation fulfills the above requirements. If it does not, it requests the claimant to complete his claim in accordance with the provisions of the Regulations of the Commission.

Communications should be addressed to: Inter-American Commission on Human Rights, Organization of American States, Washington, D.C. 20006, United States of America.

14. What action does the Commission take regarding the denunciations submitted to it?

Prior to any other action, the Commission requests information from the government concerned.

If the government does not supply the information requested within a period of 180 days, which may be extended by the Commission, the Commission will presume that the occurrence of the events denounced has been confirmed. If the information is supplied, it is transmitted to the claimant so that he may establish other aspects of his denunciation.

In cases involving violations of the rights to life, to equality, to religious freedom and freedom of worship, to freedom of investigation, opinion, expression and dissemination of ideas, to a fair trial, to protection from arbitrary arrest, and to due process of law, the Commission verifies that all internal legal remedies of the state concerned have been exhausted and that not more than six months have passed since the date of the final domestic decision unless recourse to such remedies has been prevented or unduly delayed.

On the basis of the information provided by the government and the claimant, the Commission decides on the admissibility of the claim.

If the denunciation is not admissible, it will be placed in the files of the Commission.

15. What are the reasons underlying the requirements of previous exhaustion of internal remedies?

The fact that the protection of the human rights of people within the territory of each country is one of the basic duties of the government concerned. Thus, organs of international protection are entitled to take action only when the government fails to discharge that duty.

16. What other procedure does the Commission follow after admitting a denunciation?

After admitting a denunciation the Commission may, when it deems this necessary, request from the government concerned and from the claimant additional information it may require for the proper examination of the case.

The Commission may ask the government concerned to allow one or more of its members to carry out an investigation of the facts in its territory.

If the Commission considers that a violation of human rights has taken place, it will prepare a report and make appropriate recommendations to the government concerned with a view to the adoption of appropriate measures within a specified term.

Should the government fail to adopt the recommended measures within that term, the Commission will make the observations it considers appropriate, to the General Assembly of the OAS, in the annual report it is to present to that organ. Finally, if the General Assembly does not make any observations on the report of the Commission and if the government referred to has not adopted the measures recommended, the Commission may publish its report.

17. Does the Commission withhold the name of claimants?

In accordance with its regulations, the Commission withholds the identity of claimants along with any other information that might serve to identify them when transmitting the pertinent parts of claims to the governments concerned, unless disclosure is expressly authorized by the claimants.

18. May claimants appear in person before the Commission?

Anyone may appear before the Commission in person or represented by another person for the purpose of presenting, clarifying, or completing a denunciation involving violation of human rights in American states.

Mr. HUMPHREY. Mr. President, as the manager of the bill, I will accept the amendment with the clear understanding that as of tomorrow, if there is any misunderstanding with the Senator from New Jersey, that we will have reconsideration, and I shall move the reconsideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, there is one amendment here that I think the floor manager is aware of, that is the antidiscrimination amendment, the OPIC amendment, which I understand the staff has discussed with the Senator.

Mr. HUMPHREY. Is that the OPIC amendment?

Mr. KENNEDY. Yes, OPIC, that is correct.

I am just wondering if we could dis-

pose of this as well while we have the opportunity to do it.

Mr. HUMPHREY. Mr. President, on this one, I will ask the Senator to withhold that.

Mr. KENNEDY. Very well.

Mr. HUMPHREY. I thank the Senator.

Mr. KENNEDY. Mr. President, I have an amendment to change the Cyprus assistance from the military, the security assistance, into the humanitarian assistance program. I ask unanimous consent that we may proceed to the consideration of that amendment.

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

The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself and Mr. MATHIAS and Mr. JAVITS proposes an amendment, on page 6, line 1, strike out "section" and insert in lieu thereof "sections".

On page 6, between lines 14 and 15, insert the following:

"SEC. 494D. Cyprus Relief and Rehabilitation.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There are authorized to be appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, $30,000,000. Such sums are authorized to remain available until expended.".

Mr. HUMPHREY. Yes, we are familiar with that amendment and the Senator from New York, I believe, wants to be associated with it.

Mr. KENNEDY. He wants to be a cosponsor of this amendment, and the Senator from Maryland (Mr. MATHIAS) is a cosponsor.

The purpose of this amendment is twofold. First, it simply continues American humanitarian concern and assistance to Cyprus, at an amount only slightly higher than last year. And second, it insures that this assistance is unmistakably humanitarian, by authorizing it under the humanitarian aid provisions of the regular foreign assistance bill.

As we know from the President's security and supporting assistance message, submitted to Congress last week, the administration is proposing to ask for $35 million for Cyprus under security and supporting assistance—with $10 million of this amount earmarked for U.N. forces on Cyprus—UNFICYP. This leaves some $25 million for refugee relief and rehabilitation.

I believe it would be a serious mistake, both symbolically and substantively, to have our humanitarian assistance for Cyprus allocated under security and supporting assistance. It would raise some troubling questions over the intent of our aid, and could create needless misunderstanding in a politically sensitive area of our foreign policy. The pending bill, which authorizes humanitarian and general development assistance, is the logical place to authorize assistance to people in need on Cyprus.

Mr. President, as chairman of the Subcommittee on Refugees, I have closely followed developments on Cyprus, and a few days ago I received a preliminary report from subcommittee staff, who visited Cyprus on my behalf just 2 weeks ago. Their report, which I shall file shortly, indicates that massive humanitarian needs continue on the island.

Although the emergency situation has passed, the crisis of people very much remains—especially among the nearby 200,000 displaced and needy people in government-controlled areas of the island. The immediate issue last year for most Cypriots, both Greek and Turkish, was food and shelter and security. And thanks to the assistance of the international community, and substantial contributions by the United States, these initial needs have been met. But Turkish forces still occupy 40 percent of Cyprus. And the Greek refugees cannot return to their homes. And until an equitable solution is found to the human and political tragedy of Cyprus, these refugees will need our help and concern.

The purpose of this amendment is to continue this help—and to give meaningful support to the very effective refugee programs of the Cyprus government and the U.S. High Commissioner for Refugees, who has been designated coordinator of U.N. humanitarian assistance on Cyprus by Secretary General Kurt Waldheim.

This amendment does not really add to our national allocation of foreign assistance. It merely transfers humanitarian aid to Cyprus from the security and supporting assistance bill to the pending bill, where this aid belongs.

Mr. HUMPHREY. Yes.

Mr. KENNEDY. If the Senator is prepared to accept that.

Mr. HUMPHREY. Mr. President, let me just say to the Senator from Massachusetts, I did discuss this with the Senator from New Jersey (Mr. CASE) and it is our understanding that what the amendment basically does is to take the funds which the administration is requesting to be placed in the military assistance, Middle East military assistance package, that is now in the hands of the Congress and to move it out of that package and put it into the economic assistance and humanitarian assistance bill that is before us now.

Mr. KENNEDY. That is correct. I think that is just where it belongs.

Mr. HUMPHREY. It does belong there, indeed it does.

Mr. KENNEDY. That would be——

Mr. HUMPHREY. Does it add additional moneys?

Mr. KENNEDY. It does for humanitarian purposes—about $5 million. It does, Mr. President. It will be subject, of course, to the appropriations and a full justification for it.

Mr. HUMPHREY. But we have discussed this amednment and as the manager of the bill I am prepared to say that both minority and majority on the committee are in support of it.

Mr. KENNEDY. I ask unanimous consent to be able to have printed in the RECORD a statement by the Senator from Maryland (Mr. MATHIAS).

