

H.R. 7575

By Mr. ANDERSON of Illinois:

On page 28, at line 25, strike the period (.) at the end of the sentence, insert in lieu thereof a comma (,) and add the following: "or to the Nuclear Regulatory Commission."

On page 29, strike section 20, lines 13-18, and insert in lieu thereof the following:

"Sec. 20. There are hereby authorized to be appropriated to carry out the provisions of this Act: \$5,000,000 for the fiscal year ending June 30, 1976; \$2,500,000 for the transitional period July 1, 1976, through September 30, 1976; \$10,000,000 for the fiscal year ending September 30, 1977; and \$10,000,000 for the fiscal year ending September 30, 1978."

By Mr. McCLOSKEY:

Page 26, immediately after line 5 insert the following new Section 15 and renumber succeeding sections accordingly:

TRANSFER OF PROGRAMS, OPERATIONS AND ACTIVITIES

SEC. 15. (a) (1) Except to the extent prohibited by law, the Director of the Office of Management and Budget is authorized and directed to transfer to the Agency such programs, operations, and activities of each Federal agency as (A) are duplicative of or can be performed more appropriately by the Administrator under the authority contained in this Act, and (B) may be transferred without the need for Congressional action.

(2) Transfers authorized and directed under paragraph (1) shall include but not be

limited to those programs, operations, and activities defined in paragraph (1) which are, on the date of enactment of this Act, performed by the following Federal departments and agencies: The Office of Consumer Affairs of the Department of Health, Education, and Welfare; the Office of Ombudsman for Business of the Department of Commerce; the Special Assistant to the Secretary for Consumer Affairs of the Department of Agriculture; the Special Assistant to the Secretary for Consumer Affairs of the Department of Housing and Urban Development; the Consumer Affairs Section of the Department of Justice; the Office of Consumer Affairs of the Department of Transportation; the Special Assistant to the Secretary for Consumer Affairs of the Department of the Treasury; the Consumer Inquiries Office of the Food and Drug Administration; the Public Affairs Office of the Nuclear Regulatory Commission; the Consumer Advocate of the Postal Service; the Office of Consumer Advocate of the Civil Aeronautics Board; the Office of Consumer Affairs and Special Impact of the Federal Energy Administration; the Consumer Liaison Division of the Federal Aviation Administration; the Office of Consumer Affairs of the National Highway Traffic Safety Administration; the Consumer Advisory Council of the Department of Health, Education, and Welfare; the Consumer Affairs and Special Impact Advisory Committee of the Federal Energy Administration; the National Business Council for Consumer Affairs of the Department of Commerce; the Product Safety Ad-

visory Council of the Consumer Product Safety Commission, the Hazardous Materials Advisory Committee; the Advisory Committee on Water Data for Public Use of the Department of the Interior; the Science Advisory Board's Executive Committee of the Environmental Protection Agency; and the Citizen's Advisory Committee on Transportation Quality of the Department of Transportation.

(b) The Director of the Office of Management and Budget shall, within 180 days of the date of enactment of this Act, identify and report to the Committees on Appropriations and Government Operations of the House of Representatives and of the Senate the transfers authorized and directed by paragraph (1) of subsection (A); and such report shall include (1) the actual costs during fiscal year 1975 of each of the programs, operations, and activities affected, and (2) the Director's recommendations for such additional transfers as may be necessary to avoid duplication with programs, operations, and activities of the Agency but which require Congressional action.

(c) The Administrator, pursuant to section 4 of this Act, shall be responsible for incorporating such programs, operations, and activities as are transferred pursuant to subsection (a) in such manner and to the extent he deems consistent with the Agency's responsibilities under section 5 of this Act, and issuing such organizational directives as he deems appropriate to carry out the purposes of this section.

SENATE—Wednesday, November 5, 1975

The Senate met at 9:30 a.m. and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

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

O God from whom all blessings flow, we beseech Thee to draw very near to us as we draw near to Thee, that our spirits may be lifted into divine perspective. Amid baffling problems help us to hold fast to that faith which envisions the coming of Thy kingdom. May the pressures of the world not mold us, but may we, guided by Thy mind and spirit help mold the world in the pattern of Thy righteous will. Guide us through this day, granting to us clear minds, sound hearts, calm spirits, that like the Master we may fulfill our calling as servants of the common good.