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

STATEMENT BY SENATOR MATHIAS

I am pleased to join with the distinguished Senator from Massachusetts in sponsoring this amendment for relief and rehabilitation on the island of Cyprus. On the 16th of May, I introduced S. 1761 which was designed to accomplish this same end. The reasons that existed in May, Mr. President, exist today. If anything, the situation on the island of Cyprus is more serious and the demands for humanitarian aid to the refugees on the island are even more imperative.

It is vital, Mr. President, for the reduction of tension in the eastern Mediterranean that an overall political settlement be arrived at on the island of Cyprus. I believe that the climate for such a settlement is emerging between the Greek and Turkish communities. But, as history has so well demonstrated, the humanitarian needs of a significant refugee population can pose problems to ultimate political settlements. Therefore, based on both a humanitarian concern for the people directly involved and on a concern for restoring stability to the island, I urge support for this amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may be joined as a cosponsor.

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

The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I have an additional amendment which I sent to the desk.

Mr. President, I ask unanimous consent that it be in order to consider this amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 6, between lines 14 and 15, insert the following:

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT AMENDMENTS

SEC. 102. The Indochina Migration and Refugee Assistance Act of 1975, Public Law 94–23; 22 U.S.C. 2601, is amended as follows:

(1) In section 2, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam, or Laos".

(2) In section 3, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam, or Laos".

(3) In section 4(b), strike out "Cambodia and South Vietnam" and insert in lieu thereof "Cambodia, South Vietnam, and Laos".

(4) In section 4(b)(3), strike out "South Vietnam and Cambodia" and insert in lieu thereof "South Vietnam, Cambodia, and Laos".

Mr. KENNEDY. Mr. President, this is a very simple amendment to update the

Indochina Refugee and Migration Assistance Act of 1975.

Under this statute—enacted last May—some $405,000,000 was made available to the President for the movement, resettlement, and care of refugees from Cambodia and South Vietnam.

Since then, however, several thousands of Lao nationals have left their country for Thailand—and following consultations with the Judiciary Committees of both Houses, the Attorney General is now paroling into the United States some 3,400 of the Lao refugees.

Funds are currently available for the transportation, processing and initial resettlement of these Lao refugees. But none of the special education, health care and public assistance benefits granted by law to refugees from Cambodia and South Vietnam, are available to the refugees from Laos. Nor will State and local governments receive reimbursements for any expenses incurred in the resettlement of the refugees from Laos.

Mr. President, separate treatment for the refugees from Laos is discriminatory and inequitable. It is confusing to the American people and Congress. And it needlessly complicates and makes more difficult the search for refugee sponsors.

The Indochina refugee program should be viewed as a whole. And I share the view of the Department of State, the voluntary resettlement agencies, and many of our colleagues in Congress, that a remedy is urgently needed to meet our obligations to the refugees from Laos, on the same basis that we are meeting our obligations to the refugees from Cambodia and South Vietnam.

The pending amendment accomplishes this end. It simply adds refugees from Laos to the categories of people eligible for benefits under the Indochina Refugee and Migration Assistance Act of 1975. I am assured by the Department of State that no additional funds are needed to carry out the intent of this amendment.

I urge its adoption by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, finally, I send to the desk an amendment and ask unanimous consent that it be in order to be considered.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, reserving the right to object, can we hear what the amendment is before we get the consent that it be considered?

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment, on Page 28, lines 19–20, strike out "$92,400,000" and insert in lieu thereof "$99,550,000".

On Page 28, lines 20–21, strike out "$96,000,000" and insert in lieu thereof "$104,500,000".

On Page 28, line 22, immediately after the word "expended." add the following: "Of the amounts made available under this section, not less than $14,750,000 shall be available only during Fiscal Year 1976, and not less than $16,100,000 shall be available only during Fiscal Year 1977 for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations."

Mr. LONG. Mr. President, what is the purpose of the amendment?

Mr. KENNEDY. This is at the request of American voluntary agencies. If this is accepted, it increases the——

The PRESIDING OFFICER. The Chair would ask the Senator to withhold for a minute.

The Senator's previous amendment dealing with Cyprus relief and rehabilitation affected a part of the bill that had already been struck, and, therefore, was not in order.

The Senator should have the staff redraft the amendment to the appropriate section and the Chair will act on it.

Mr. KENNEDY. Fine.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the amendment as agreed to be placed at an appropriate place in the bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator will proceed.

Mr. KENNEDY. Mr. President, I send to the desk an amendment to H.R. 9005, which will strengthen our Government's support of private voluntary agency relief programs overseas.

This amendment would increase the ability of America's voluntary agencies to meet international humanitarian needs by restoring $7.15 million for fiscal year 1976, and $8.5 million for fiscal year 1977, for the reimbursement of ocean freight costs incurred in the export of food and nonfood commodities, which are privately donated to support ongoing voluntary relief programs.

Mr. President, for many decades, U.S. voluntary agency relief programs have been recognized as an essential counterpart to our national foreign assistance effort. By channeling privately donated relief contributions to meet vital humanitarian needs, the voluntary agencies have been able to create a direct people-to-people flow of relief assistance. The voluntary agencies have provided a critical link between the humanitarian goodwill of the American people and the basic needs of people in distress overseas.

For years, our Government has assumed the responsibility for the cost of ocean freight shipments of title II commodities under the food for peace program, as well as the cost of shipping privately donated relief assistance—relieving voluntary agencies of a significant burden, and permitting them to divert their limited resources to the more important task of operating viable humanitarian and development programs across the globe.

Unfortunately, because of the increasingly limited funds made available by AID in recent years, the voluntary agencies have been forced to absorb tremendous costs in transporting donated commodities, such as medical and food supplies. This burden has become all the more constraining in the wake of massive humanitarian disasters in India, Bangladesh, and the Sahel.

While our Government should not shoulder this burden alone, we can increase our assistance in order to minimize the diversion of scarce voluntary agency resources. This amendment has the strong support of the American Council of Voluntary Agencies for Foreign Service.

I urge its favorable consideration.

Mr. President, I ask unanimous consent that the text of correspondence I have had recently with the voluntary agencies and AID in support of this amendment, be printed at this point in the RECORD.

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

AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE, INC.,
New York, N.Y., October 9, 1975.

Hon. EDWARD M. KENNEDY,
U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In view of your interest in the voluntary agencies' need for increased ocean freight funds, as represented in your bill S. 1816, I am enclosing a background paper outlining voluntary agency participation in the ocean freight program, along with a rationale for increasing the ocean freight subsidy for FY 1976 and 1977.

We greatly appreciate your continuing interest in the private voluntary organizations.

Sincerely,

FRED W. DEVINE,
Chairman, Material Resources Committee.

STATEMENT ON THE OCEAN FREIGHT SUBSIDY, OCTOBER 10, 1975

HISTORICAL BACKGROUND OF THE OCEAN FREIGHT SUBSIDY

From the very beginning of the ocean freight subsidy, which began in 1947 under Public Law 84, it was emphasized that American voluntary relief is an essential counterpart to the foreign relief and recovery programs conducted by the Government.

Since then, the Government has periodically acknowledged and encouraged the voluntary contribution in overseas aid. Section 216 of the Foreign Assistance Act provides for the ocean freight subsidy "in order to further the efficient use of United States voluntary contributions for relief and rehabilitation of friendly peoples." This subsidy is used for the shipment of other than PL 480 cargo; PL 480 shipments are covered under a separate ocean freight arrangement.

THE POSITIVE IMPACT OF THE OCEAN FREIGHT SUBSIDY

The voluntary agencies are doing their best to reach the poorest people in the developing countries. By channeling the contributions made in case and in kind (now at unprecedented levels) from their constituencies, the agencies are able to create a direct, people-to-people flow of assistance.

The ocean freight subsidy enables voluntary agencies to ship the basic materials needed to help people stay alive, develop, and reach self-sufficiency—food, medicines, seeds, tools, housing materials, clothing, and so forth. The ocean freight cost to the U.S. Government is pennies per year for each person reached by the subsidy program.

Because of the unique character of voluntary agency programs, the ocean freight sub-

sidy of agency shipments creates a greater impact than would be possible for either voluntary agencies or from Government resources alone.

THE FY 1976 VOLUNTARY AGENCY REQUESTS FOR OCEAN FREIGHT

As part of the recently implemented AID procedures for better pre-planning, the voluntary agencies have submitted to AID requests for FY 1976 ocean freight funds for ongoing, normal program needs which total approximately $14 million.

THE NEED TO INCREASE THE OCEAN FREIGHT SUBSIDY

The problems of unprecedented worldwide need are being tackled by voluntary agencies through ongoing programs in over one hundred countries. In response to their constituencies' desires, the agencies have intensified and broadened their efforts wherever possible to respond to disaster and emergency situations. But in addition, voluntary agencies have been especially active in subsequent rehabilitation and long-term redevelopment in the aftermath of massive disasters in the areas of chronic need, including India, Bangladesh, the Sahel, Nicaragua, Haiti, and the Dominican Republic, to name only a few areas of activity.

In addition to increased need and the increased volume of materials to be shipped, higher freight costs continue to put a severe drain on the ocean freight subsidy. The rise in shipping rates, fuel costs, bunkerage charges and related costs have raised per-unit shipping expenses for FY 1975 by an estimated 35 to 50 per cent over FY 1974. High inland transportation costs to designated points of entry for landlocked recipient countries, particularly in the Sahel, have put additional pressure on U.S. Governmental ocean freight resources.

THE ADVERSE EFFECT OF INSUFFICIENT OCEAN FREIGHT FUNDS

The need for ocean freight funds *already* is greater than the availability. Some voluntary agencies have had to refuse requests from abroad for food, medical supplies, and other materials because of a lack of ocean freight funds. CARE, for example, recently could not honor food requests from Bangladesh, Chad and Niger. Church World Service has had to refuse shipments of food to relieve famine in India and Bangladesh, pending the availability of more ocean freight funds in the future. Medical Assistance Programs (MAP) has had to curtail shipments of medical supplies.

The fact that the need exceeds availability also means that each agency has had to further narrow down its existing priorities in making sometimes agonizing shipping decisions. Far from shipping materials indiscriminately, some agencies can document instances when they have had to decline valuable donations of materials for humanitarian relief and development programs because they lacked the funds for shipment.

Agencies have already had to pay for shipping out of their own funds, and spending agency funds on ocean freight puts a severe drain on normal program resources. The well known multiplier effect works in reverse, so that for every dollar taken out of the ocean freight subsidy, several dollars' worth of material aid is withdrawn, many dollars' worth of potential programs are lost, and there is an incalculable effect on people who might have been reached.

A RANDOM SAMPLING OF RECENT VOLUNTARY AGENCY SHIPMENTS UNDER THE OCEAN FREIGHT SUBSIDY PROGRAM

Garden seeds and soybean seeds to Bangladesh.

Seed corn to Haiti.

Wheat to India.

Medical equipment and pharmaceuticals to Bangladesh.

Windmills, and road and garden tools to the Sudan, Niger and Haiti.

High quality livestock for breeding to Tanzania, Korea, the Philippines, Ecuador, Guatemala, Dominican Republic.

Water tank trucks to Ethiopia.

Clothing to Bangladesh, Jordan, Indonesia, Zambia, Cambodia.

Medical supplies to Honduras, Rwanda, Israel.

Beans to India.

Milk to Haiti.

Machine tools to Iran, Israel.

Wheat and cottonseed oil to Bangladesh.

Foodstuffs and clothing to Morocco.

Medicines and household goods for Angolan refugees.

Educational supplies and soap to Brazil, Hong Kong, Haiti, Tanzania.

Irrigation pipe to Israel.

Medical supplies, including complete hospitals to Indonesia, Dominican Republic, New Guinea, Brazil.

THE VOLUNTARY AGENCIES' SHARE OF TRANSPORTATION COSTS

The ocean freight subsidy only covers shipments from the U.S. port to the foreign point of entry. The voluntary agencies use their own resources to cover administrative costs, domestic pre-shipment expenses (including costs of acquiring, processing, packing, warehousing, and transporting the materials to the U.S. port), and, in a number of cases, inland freight in the receiving countries. Various agencies have estimated that these costs represent *at least* 20 per cent (and often a much higher percentage) relative to the amount paid by the Government for ocean freight, depending on the type of shipment, the agency, and the country involved. Clearly the voluntary agencies' moral commitment to their programs is backed up by a deep financial commitment.

OTHER POINTS ABOUT THE OCEAN FREIGHT SUBSIDY

The voluntary agencies must give preference to shipping on U.S. lines, with the effect that the ocean freight subsidy is predominately used in support of U.S. commercial shipping concerns.

In many instances, the availability of the ocean freight subsidy is a decisive inducement for voluntary agencies to buy materials domestically instead of overseas.

Each voluntary agency is accountable to the Government for reporting its use of ocean freight funds through the submission of a quarterly report to AID.

The ocean freight subsidy is available only to the American National Red Cross and to U.S. voluntary agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid, and only in support of approved programs overseas.

CONCLUSION

Based on the factors outlined above, the voluntary agencies strongly urge that the Senate and the full Congress authorize additional funds to help pay for the increased ocean freight costs expected to be incurred by the private voluntary organizations in transporting commodities overseas. The additional amount needed (beyond $7.6 million) is an estimated $7.15 million for FY 1976 and $8.5 million for FY 1977.

Congressional action to provide this level of funding would be fully in keeping with other provisions in HR 9005 which are designed to facilitate a more effective partnership between the Government and the private voluntary organizations in the field of development assistance.

OCEAN FREIGHT SUBSIDY PROGRAM

FISCAL YEAR 1975

In the Fall of 1973 in preparing the FY 1975 budget, A.I.D. estimated the PVO requirements for ocean freight at $4.5 million Early in FY 1975, it became apparent that we had under-estimated the requirements, and at least $6 million would be needed. By the time the appropriations for FY 1976 were enacted in March of 1975, the requirements had increased to $9.9 million. Of this, we were able to fund only $7.5 million.

These startling changes were required by the unusual success achieved by the PVOs in their fund raising efforts. In CY 1974 funds totalling two-thirds of a billion dollars had been collected by the registered voluntary agencies. This represented an increase of approximately $200 million over the performance in CY 1973.

FISCAL YEAR 1976

In the Fall of CY 1974, while we were preparing the FY 1976 budget request, we had some inkling of the increasing requirements and our estimate was set at $7.6 million. This is the figure which appears in the Congressional Presentation. Now, it is apparent that the continued success of the PVOs in their fund raising campaign will lead to a requirement which is estimated at somewhere between $13 and $15 million. We will thus be short from $5.4 to $7.4 million.