We pray in His name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 5, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK,

a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, November 4, 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.

ORDER REFERRING H.R. 9432 TO APPROPRIATE COMMITTEE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message on H.R. 9432 be referred to the appropriate committee.

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

The bill (H.R. 9432) to amend the Internal Revenue Code of 1954 in order to provide for quarterly payment, rather than annual payment, to the government of the Virgin Islands of amounts equal to internal revenue collections

made with respect to articles produced in the Virgin Islands and transported to the United States was read twice by its title and referred to the Committee on Finance.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Vice President be authorized to appoint a committee on the part of the Senate to join a like committee on the part of the House to escort President Sadat into the House Chamber.

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

OLIVER J. DOMPIERRE

Mr. GRIFFIN. Mr. President, a valuable and loyal assistant of the minority is not with us this morning. The word is that Oliver Dompierre, who is of Michigan, and who has served the minority very loyally, is in the hospital, possibly with a heart attack.

I know that everyone on our side and everyone in the Senate hopes very much he will not be in the hospital long and that soon he will be back with us.

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

Mr. GRIFFIN. Yes.

Mr. MANSFIELD. May I express the same hopes that the distinguished acting Republican leader has just stated, and to say it has been and will be in the future a pleasure to continue to work with Mr. Dompierre because of the effective way

in which he performs his responsibilities as an attaché of the Senate.

Mr. GRIFFIN. I thank the majority leader very much.

LEGISLATIVE PROGRAM

Mr. GRIFFIN. Mr. President, perhaps in fulfillment of the request made by several on our side, I wish to indicate to the majority leadership that both with respect to any possible New York City legislation and the common situs picketing legislation we have been asked to put on holds and not to agree to time limitations.

I am sure it does not come as any surprise but, perhaps, it would be well to state it.

Mr. MANSFIELD. That is correct. We have been duly notified but, as the acting Republican leader is aware, both measures are on the calendar at the present time, situs picketing for a week, and the New York City bill just on the calendar this morning. But the leadership feels it should serve notice that due to the condition of the calendar, if for no other reason—and there are other and more important reasons—those bills will be taken up as expeditiously as possible.

Mr. GRIFFIN. Would it be the expectation of the distinguished majority leader that we will try to finish the pending food assistance, foreign assistance, bill today and then go on to the so-called Sunshine bill tomorrow, with the hope of disposing of that on tomorrow?

Mr. MANSFIELD. If at all possible, and that to be followed by the military construction appropriation bill, and that to be followed by either New York City or situs picketing legislation.

Mr. GRIFFIN. I thank the majority leader. I know that will be very helpful so far as guidance of Members is concerned.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock tomorrow morning.

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

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on

tomorrow, after the two leaders or their designees have been recognized under the standing order, and after any orders for the recognition of Senators have been consummated, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

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

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider two nominations on the calendar.

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

DEPARTMENT OF THE TREASURY

The second assistant legislative clerk read the nomination of Harold F. Eberle, of California, to be a Deputy Under Secretary of the Treasury.

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

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The second assistant legislative clerk read the nomination of Marjorie Ward Lynch, of Washington, to be Under Secretary of Health, Education, and Welfare.

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

Mr. GRIFFIN. Mr. President, I ask that the President of the United States be notified of the Senate's action with respect to nominations.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

QUORUM CALL

Mr. ROBERT C. BYRD. 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. PROXMIRE. 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.

NEW YORK CITY HAS ALREADY CUT OUT 10 PERCENT OF ITS PAYROLL; MORE TO COME

Mr. PROXMIRE. Mr. President, in the discussions about the difficulties of New

York City what has been overlooked and, I think, overlooked with considerable injustice, is the fact that New York City has made some drastic reductions already in its budget. It is moving in the right direction. It has cut its spending, and cut it sharply. Too few people realize this.

I find, when I go around my own State, and when I talk to people from other States outside of New York, they have no idea that New York has already made some very, very serious reductions; that its program of moving toward a balanced budget is on target; that it has given every reason to indicate that, given an opportunity, it will, indeed, balance its budget, and it will be able to meet its obligations without going into bankruptcy.