OCEAN FREIGHT

	Fiscal year—	
	1976 estimates	1977 estimates
American Community for Shaare Zedek Hospital	$180,250	$180,000
American Friends Service Committee	25,000	49,000
American Jewish Joint Distribution	30,000	39,000
American-Korean Foundation	75,000	95,000
American National Red Cross	48,586	48,586
American ORT Federation	33,000	26,000
CARE	3,416,100	4,500,000
Catholic Relief Services	3,059,000	4,207,350
Christian Reformed World Relief Committee	6,000	2,000
Church World Service	2,746,000	3,041,000
Thomas A. Dooley Foundation	80,000	95,000
Foster Parents Plan	2,050	4,000
Friends of Children	25,000	40,000
Friends of Children of Vietnam	11,454	1,000
HADASSAH	200,000	200,000
Heifer Project	207,000	441,500
Holt Adoption Program	21,100	26,700
International Educational Development	78,000	75,000
International Institute of Rural Recon	2,450	2,700
Iran Foundation	2,500	
Lutheran World Relief	1,047,500	1,146,800
Medical Assistance Programs	230,000	230,950
Meals for Millions	8,000	4,500
Mennonite Central Committee	950,000	1,000,000
Pan American Development Foundation	150,000	200,000
Project Concern	3,600	3,600
Project HOPE	137,000	175,000
Rizal-MacArthur Memorial Foundation	10,000	15,000
Seventh-day Adventist World Service	477,634	546,804
Summer Institute of Linguistics	55,000	55,500
United Israel Appeal	150,000	150,000
World Relief Commission, N.A.E.	72,500	182,500
World Vision Relief Organization	346,000	373,000
Y.M.C.A.—International Committee	47,000	59,000
Total	13,932,724	17,216,490

Mr. LONG. Why is it necessary to increase the dollar amount?

Mr. HUMPHREY. I believe I can help the Senator. We made an overall reduction in a certain category in the bill. The voluntary agencies are very concerned that in the coming year the same thing will happen as happened in the past year; namely, that they have the structure, they have the administrative people, they are in place in the countries that we seek to help. They can get the supplies but they cannot get any help on the freight. In the meantime, in the past year ocean freight has gone up considerably. It is necessary to assure these

voluntary agencies that there will be at least enough authorized so that if they can make their appeal and their justification to the Appropriations Committee, the funds will be available. That is what it really boils down to.

Mr. KENNEDY. I just say also to the Senator from Louisiana, this has been a procedure which has been followed since the beginning of the American voluntary agency program overseas. If this provision was not enacted, it would be very serious.

Vote, Mr. President.

The PRESIDING OFFICER. Is there objection to considering the amendment?

Without objection, it is so ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, there are other amendments that the Senator from Massachusetts has, but I have indicated to him that we will have to hold off until tomorrow.

Mr. KENNEDY. As the Senator knows, we were here at about 2:15, ready to offer these amendments and to get into as much discussion and debate as the membership wanted. We were unable to gain the floor. I think that these amendments improve the bill.

I finally ask, Mr. President, that on the Chiles amendment Senators McGEE, TUNNEY, and ABOUREZK be included, and that on the Commission on Human Rights Senator McGEE be associated with that.

Mr. HUMPHREY. I would like to be associated with those amendments. I believe I am, as manager of the bill, but I would like to be included as a cosponsor.

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

Mr. HUMPHREY. I thank the Senator from Massachusetts for his helpful contribution to this bill. He is chairman of our Subcommittee on Refugees and has done a marvelous job in watching out for this area of our international policy.

The amendment on the overseas freight is very vital and very important. I am glad we had the clarification so that there is no doubt as to the intent of the committee.

By the way, the committee report will fully support the amendment of the Senator from Massachusetts.

Mr. KENNEDY subsequently said. Mr. President, earlier we had consideration of an amendment to increase the authorization of funding in the pending legislation to provide for the deferral of trade breaks for voluntary agencies. I ask unanimous consent that it be in order to have considered that amendment in spite of previous action taken by the Senate.

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

ADDITIONAL STATEMENT SUBMITTED ON H.R. 9005

Mr. BAKER. Mr. President, I am pleased that we have come to the consideration of H.R. 9005, the International Development and Food Assistance Act of 1975. It is gratifying, perhaps encouraging, that this significant legislation has generated such widespread public interest and support.

We have heard a great deal lately of the "isolationist" attitude prevalent throughout the United States. I believe the attention this legislation has been given would indicate that the people of this country are not becoming isolationists at all. In fact, it is my belief that there is an ever-growing awareness throughout the Nation that interdependence has truly become the watchword of this and the coming decades.

This legislation is important to the proper development of our national approach to interdependence. It is a clear expression that this Nation understands its vested interest in improving the quality of life of people throughout the world. I think we can make no greater contribution to the hopes for peace and stability than this act. The interests of peace, and correspondingly, the interests of the United States will be well served whenever we can contribute to a nation's ability to improve the subsistence level of its people and further the growth of a developing economy.

There are several features of this bill that I think particularly important. First, I believe this legislation to be an enlightened, further implementation of the "New Directions" which we began several years ago with the Foreign Assistance Act of 1973. It is at least of symbolic importance that this program of humanitarian and peaceful design is no longer tied to military assistance. I believe the firm allocation of food assistance to these nations most severely in need appropriately emphasizes the true nature of this assistance. Finally, I strongly endorse the emphasis of this act on the human values for which this Nation has traditionally stood.

In conclusion, Mr. President, I commend the various committees who have worked at such length and with such dedication on this bill. On the whole, it is exemplary legislation for exemplary purposes, and I am happy to lend it my support.

SHOULD THE FEDERAL GOVERNMENT STOP A NEW YORK BANKRUPTCY?

Mr. PROXMIRE. Mr. President, the issue we will be discussing in the next few days is:

Should the Federal Government act to prevent a New York City bankruptcy?

The President, many Members of Congress, and many other Americans say: No.

The case for New York City's bankruptcy is very strong. Is it strong enough?

Listen to the case against the Federal Government simply permitting New York to go under:

CONSEQUENCES

If New York City defaults here are some of the consequences: The Federal Government will probably have to risk far more money for a far longer time than if it prevents default. Here is why: New York State will be in jeopardy and will probably default.

Some other cities in New York State may go bankrupt.

A few—not many—other cities in the country may go under.

Some cities—possibly thousands—including some in Wisconsin would have to pay higher interest rates on their bonds. If you live in those cities your property taxes would go up to enable your city to pay those higher interest rates. Experts before our committee estimated that increases in interest rates paid by all American cities following a New York default would over the years increase by $10 billion—maybe more. That would translate into about $250 more in property taxes out of your pocket of the average American family.

NEW YORK—A HIGH LIVER?

How about the argument that New York City has been wasteful, lived beyond her means—now she should be required to pay for it?

I agree with that argument entirely.

New York has been wasteful. She has paid salaries and pensions that are too high. She has provided free tuition at her city university. She has undoubtedly had thousands of people on city payrolls who do nothing but draw pay and loaf.

This has to be stopped and now. The only question is how.

Bankruptcy would do this one way. It would tell all the investors who had loaned money to New York City that they would have to stand back until the city could balance its operating revenues. It would also require that the city suffer a sudden and drastic reduction in: schools, police protection, fire protection, garbage collection, and hospital treatment or the Federal Government would have to move in with massive loans.

This is true because, even if not a penny is paid to the city's lenders, there is a billion dollar shortfall in the city's operating revenues in the next few months.

ESSENTIAL SERVICES

Where would the money come from to maintain the "essential services" President Ford says are vital? Who would lend to the bankrupt giant? Would you? Would the bank you put your money in?

Answer: The Federal Government would either let New York disintegrate or it would lend the money. And once the Federal Government goes down that path, there is no way—with the best intention in the world that New York can get off the Federal Government's back for years and maybe generations.

A BANKRUPT NEW YORK ON FEDERAL BACK

Consider:

Once New York defaults she cannot legally sell her bonds to banks or other institutions in 30 States for many years—in some cases as many as 20.

Once New York defaults, trustees in many States cannot buy New York bonds for estates—a major market for municipals—for many years.

I might point out, Mr. President, that banks are the principal customers for municipal bonds.

Once New York defaults most investors—even without legal constraints—would not buy a New York City—and maybe not a New York State—obligation for years to come.

REVENUE DRIES UP

Furthermore once New York defaults some of the revenue she now receives will stop. Hundreds of millions in property tax revenues will not be paid. These taxes have been earmarked for service on the debt. But default means debt service stops. So would the revenue.

The situation will be even tougher because New York State would be in such dire jeopardy of default if the city goes down that the State would not be able to continue the hundreds of millions of dollars she is now paying the city, once the city defaults.

I conservatively estimate the loss to the city in the event of default at least at $1.3 billion. It is more likely that the loss would exceed $2 billion. Who would make that up?

The Federal Government would be the only source.

PROXMIRE PROPOSAL

You might say, all right—what would we on the committee who disagree propose?

We have put together a package in the Banking Committee that is tough—so tough that some New York City Congressmen have indicated that they could not support it.

NEW YORK PROGRESS

First, it recognizes that in the past few months, since New York State has taken over New York City finances, real progress has been made. Here it is:

More than 31,000 employees have been taken off the payrolls.

Wages have been frozen for 3 years.

The budget must be balanced for the year beginning July 1, 1977—less than 2 years from now.

Eighteen percent of New York City's teachers have been laid off. Almost every child is attending a class that is the biggest allowed under New York State law.

Sixty percent of paraprofessionals and 30 percent of teachers aides have been cut.

The school week has been reduced by two periods.

With the worst drug problem in the country, the antinarcotics force of the New York police department has been cut 17 percent.

The unit fighting organized crime has been cut 58 percent.

The fire department has been cut to the point where response time is measurably slower.

Garbage pickups have been sharply reduced.

Libraries and museums are only opened on shorter hours.

So New York has made progress.

WOULD IT CONTINUE?

What our bill would do would be to force that progress to continue until the budget is balanced and New York is back on its feet. The guarantee would be reduced each year and eliminated entirely in 5 years.

HOW WOULD WE ENFORCE IT?

The Federal loan guarantee would be strictly conditioned by continual compliance with the financial plan that would balance the budget. If the city gets off target, the guarantee stops.

How do we know the plan would be enforced?

Consider who we put in charge.

THE BOARD

The Chairman would be Secretary of the Treasury William Simon, as tough and tightfisted a foe of excessive spending as the administration has.

The other members of his board are Arthur Burns, a solid conservative whose prime article of faith has been for many years that spending must be reduced.

The third member is John Dunlop, Secretary of Labor and probably the most successful negotiator in reducing excessive wage demands in the country.

A FIGHTING CHANCE

Our solutions would prevent a New York City default, but it would assure that New York would have a fighting chance to get back on her feet. If the State had not made the progress it has already made, I would accept the default route. But New York in the past few months with her successful efforts to cut spending has earned a chance.

And what chance is New York asking?

A chance for the time necessary to stand on her own feet, pay off her creditors and get off the Federal Government's back.

THE LESSON

And above all the whole country should learn the lesson:

We cannot spend beyond our means without a day of reckoning. New York has its day of reckoning now.

The Federal Government must learn that the appalling inflation, that has sickened the country's economy, is the product in large part of reckless, deficit spending by Government.

The New York problem was that her heart ran away with her head. That is exactly the Federal Government's problem. Simply because better education, health, scientific research, law enforcement are great goals does not mean that we can spend unlimited money on them. All Federal programs including those with the best purpose must be held down to what we can afford. The Nation has been spending too much. That is the lesson of New York. We must not forget it.

Mr. President, on Thursday, October 30 the Banking Committee voted 8 to 5 to report out a bill to provide loan guarantees to New York and other municipalities unable to obtain credit needed to finance vital ongoing services, including education and health services, debt service and capital program. The guarantees would start at $4 billion this year and decline over the next 4 years to zero. The guarantees would be given only if certain tough conditions were met. All sectors of the city's economy, including the political infrastructure, the State in its capacity as overseer, residents, employees and the financial community, will have to pull their share of the load as the city works its way back to fiscal integrity and financial health. The city's fiscal and financial affairs will be closely controlled, services will be cut, pension and other employment costs reduced, taxes raised, debt stretched out and interest costs reduced. It is a bill we worked hard on.

Mr. President, I ask unanimous consent that Governor Carey's speech detailing what the city has done be printed in the RECORD at this point, together with an article from the New York Times dated October 31, 1975, written by John Darnton and an editorial from the Washington Post analyzing President Ford's speech on New York City, and an article published in the New York Times on Sunday, November 2, 1975 entitled "The Potentials in a Default Are Many and Perilous."

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

[From the New York Times, Sunday, Nov. 2, 1975]

TEXT OF THE GOVERNOR'S SPEECH ON NEW YORK CITY'S FINANCIAL CRISIS

(NOTE.—Following is the text of Governor Carey's address on New York City's fiscal crisis.)

The City of New York is a few weeks from bankruptcy. The Congress of the United States may well pass a bill designed to prevent that bankruptcy. But on Wednesday, the President declared that he would veto any bill designed to "bail out" New York City to avoid bankruptcy.

I am here tonight to say that I agree with Gerald Ford; Washington should not bail out New York. I am here to tell New Yorkers and all Americans, that the bill we seek will impose on New York City the obligation to pay its bills in full, and to put its fiscal house in order. It is the Ford bankruptcy plan that would cost the cities, states, and taxpayers of this nation billions of dollars that need not be spent.

This may not sound like the claims you've been hearing lately. That's probably because this whole crisis is enormously difficult to understand, and very easy to distort with half-truths and fabrications. It's also true that the undeniable dislike of many Americans for the cultural climate of New York makes intelligent debate very difficult.

But I still believe that if Americans understand what New York is really asking for, they will support it; because it will save them money.

FACTS CALLED IGNORED

This is the single most important fact that the White House chooses to ignore: the loan guarantee plan now before Congress does not give New York City one red cent. It gives the city time to pay its debts and reform its practices. Our case rests on one simple idea; we don't think it's right for the people of Iowa or California or Michigan to pay for the mistakes of New York City. The problem is that Mr. Ford has attacked New York for something we do not want or seek: a Federal bailout from the Treasury.

Some of what Mr. Ford said was exactly right. There is a sorry history of reckless fiscal policy in New York City going back years—perhaps decades. And there is blame enough for everyone:

City officials and interest groups.

Banks that did not ask the hard questions.

A State Legislature and hand-picked Vice President—that specifically authorized every fringe and pension benefit and every unwise borrowing Mr. Ford now attacks so righteously.

And Presidents who diverted tens of billions of dollars to foreign dictatorships and senseless war, and who plunged our economy into its worst crisis in 40 years.

We all share the responsibility. And the city record, particularly in caring for those driven from other states and other lands by poverty and oppression, is far more honorable than that of most. But it is not our job to point fingers of blame. It is our job to face what has happened, and to set it right with the least damage possible.

What Mr. Ford says he's for is what we're for—we don't want to fling open the doors of the Treasury to New York City or anybody else. We don't want to be bailed out. We don't want any city to be a ward of the Federal Government.

What do we want? We want Washington, in effect to stand behind us—to give investors the confidence they now lack to invest in New York City. That money will enable us to pay our debts and to keep public services alive, while we work our way back to a balanced budget.

NO FEDERAL MONEY NEEDED

Washington need not put up a dime. Those notes will be repaid by New York City with an added cost to pay back Washington for any expense of running this guarantee. Further, this guarantee would be strictly supervised. New York with a balanced budget will have to control the fringe benefits to city workers; reform its jumbled books once and for all; and not spend a dime unless the money is there to meet these obligations.