Mr. President, I would like to disclose to the Senate a story that was told in the New York Times 10 days ago, but I find has not been read widely. It was in a back section of the New York Times. Let me indicate what has happened in the city of New York. So far the city's 300,000 payroll has been reduced by some 31,000 people. Now, that is a 10-percent cut—22,000 through layoffs and 9,211 through attrition. Here is how the reductions, estimated to save \$310 million, have affected the major services.

Police: Although serious crime continues to rise, felony arrests have dropped 15 percent in July and August from a year ago. Police Commissioner Michael J. Codd attributes this primarily to the loss of more than 3,000 uniformed personnel. Street patrol has been reduced by 6 percent, anticrime decoy teams by two-thirds, school crossing guards entirely; units in charge of organized crime have been cut 58 percent; youth aid 52 percent.

Mr. President, New York has the most serious drug problem of any city in the country, perhaps in the world. Yet, the narcotics unit has been cut 17 percent.

Fire: In eight communities where fire companies were closed, equipment response times have increased 12 to 48 seconds.

Sanitation: The dropping of 1,434 positions in July meant reduction in collection in many areas and there is no sanitation work on Sunday.

Education: Seven schools have been closed, 13 more are scheduled to be. About \$750,000 in leased space has been canceled. Regular and special education class sizes have increased to the allowable maximum on an average. Teachers in the classroom have been cut 18 percent.

Let me repeat that. Teachers in the classroom have been cut 18 percent. That means that one out of every five teachers, virtually, has been eliminated.

Paraprofessionals by 60 percent, per diem substitutes by 30 percent, school aides by 39 percent. Security problems have increased, with an average of only one guard per school.

Mr. President, in New York City that is very difficult, one guard per school.

Guidance counselors average less than one per school. Most districts are dropping continuing education, afterschool

and summer programs. The school day has been shortened by two periods a week.

Transportation: The transit fare has increased to 50 cents.

That should have been done long ago. It was a subsidy, in my view, by the Federal Government, and I am glad they have done that.

Health and hospitals: Francis Delafield Hospital was closed. Portions of two other hospitals are to be shut down. Ambulance services have been cut back. Burn-treatment units are staffed at 50 percent. Nurse staffing levels have been reduced, sometimes to one and less than one per unit. Coney Island Hospital has closed four of its seven operating rooms. Kings County Hospital has eliminated X-rays in emergency rooms, and so forth.

Social services: Bridge House and Shelter Care Treatment Center, for treatment of alcoholics, have been closed. The CHANCE program, for homemaking, child care, and nutritional guidance for welfare families, has been eliminated. Jennings's Hall, a short-term care institution, is closing. Lines at welfare centers have grown.

Housing: Emergency repair services, now confined to heat emergencies in the winter and water leaks at other times, have been reduced 50 percent.

This is something, of course, that really has an effect on poor people who live in inadequate shelter.

The central complaint office will likely close on weekends and nights. The backlog of plan examinations in the buildings department has increased from 2 to 3 weeks.

Corrections: The correction aide program, employing 154 civilians to perform social services, has been eliminated. Computer services, clerical and counseling personnel have been reduced. The closing of various institutions for non-budgetary reasons has aggravated crowding and transportation problems.

Three library systems have been cut back. In Brooklyn the branches are open from 12 p.m. to 5:30 p.m. on weekdays.

Mr. President, I think there are other economies that New York is going to have to make. We are going to require that in our bill.

But I think that what people in Congress and the country must realize is that New York has already made reductions. They have been painful reductions, difficult reductions that make it much harder for many people who live in New York, but I think this has been overlooked.

It is not enough. We have to require more reductions, but I think what it indicates is that the State, which is now in control of the city's operations, is serious when it says the city must balance its budget.

But they are making progress, and I think they have given a sufficiently adequate performance that we should give them a chance.

That is all that the bill we propose does. It is a tough bill. It is a bill that some Congressmen from New York City may oppose and have indicated strong

opposition to parts of the bill, but I think it is the kind of austerity bill and reform bill that will do the job without the risk that may be involved, the very serious risk for New York City, the State, and the whole country that bankruptcy might require.

Mr. President, I ask unanimous consent that the full article by Mr. John Darnton in the New York Times of 10 days ago be printed in the RECORD at this point.

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

[From the New York Times]

THE CUTS HAVE ALREADY BEEN FELT IN NEW YORK

(By John Darnton)

Cutting the budget of the City of New York is not precision surgery. It is an exploratory operation. The effects are somewhat unpredictable and not immediately discernible.

Last week, as Mayor Beame presented a plan for an additional \$200-million in cuts to the Emergency Financial Control Board, there were signs that earlier cuts were beginning to have a perceptible impact on city services.

How much the impact may lessen, as the city's bureaucracy and operating agencies accommodate to fewer personnel, or how much it will grow, as employee morale declines, borderline programs become ineffectual and more cuts are added is unknowable. One thing is clear, though: Inasmuch as New York's \$12.3-billion budget, now cut to \$12.1-billion, is geared toward the poor, it is they who will suffer most.

So far, the city's 300,000 payroll has been reduced by some 31,000 people—22,000 through layoffs and 9,211 through attrition. Here is how the reductions, estimated to save \$310-million, have affected major services.

Police: Although serious crime continues to rise, felony arrests have dropped 15 per cent in July and August from a year ago. Police Commissioner Michael J. Codd attributes this primarily to the loss of more than 3,000 uniformed personnel. Street patrol has been reduced by 6 per cent, anti-crime "decoy" teams by two-thirds, school-crossing guards entirely. Units in charge of organized crime have been cut 58 per cent, youth aid, 52 per cent, narcotics 17 per cent. Investigations have been curtailed.

Fire: In eight communities where fire companies were closed, equipment response times have increased 12 to 48 seconds. With 985 active firemen laid off, 200 fire companies were reduced from five-man and six-man levels. Fire fatalities are running 16 per cent less than a year ago, but this is not an index of fire-fighting efficiency.

Sanitation: The dropping of 1,434 positions in July meant reduction in collection in many areas from six times a week to three and in other areas, from three to two. Street-cleaning activities like flushing and sweeping have been cut back. There is no sanitation work on Sunday.

Education: Seven schools have been closed, 13 more are scheduled to be. About \$750,000 in leased space has been cancelled. Regular and special-education class sizes have increased to the allowable maximum on an average. Teachers in the classroom have been cut 18 per cent, paraprofessionals by 60 per cent, per diem substitutes by 30 per cent, school aides by 39 per cent. Security problems have increased, with an average of only one guard per school. Guidance counselors average less than one per school. Most districts are dropping continuing education, after-school and summer programs.

The school day has been shortened by two periods a week.

Transportation: The transit fare has increased to 50 cents. Non-rush-hour subway service has been cut back. There is a 35 per cent reduction in sidewalk and curb installations. Certain movable bridges require six hours notice for water traffic. The Staten Island ferry increased to 25 cents round trip, increased its headway from 10 to 15 minutes.

Health and Hospitals: Francis Delafield Hospital was closed. Portions of two other hospitals are to be shut down. Ambulance services have been cut back. Burn-treatment units are staffed at 50 per cent. Nurse staffing levels have been reduced, sometimes to one and less than one per unit. Coney Island Hospital has closed 4 of its 7 operating rooms. Kings County Hospital has eliminated X-rays in emergency rooms from 4 P.M. to 8 A.M. Elective treatment has been delayed. Delay in obtaining out-patient-clinic treatment has increased at one hospital from 10 to 17 weeks. Geriatric and psychiatric services have been reduced. Admissions to four nursing homes have been halted.

Social Services: Bridge House and Shelter Care Treatment Center, for treatment of alcoholics, have been closed. The CHANCE program, for homemaking, child care and nutritional guidance for welfare families, has been eliminated. Jennings's Hall, a short-term care institution, is closing. Lines at welfare centers have grown.

Housing: Emergency repair services, now confined to heat emergencies in the winter and water leaks at other times, have been reduced 50 per cent. The Central Complaint Office will likely close on weekends and nights. The backlog of plan examinations in the buildings department has increased from two to three weeks.

Corrections: The correction aide program, employing 154 civilians to perform social services, has been eliminated. Computer services, clerical and counseling personnel have been reduced. The closing of various institutions for nonbudgetary reasons has aggravated crowding and transportation problems.