What we're hoping to buy is time to finish the job we've started. For, contrary to the deliberate impression left by Mr. Ford, New York has imposed on itself painful and unprecedented budget-cutting. The state has taken the financial power out of the city's hand. With the constructive and invaluable support of Republicans and Democrats, with the steadfast help of Senate Majority Leader Warren Anderson, we have shaped a control board run by state officials and business people who are determined to rebuild fiscal integrity.

TIME IS NECESSARY

That board has ordered reform of the city's books. It's presided over the cutting of 30,000 jobs from the city's payroll—and within three years, that payroll must be cut by 70,000 jobs. The transit and commuter fare's been raised to one of the highest of any city. Wages have been frozen for every city worker. The City University's budget has been cut by $30-million—the equivalent of imposing tuition. The capital budget's been reduced $800-million, and all housing programs have been suspended.

These are not cosmetic steps. They mean fewer police, fewer fire-fighters, less education, health care, a lessened quality of public life. But it had to be done.

We are going once and for all to end fiscal mismanagement in New York. And to provide time to do that job, the state has put forth more than $1.5-billion of its own money—with the support of Mayors all over the State—to protect not just New York City's future, but the future of Yonkers, Buffalo, Rochester, Syracuse and towns and counties all over the state. That is not the record of a state which has abandoned New York City.

Now we need time to finish the job. But Mr. Ford chose to ignore these steps. That is as unfair to us as it would be to argue that this President is no different in integrity from his immediate predecessor.

Nor did Mr. Ford recognize the single key fact of our proposal: that it does not require a dime of Federal money. Instead, he proposed a bankruptcy bill.

That bill would tempt any careless local government to avoid paying its debts by sliding into bankruptcy. By itself, that will scare off investors and drive up costs—and therefore taxes—to every local government.

His plan would threaten the whole Federal structure—because instead of forcing spendthrift governments to mend their ways, it would throw the entire financial operation of an enormously complicated city into the hands of an unelected Federal judge. Americans are already deeply concerned by judges taking control of their social and political institutions. What will happen if judges now take control of the entire structure of local government?

"REAL COST" CITED

But here is what the real cost, in dollars and cents would be to the American people.

First—every government borrows—to build, or to pay bills before tax money comes in. A New York default will make borrowing more expensive for every locality in America. We have already seen cases from Florida to Illinois to Massachusetts where credit has been denied, or made more costly, to local governments. That will be the wave of the future if New York defaults.

Second—New York's total debt is $14-billion. If the city defaults, note and bondholders will lose, conservatively, $6-billion in the value of those notes and bonds. That money will be written off tax returns—and that means $2-million less in Federal tax payments. Who will make that up? Either the ordinary taxpayer, or else there will be another $2-billion in deficits. That is not fiscal responsibility.

Third—Mr. Ford has already said essential services will be maintained if New York defaults. The only source for that money is the Federal Treasury. So American taxpayers will be paying for the police, fire, sanitation, and possibly educational and health needs of New Yorkers. That is not fair to them. Let New York bear its own burdens. And when businesses owed money by New York go under—businesses located in communities such as Grand Rapids, Michigan—who will pay the cost of unemployment and welfare? The American taxpayer.

NO PARDON SOUGHT

Fourth—I tell you bluntly that if New York City defaults, there will be other tremors and collapses in local governments around America including agencies of New York State. And it is the people of those localities across America, who will pay to pick up those pieces as well. That is why the U.S. Conference of Mayors, the National League of Cities, the Counties, and the Municipal Financial Officers Association all overwhelmingly support loan guarantees.

We are not trying to scare anyone unless the time has come when Americans fear the truth. We are trying to tell the truth about what we've done and what we want. We do not seek a pardon for past errors, or a bailout. The fight we must wage on a skeptical, hostile terrain won't be won by making excuses for the indefensible past. We will win if America, the Congress, and the White House have the facts to measure the cost of action, and inaction, in hard, practical terms.

I spent more than a decade with Gerald Ford in Congress. We disagreed about many things. But I always found him a man ready to negotiate and compromise for a practical result. I cannot believe that the specter of temporary political gain will lead him into driving a city into bankruptcy and risking the loss of billions of taxpayers dollars. If the financial structure of government is shaken, it is Mr. Ford who will be accountable to all the people. I will be working in the days ahead to make New York accountable. I ask Mr. Ford not to work against us to make New York a bankrupt.

For New Yorkers, a final note: our city is often abrasive and arrogant, sometimes cold and unfeeling, always challenging. For a lot of reasons, it has incurred the scorn of some of our countrymen; because of our pace and tone of voice, because of the colors of our skins and the accents in which we speak, and our tradition as a magnet for the disaffected, the dispossessed, the dissenters.

Whether we shall escape fiscal default I do not know. Our fate is in the hands of people who, for now, appear determined not to let facts get in the way of what they want people to believe—and who are seeking political advantage by kicking the city when it's down.

But whatever happens, New York will survive. We will remain a home for the exiled and oppressed. And perhaps we will have learned the lesson of fighting among ourselves, instead of standing together to wage a common fight for each other. Come what may, we will win that fight.

[From the New York Times, Oct. 31, 1975]

EXACT EFFECTS OF CITY DEFAULT IMPOSSIBLE TO PREDICT

(By John Darnton)

If no way can be found to avert it, what would be the impact of default upon the life of the city? Would there be any noticeable difference right away? How would it affect bondholders and pensioners, city employes and residents? Would taxes go up? Would real estate values go down? The answers to these and other questions are, at the moment, largely guesswork. They depend upon myriad interconnected imponderables—the day on which default occurs, for example, and how much money is in the city treasury at the time, or the terms of a city plan to restructure its debt and the outcome of a resultant Pandora's box of lawsuits.

Despite months of debate, legal research, special state legislation, and now a proposed revision of Federal bankruptcy statutes, no one can say for sure what would happen, over either the short or long run.

TOP PRIORITIES LISTED

"You can't prepare a map for territory that is unknown to begin with," summed up Ira Millstein, whose law firm of Weil, Gotshal and Manges has a city contract to handle the legalities of a default. But there has been much speculation, nonetheless.

President Ford has vowed that essential services—such as police and fire protection—would be maintained, and the city, too, has placed these at the top of a "priorities" list in the event of a default.

If as a result of default the city's tangled fiscal affairs should end up in a Federal bankruptcy court, as recommended by President Ford, then the court would confine itself to restructuring the city's debt and not intrude upon the city or state's governmental powers, according to most legal experts. The court's jurisdiction is to deal with the assets and liabilities of the debtor, the city.

POWERS VARY

Thus it is unlikely, many feel, that the court's powers would extend to, say, overturning rent control or rent stabilization, which are state law. By contrast, a loan-guarantee bill under consideration by the United States Senate would place this power within the hands of a three-member Federal board.

At the same time, however, one part of the court's function would be to determine whether a repayment plan submitted by the city was feasible. If it is found not to be, the court could in effect negotiate a new plan that might, say, scrap rent control as a means of increasing real-estate taxes.

A Federal court, unlike a state court, has the power to "scale down" the city's debt as well as "stretch it out"—to have the city repay 90 cents on the dollar, rather than repay the full dollar at a later time.

This could mean that holders of city notes and bonds could conceivably never be paid off

in full. But the city is not, after all, a corporation liquidating itself; it will have future revenues coming in. The likelihood is that holders of notes and bonds would receive full payment, albeit late.

LEGAL CHALLENGE SEEN

By the same token, the court could conceivably, if it chooses, invalidate union contracts or perhaps pension agreements if they were deemed to be "onerous and burdensome." This could mean that city employees might find wages subject to renegotiation or that retired workers could have pension payments cut.

Either action could engender a strong legal challenge, many experts feel, and thus neither is probable.