Libraries and Cultural Institutions: The three library systems, the New York Public Library, the Queensborough Public Library and the Brooklyn Public Library, have reduced hours rather than close branches. Some have cut weekend service to a minimum. In Brooklyn the branches are open from 12 P.M. to 5:30 P.M. on weekdays. The larger cultural institutions, including the American Museum of Natural History, the New York Zoological Society, the Brooklyn Museum, and the Metropolitan Museum of Art, may soon have to close additional days each week, shut down exhibit areas on a rotating basis, or otherwise restrict their operations.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum and I yield the floor.

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

The assistant legislative clerk proceeded to call the roll.

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

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

THE NEW YORK CITY FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, I note that S. 2615, a bill to provide for the voluntary reorganization of municipal debt, and for other purposes, spe-

cifically dealing with New York City, is on the calendar.

This proposal, of course, is a proposal to bail out New York City from its financial difficulties. The purpose is to prevent a default on New York City bonds.

A guarantee of these bonds will not put one thin dime into the pockets of the 8 million citizens of New York.

It will, however, guarantee the bondholders against loss.

The major bondholders are New York banks.

Regardless of how one may feel as to the wisdom or lack of wisdom of the Federal Government guaranteeing the bonds of a State or municipality, I would think that every Member of the Senate would want to have the full facts before voting on the bailout legislation.

Among the facts which have not yet been made available to the public are the holdings by the individual banks of New York City in New York bonds.

The New York banks are the major bondholders.

I would think that the Senate would certainly want to know by how many hundreds of millions of dollars each of these banks will be benefited if the legislation S. 2615 is approved by the Congress.

The committee report, I understand, is not yet available at 9:55 this morning, Wednesday, November 5. It is possible, but I might say not probable, that that committee report could contain the information I am now seeking.

When the committee report is available, of course, I will examine it carefully for that information.

But if the information is not forthcoming, I would urge the Senate to delay consideration of S. 2615 until the Senate has presented to it the amount of bonds held by the New York City banks.

That is a crucial piece of information; there are hundreds of millions of dollars involved, hundreds of millions of dollars of benefit which will accrue to those banks.

Before we vote benefits in the nature of a guarantee of their investment, it is important, I feel, that the public have access to the information as to the amount of bonds held by those banks.

In connection with this matter, the Newport News Times-Herald of October 30, 1975, published an excellent editorial. The editor of the editorial page is George W. Passage, whom I have known for many years. He is an outstanding newspaperman.

I ask unanimous consent that this editorial be printed at this point in the RECORD.

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

[From the Times-Herald, Oct. 30, 1975]

REPRIEVE

President Ford has offered a way for New York to go bankrupt 'in an orderly manner' by suggesting amendments to the federal bankruptcy bill and by offering the profligate administration of Fun City a federal program for essential services during a transition period. In essence, Mr. Ford followed the advice of Federal Reserve System chairman

Arthur Burns in a 'bailout' program only after New York City defaults on its debts and goes into bankruptcy.

That provision, apparently, is the bottom line for conservative approval in Congress for a billion dollar loan program.

The whole Ford approach developed from White House worries that the plight of New York was putting the President on the political defensive in a key state in next year's elections. His decision came as a stunning surprise to members of the Senate Banking Committee who were on the verge of approving a measure for full Senate action that would have allowed New York to restructure its debt under federal and state supervision.

Unfortunately, these same political factors played a key role in efforts to assess the situation with accuracy and therefore to determine whether federal aid is really needed.

We have felt ever since the crisis became nationally apparent (it has been hidden by some pretty devious bookkeeping for more than a decade) that the federal government, i.e., the taxpayers from Virginia Beach to Vallejo, Cal., were not required to pay for the fiscal fagings and the union blackmail that has been synonymous with New York City.

There has been no demonstration either by the city's administration or the union bosses who really rule up there that they are willing to make the same sacrifices being made by most other cities in the nation. And the example of precedent will not only set off a stampede by other cities for federal bailouts but will enable the federal government to take over what's left of municipal governments around the country.

Nothing has happened in the past weeks to change that opinion.

The worriers warn that the nation will collapse if federal action is not taken. But world and national markets kept things under control weeks ago when New York knew it couldn't meet its bond deadlines. If the feds rush in where bankers fear to tread, maybe in the future they will look more closely at requests for big municipal bond programs, and that's not bad, either.

A city should be able to stand on its own financial feet. New York, as well.

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. ROBERT C. BYRD. 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. Marks, one of his secretaries.

DISTRICT OF COLUMBIA BUDGET FOR 1976—MESSAGE FROM THE PRESIDENT

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

To the Congress of the United States:

I am today transmitting for your consideration the budget of the District

of Columbia for fiscal year 1976 and for the transition period July 1, 1976, through September 30, 1976.

This budget is the first prepared by the city government in full exercise of its powers under the District of Columbia Self-Government and Governmental Reorganization Act. It reflects the results of a constructive city budget process which included participation by many District citizens. As such, this Home Rule budget represents a cornerstone of responsible city government and confirms the strength of a Federal-local partnership in the administration of Washington, D.C.

This budget also carries the Nation's Capital and the District community through the peak of our Nation's Bicentennial observance. I urge the Congress to review these proposals with the knowledge that Washington will be a focal point for the national celebration and that the city will be visited by greater numbers of American and foreign visitors than ever before. At the same time, residents of Washington, who also take pride in their own community, plan local observances just as other cities do across the country. It is, therefore, important that the Congress act promptly on the District budget for 1976.

GERALD R. FORD.

THE WHITE HOUSE, November 5, 1975.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate a message from the President of the United States submitting the nomination of Roger W. Hooker, Jr., of New York, to be an Assistant Secretary of Transportation, which was referred to the Committee on Commerce; and withdrawing the nomination submitted on November 5, 1976, of Robert W. Hooker, Jr., of the District of Columbia, to be an Assistant Secretary of Transportation.

MESSAGES FROM THE HOUSE

At 11:05 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the following bills:

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; and

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

The message further announced that the House has passed the bill (S. 1617) to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House recedes from its disagreement to the amendment of the Senate numbered 4 to the bill (H.R. 6334) to amend further the Peace Corps Act, and concurs

therein with an amendment in which it requests the concurrence of the Senate.

The message further announced that, pursuant to the provisions of section 4 (a), Public Law 94-118, the Speaker has appointed as members on the part of the House of the Japan-United States Friendship Commission Mr. ZABLOCKI and Mr. TALCOTT.

The message also announced that the House insists upon its amendment to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MORGAN, Mr. ZABLOCKI, Mr. HAYS of Ohio, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. BUCHANAN were appointed managers of the conference on the part of the House.

The message further announced that the House has passed the following bills in which it requests the concurrence of the Senate:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory";

H.R. 2724. An act to provide for establishment of the Father Marquette National Memorial near St. Ignace, Mich., and for other purposes;

H.R. 2943. An act for the relief of the estate of James J. Caldwell;

H.R. 4654. An act for the relief of Day's Sportswear, Inc.;

H.R. 7862. An act to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agricultural producers, and to enlarge the access of production credit associations to Federal district courts;

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Foreign Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes;

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status;

H.R. 8891. An act to require that a national cemetery be established at March Air Force Base in California and at Otis Air Force Base in Massachusetts;

H.R. 10073. An act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes;

H.R. 10339. An act to encourage the direct marketing of agricultural commodities from farmers to consumers; and

H.R. 10355. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes.

ENROLLED BILLS SIGNED

At 1:55 p.m., a message from the House of Representatives delivered by Mr. Hackney announced that the Speaker has signed the following enrolled bills:

S. 24. An act to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes.

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

The enrolled bills were subsequently signed by the President pro tempore.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 7727. An act to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns (Rept. No. 94-445).

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

S. Res. 265. A resolution to protect the ability of the United States to trade abroad (Rept. No. 94-444).

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 2343. An act to designate the new Forest Service laboratory at Auburn, Ala., as the "George W. Andrews Forestry Sciences Laboratory"; to the Committee on Agriculture and Forestry.

H.R. 2724. An act to provide for establishment of the Father Marquette National Memorial near Saint Ignace, Mich., and for other purposes; to the Committee on Rules and Administration.

H.R. 2943. An act for the relief of the estate of James J. Caldwell; to the Committee on the Judiciary.

H.R. 4654. An act for the relief of Day's Sportswear, Inc.; to the Committee on the Judiciary.

H.R. 7862. An act to amend the Farm Credit Act of 1971 relating to credit eligibility for cooperatives serving agricultural producers, and to enlarge the access of production credit associations to Federal district courts; to the Committee on Agriculture and Forestry.