In terms of immediate impact of default, should it occur, one critical factor is the amount of cash in the city's treasury on the actual day on which the city cannot repay its bond and note holders. Revenues do not flow into city coffers in a steady stream, but come in chunks as many taxes, for example, are collected by the state and then forwarded periodically to the city.

If the city is totally without cash, it will need a quick infusion of money to avoid such things as "payless paydays" or furloughs for city workers and to maintain welfare payments.

"WON'T BE ORDERLY"

"This visible impact will be determined by how much money there is in the bank on that day," said Mr. Millstein. "We may have enough for payrolls. We may have absolutely nothing. The immediate impact will depend upon the difference."

"The one thing the Federal law doesn't do is give you money," he continued. "You can have all the machinery in place to make a default orderly, but if you don't have the money, it won't be orderly."

According to the City Controller's office, the amount of money in city coffers in early December will be "zilch." Default could occur before then, however, if a $2.3-billion package of financing assembled by the Municipal Assistance Corporation should disintegrate. Or it could be postponed or even averted altogether, if a plan succeeds to use union pension-fund borrowings to invest in M.A.C. securities.

If default should happen and there are sufficient funds on hand, then it would be not at all apparent to New Yorkers. City workers would report to work as usual, and the city's operations would be normal.

ALTERNATE IS NECESSARY

Soon, however, the city would feel a cash shortage. Even if not a single dime were used to repay debt service, the city's shortfall just for operating expenses between December and March would amount to $1.2-billion. Over the next two months alone, almost three-quarters of a billion dollars is needed just to keep the city operating at normal tempo.

For this reason, it is important, according to city officials, that some alternative mechanism for the city to borrow must be in place, and in place quickly. In a Federal bankruptcy proceeding, the borrowing would be done by the city's issuing certificates of indebtedness—just as corporations do in bankruptcy—under court supervision. They would have a first claim on new revenues coming in.

The problem would be how to make these new certificates marketable, given investor hostility in the last eight months toward any security associated with New York City. To sell, many financial experts feel, they would need the backing of a Federal guarantee—which is what Washington has refused for city notes and bonds.

MANY UNKNOWNS

If the certificates are not marketable and the cash is not forthcoming from some other source, the city is launched into uncharted waters. It is this that city officials have had in mind lately as they privately paint apocalyptic visions of employees refusing to work, and welfare checks stopped.

There would be many unknowns. Mr. Millstein's law firm, for example, is currently researching a question involving welfare and Medicaid payments: If the city is unable to meet its matching contributions, can the Federal and state contributions—amounting to 50 and 25 per cent respectively—be paid out? "We don't know yet whether if you pull out the city's piece the whole package comes apart," Mr. Millstein said.

Of equal concern to city officials is the possibility that vendors, who provide everything from food in city prisons and hospitals to paper and pencils, might refuse to extend further credit in the event of a cash shortage. Even if they do, on the ground that the Federal court would deem their products essential and reimbursable, delays in payment could well lead to higher costs. These, in turn, would mean the city would need more revenue.

Another key problem of default is that it might decrease the revenues coming into the city through taxes. Real-estate taxes, for example, might not be paid, especially by persons holding city securities. Or they might be paid in the form of the securities themselves, which would drop in value.

"If you were a note-holder and the city defaults, would you pay your taxes?" asked Peter Goldmark, the State Budget Director. "If you were Con Ed and your bill wasn't paid, would you continue to supply electricity? The city's nerve system is so complicated it's impossible to tell how far up the line the shock of default might travel."

One city official has estimated that the fall-off from unpaid taxes could reach as high as $100-million a month. Added to the deficit for operating expenses of $1.2-billion, that would mean a shortfall in the next four months of $1.6-billion—which is 50 per cent of the city's nondebt-service budget for that period of time.

One immediate effect of a default is that the city's outstanding $12.4-billion in notes and bonds would drop in value, weakening the position of banks, businesses and individuals holding them.

Perhaps especially vulnerable would be the major New York City banks, whose holdings—amounting to $1.25-billion in April—are now thought to be about $750-million. The banks' equity has been weakened lately from other investments—in real-estate investment trusts for example—and City Controller Harrison J. Goldin has warned that a city default could "pave the way for a run on the banks."

[From the Washington Post, Oct. 31, 1975]

THE PRESIDENT AND NEW YORK CITY

Undoubtedly there have been presidential speeches more outrageous than the one President Ford delivered on New York City's financial problems. But it is hard to remember one. Mr. Ford used all the demagogue's tricks: misstating the problem, distorting the facts, running down the critics, resorting to pious platitudes and appealing to prejudice. In the end, he contradicted himself by recommending that the federal government, in the person of a federal judge, supervise New York's future finances after he had explained why supervision by the federal government would be disastrous. One way or another, the nation and New York City will survive the agonies that are now inevitable for that city but they will do so in spite of the President's leadership, not because of it.

Item: Mr. Ford says that New York's leaders are asking for a "blank check" which would require other Americans to support advantages for New Yorkers that they cannot afford themselves. The reality is that New York's leaders are not asking the federal government for an open-ended supply of federal cash; they are asking that it arrange for the city to borrow money, which it would have to repay, on terms that would require it to submit to considerable financial discipline.

Item: Mr. Ford says that New York's political leaders have "abandoned" the city's financial problems on the federal doorstep like some foundling. The reality is that New York State has not only taken financial control of the city and has committed millions of dollars to its aid but has forced a wage freeze, job cutbacks, a curtailment of construction and the renegotiation of a major labor contract.

Item: Mr. Ford claims all of the city's financial woes are due to bad management. The reality is that some of the city's problems have been forced upon it by events beyond its control; the price New York City has paid over the decades as the receiver of immigrants—first from abroad and later from the South and Puerto Rico—has been enormous.

Item: Mr. Ford says that the only losers if New York City goes bankrupt will be the "large investors and big banks." The reality is that thousands of little investors, in New York City and elsewhere, stand to lose directly and many more will be placed in indirect peril if the shock waves of such bankruptcy spread.

Item: Mr. Ford says that "a few desperate New York officials and bankers" have been trying to stampede Congress into action. The reality is that deep concern about the impact of a New York default on the nation's entire economy exists among mayors, bankers and financial experts all across the country—including, among other ranking officials of Mr. Ford's own administration, his Vice President.

Item: Mr. Ford says that there are choices available to New York leaders other than default or bankruptcy or federal aid if only they would seize them. The reality is that New York almost certainly cannot avoid defaulting on its debts within a few weeks unless it gets help from somewhere.

Item: Mr. Ford says that most other big cities have faced the same problems as New York's and have stayed financially healthy. The reality is that New York's problems are unique if only because of their size and that some other big cities are in serious financial difficulty.

Item: Mr. Ford says that the "cities and the federal government were the creatures of the States." We had thought that John Marshall and a Civil War had put this old states rights' shibboleth to rest more than a century ago.

There are more examples. But these should be sufficient to demonstrate the general character of the President's speech. Two additional aspects of the President's approach deserve mention. It is ironic that a President whose first budget recommended the largest governmental deficit since the pharaohs built the pyramids should choose to attack so viciously the officials of New York City for running a deficit less than half as large in relation to total spending as that of the federal government. And it is ironic that a President who has been a vigorous critic of the federal courts when they have taken partial control of a local school system should recommend that those same courts take total control of the nation's largest city.

As to the substance of Mr. Ford's program, it is clear that Congress should pass quickly the changes in the bankruptcy act he supports. Indeed, it ought to have passed these some time ago. Similar proposals were urged upon it last spring by the Advisory Commission on Intergovernmental Relations. And, despite the President's opposition, Congress does need to continue work on a program to provide an emergency federal guarantee for municipal bonds. It is faintly possible, although not likely, that somewhere—perhaps in the treasuries of the labor unions—

New York City will find the money to avoid formal bankruptcy. But if it does not, its bankruptcy could create chaotic conditions in the municipal bond market which would make a federal safety net of some kind essential.

It is conceivable that by turning this icy shoulder to New York City, President Ford will force its leaders to take painful steps they would not otherwise have taken and to find solutions to their own problems that are not now visible. If so, his judgment on what the role of the federal government should have been will be vindicated. But that will still not excuse the rhetoric of a speech which deliberately conceals from the American people the potential seriousness of a problem for which there is no assured solution. To build political capital on the latent antagonism that exists toward New York City, and all it stands for, is no way for a national leader to prepare public opinion to deal with a crisis which may well turn out to have profound consequences nationwide.

[From the New York Times, Nov. 2, 1975]

THE POTENTIALS IN A DEFAULT ARE MANY AND PERILOUS

(By John Darnton)

For New York City, there are only three choices left.

The first is a loan-guarantee bill, with provisions repugnant to the city. It has little chance of Congressional passage and the President has vowed to veto it. The second is use of the city's pension funds to borrow money. It would entail considerable logistical and perhaps legal complications.

The third is default and then bankruptcy. While most onlookers would agree that this alternative has perhaps become the most likely, they also would agree that it is the least known.

The question of what default would mean cannot be answered by lawyers, because the spiral of lawsuits that default would engender will make new law. It cannot be answered by economists, because the unknowns, beginning with the anonymity of the city's lender-creditors, are simply too numerous. It cannot be aswered by historians, because it has never happened before on such a scale.

"When the President says that default can be 'orderly,' we get upset," said Ira Millstein, a lawyer now continually on call at City Hall. "None of us has ever seen an orderly default."

Predictions of what New York would be like after default have come from President Ford, who foresaw "temporary inconveniences" for city residents, and from Governor Carey, Mayor Beame and other local officials, who have conjured up apocalyptic images for the benefit of Congressmen considering Federal assistance. No one can say who is right.

Under the proposed revision of Federal statutes, if the city defaults, it would file a petition of bankruptcy in Federal court. It would be protected against the seizure of assets or revenues by creditors and the court would supervise a plan to restructure the city's payments. The court also would oversee the sale of debt certificates to keep the city's vital services going.

It is improbable that the effects of a default would be seen on the day it occurs. Providing that the city's treasury is not totally depleted, city workers would not face a "payless payday" immediately. City operations would be normal. And, providing that the debt certificates are marketable, some revenues from borrowing would continue to come into city coffers in the days ahead.

But the effects of default could soon become all too apparent—for the city's cash shortage between December and March, even if not a single note or bond were paid off, amounts to $1.2-billion. It would seem unlikely that enough debt certificates could be sold, or would be permitted by the court to be sold, to maintain services at such an expensive outlay. At a time when past creditors would be kept waiting, the court would have difficulty countenancing such a heavy borrowing schedule.

The problem is compounded by the fact that default could trigger a falloff in the city's anticipated revenues. Noteholders, bondholders, venders, contractors and other creditors who go unpaid might well refrain from paying taxes. Some estimates place this falloff as high as $100-million a month. This would increase the city's revenue shortfall to $1.6-billion by March, or about 50 per cent of the amount that the city had expected to spend on operating expenses during that time.

"Taken at its worst," said one city official, "that means 50 cents on the dollar that we won't be able to pay out. So what are we going to do? Pay cops 50 cents on the dollar? Pay welfare checks 50 cents on the dollar?"

The choices would be painful. The Federal legislation insures that essential services, such as police and fire protection and health services, be maintained. But it does not say they must be maintained at their former levels. Garbage pickups could be cut back. There could be fewer policemen in neighborhood precincts. More firemen could be laid off.

The federal legislation appears to insure a continuity of payments for welfare and Medicaid. But a host of supportive services for the poor, day-care centers, job programs, senior citizen centers, could be curtailed.

The tangle of litigation that a city default would incur could last as long as a decade. A seemingly straightforward question, such as who should be designated to represent the city's thousands of creditors, becomes enormously complicated. In the recent bankruptcy case of the Herstatt Bank in Germany, a sports stadium in Cologne had to be used just to bring together all the creditors who insisted on separate representation. "If we have a default," remarked one observer, "the only growth industry in the city will be law."

For municipal employees, a default could mean that their contracts could be invalidated. For venders—all except those whose services and materials were provided within four months before the bankrptcy filing—it could mean long waits for payment, which could hurt their own solvency.

Default would be felt immediately and most severely among the holders of the city's $12.4-billion in outstanding securities. The securities would drop in value, perhaps precipitously. One estimate by Lebanthal & Co., a Wall Street bond house, estimates that two-thirds of the city's bonds, as distinct from notes, are held by individuals and not banks. The estimate was based on the firm's own past sales, amounting to about 5 per cent of the city bonds sold. City securities that have been used as collateral for loans by individuals and businesses alike could be called in question.

Banks, especially those in New York City, which are thought to hold about three-quarters of a billion dollars in city securities, would be faced with overnight losses. A recent Federal survey has concluded that about a hundred of the 14,000 banks in the nation holding large quantities of city bonds and notes would be in serious difficulty in the event of a default. Arthur Burns, the Federal Reserve chairman, has promised that the Reserve would come to the aid of member banks, permitting them large-scale borrowing with city securities as collateral at face value. But the Securities and Exchange Commission, which regulates stock trading, is apt to insist that the banks account for their portfolio losses.

The banks have been rendered more vulnerable by other losses recently—in real estate investment trusts, on oil tanker loans and by the recent bankruptcy of the W. T. Grant Company. They could also be inundated with litigation from stockholders or note buyers asserting that there should have been ample warnings that city securities were not a good buy.

As a consequence of their difficulties, the banks could restrict their own money lending. This would mean that small businesses in New York could find it more difficult to obtain loans, and individuals could find it harder to get mortgages.

Default would make it extremely difficult for the city to re-enter the money-lending market on its own for years and years. This is a serious consequence, because the city needs borrowed money to bridge the periods between the arrivals of Federal and state aid and also for capital construction projects. If the city were unable to borrow over a long term, it could not build schools, fire houses or sewers.

The problem is made still worse by the fact that 30 states have laws prohibiting various institutional investors, from insurance companies to commercial banks to guardians, from buying securities from a municipality that has previously defaulted for periods of up to 10, and in some cases, 20 years.

If default should lead to increases in taxes or a drastic reduction in city services, which is difficult to predict at this juncture, it could well hasten the exodus of businesses and the middle class from the city, further eroding its already shrinking tax base. Were this to occur, real estate values could drop and whether it happens or not, the fear of it could produce a similar result. Some say it already has.

Over the long run, it is the intangibles—fear and uncertainty—that can wreak a stark change in the quality of life of the city, that could make it a place not quite as attractive for corporations to locate in, tourists to visit and residents to live.

Mr. PROXMIRE. I thank the distinguished Senator from Minnesota, and I yield the floor.

ADJOURNMENT TO 10 A.M.

Mr. HUMPHREY. 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 10 a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m. the Senate adjourned until tomorrow, Tuesday, November 4, 1975, at 10 a.m.

NOMINATION

Executive nomination received by the Senate November 3, 1975:

IN THE JUDICIARY

Gerald B. Tjoflat, of Florida, to be U.S. circuit judge for the fifth circuit vice Bryan Simpson, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 3, 1975:

FEDERAL POWER COMMISSION

James G. Watt, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1979.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Roy K. Matsushige, to be commander, and ending Gerald E. Wheaton, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on October 20, 1975.