H.R. 10027. An act to authorize the Secretary of Agriculture to enter into cooperative agreements which benefit certain Foreign Service programs and to advance or reimburse funds to cooperators for work performed, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 8507. An act to revise the per diem allowance authorized for members of the American Battle Monuments Commission when in a travel status; to the Committee on Interior and Insular Affairs.

H.R. 8891. An act to require that a national cemetery be established at March Air Force Base in California and at Otis Air Force Base in Massachusetts; to the Committee on Veterans Affairs.

H.R. 10073. An act to provide for the mandatory inspection of domesticated rabbits slaughtered for human food, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 10339. An act to encourage the direct marketing of agricultural commodities from farmers to consumers; to the Committee on Agriculture and Forestry.

H.R. 10355. An act to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension and dependency and indemnity compensation, to increase income limitations, and for other purposes; to the Committee on Veterans Affairs.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, November 5, 1975, he presented to the President of the United States the following enrolled bills:

S. 24. An act to carry into effect certain provisions of the Patent Cooperation Treaty, and for other purposes;

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; and

S. 1649. An act to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. MANSFIELD:

S. 2616. A bill for the relief of Maria E. Boale. Referred to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON:

S. 2617. A bill to establish an Office for Minority Business Development and Assistance in the Department of Commerce. Referred to the Committee on Government Operations.

By Mr. MOSS:

S. 2618. A bill for the relief of Chea Hyo Suk. Referred to the Committee on the Judiciary.

By Mr. CANNON:

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board. Referred to the Committee on Rules and Administration.

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319). Referred to the Committee on Rules and Administration.

By Mr. NELSON:

S. 2621. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed. Referred to the Committee on Labor and Public Welfare.

By Mr. BROCK:

S. 2622. A bill to assure the financial viability of the Social Security system. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 2623. A bill to promote the development of American handicrafts. Referred to the Committee on Labor and Public Welfare.

By Mr. BENTSEN:

S. 2624. A bill to authorize the Administrator of General Services, or his designee, to utilize the money proceeds from the disposal of land at the Fort Bliss Military Reservation to purchase lands in El Paso County, Tex., for subsequent transferral to the Secretary of the Army or his designee. Referred to the Committee on Government Operations.

By Mr. MATHIAS:

S. 2625. A bill to amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. Referred to the Committee on Finance.

S. 2626. A bill to authorize advance disapproval by Congress of any increase in rates charged under health benefit plans author-

ized under sections 8902 and 8903 of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

By Mr. GRAVEL:

S. 2627. A bill to establish a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, and the Committee on Public Works.

By Mr. HUGH SCOTT:

S.J. Res. 145. A joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 2619. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States by the Library of Congress Trust Fund Board. Referred to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, I am today introducing a bill to increase the amount of interest paid on the trust funds deposited with the U.S. Treasury by the Library of Congress Trust Fund Board.

The Library of Congress Trust Fund Board has received gifts and bequests to establish trusts for the pursuit of certain objectives. These trusts operate on the income generated from the funds deposited in trust with the U.S. Treasury. When the Library of Congress Trust Fund Board Act was approved the rate of 4 per centum per annum was a fair rate, and sufficient annual income was generated to carry out the purposes of the trusts. Since the time many of the trusts were created, however, inflated costs have made it more and more difficult to accomplish the purposes intended with the income received. Also interest rates have increased substantially. It can be noted that during 1974 even short-term Government borrowings, for example, short-term Treasury bills, were at rates of interest near 8 per centum per annum.

The Library's trust funds deposited with the Treasury have been limited by the 1925 law to an annual interest rate of 4 percent. The draft bill would amend the law to allow a rate of interest to be determined by the Secretary of the Treasury, the Chairman of the Library of Congress Trust Fund Board, taking into consideration the current average market yield on outstanding marketable obligations of the United States.

This bill would allow a rate of interest equal to that of similarly situated trust funds, such as the railroad retirement fund, the civil service retirement fund, and the permanent fund of the U.S. Soldiers' and Airmen's Home. It also protects the return on the permanent loan funds from falling below the level of return provided in the present law. It continues the rate of interest at 4 percent per annum if the formula rate should fall below 4 percent per annum. The twenty-five hundredths percent per annum reduction in the rate of return in

the formula rate is to provide a trade-off for the establishment of a floor of 4 percent per annum on the investment's return. It is necessary to maintain this floor, because much of the trust fund is controlled by trust instruments that require investment in a permanent loan to the U.S. Treasury bearing interest at the rate of 4 percent per annum. This reduction in the formula rate of return is an equitable exchange for the guaranteed 4 percent minimum.

It was only recently, on December 15, 1973, that Public Law 93-185 was approved, which increased the rate of interest paid on similar funds deposited in the U.S. Treasury by the U.S. Soldiers' and Airmen's Home. That rate was increased from 3 percent to the rate proposed by this bill.

By Mr. CANNON:

S. 2620. A bill to provide for adjusting the amount of interest paid on funds deposited with the Treasury of the United States pursuant to the act of August 20, 1912 (37 Stat. 319). Referred to the Committee on Rules and Administration.

Mr. CANNON. Mr. President, I am today introducing a bill to increase the amount of interest paid on the Library of Congress trust fund deposited with the U.S. Treasury under the act of August 20, 1912. This bill would provide that such interest be comparable to that paid pursuant to 2 U.S.C. 158 on other funds deposited in the U.S. Treasury by the Library of Congress Trust Fund Board.

By Mr. NELSON:

S. 2621. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed. Referred to the Committee on Labor and Public Welfare.

Mr. NELSON. Mr. President, under the current provisions of the Federal Food, Drug, and Cosmetic Act, prescription drug product labels must bear the name and place of business of the manufacturer, packer, or distributor. Where such a drug is not manufactured by the person whose name appears on the label, FDA regulations require that the name on the label must be qualified by a phrase which indicates the connection such person has with the drug. Until recently the laws in all 50 States have paralleled this Federal requirement so that a single label has sufficed for prescription drug products distributed throughout the States.

Within the past 3 years, several States have adopted different laws requiring that prescription drug labels identify the manufacturer in all cases. These State laws differ substantially, not only among themselves, but also differ from the Federal law. The result is that, in many cases where more than one company is involved in the manufacture and distribution of a prescription drug product, a single label no longer will meet the requirements of all the States. This fact, plus the desirability of having the actual manufacturer clearly identified for the information of the pharmacist and physician suggests that the Federal law be amended. Since a uniform national re-

quirement is desirable, I am today introducing a bill which would require the identity of the actual manufacturer of the finished dosage form of a prescription drug to be designated on product labels, if that manufacturer is different from the party assuming responsibility for the distribution of the product.

The American Pharmaceutical Association, the Pharmaceutical Manufacturers Association, and other organizations support the enactment of this legislation at the Federal level.

It is my understanding that the National Association of Retail Druggists, the National Association of Boards of Pharmacy, and the American Society of Hospital Pharmacists, also support such a bill.

By Mr. BROCK:

S. 2622. A bill to assure the financial viability of the social security system. Referred to the Committee on Finance.

Mr. BROCK. Mr. President, today I am introducing a bill which aims at assuring the financial strength of the social security system. Americans of all ages are duly concerned about the financial viability of the social security trust fund, and I believe the time has come to put some of these worries to rest. Accordingly, the purpose of this bill is to reconfirm and implement the Federal Government's responsibilities in this regard.

A few months ago the Wall Street Journal in an editorial warned that the social security program may be heading toward the same financial disaster which now faces the city of New York. Understandably, the article attracted widespread attention throughout the Nation and my office was flooded with letters from anxious constituents who, quite naturally, were concerned about their old age security. While it seems that the Wall Street Journal unduly dramatized the problem, it still remains true that the 1975 expenditures under the old age survivors and disability insurance programs will this year exceed income by about \$3 billion. Moreover, current estimates show that under present law, outgo will exceed income in each future year. It is, therefore, not surprising that a great number of public organizations and well qualified private individuals have since come forth with various proposals aimed at preventing an insolvency of the system.

In this connection, it is necessary to remember that OASDI was never designed and should not be expected to perform the entire job of assuring economic security for the aged and the disabled and their families or survivors. However, as the primary means of providing a minimum retirement income base, OASDI is the core of our country's total system of income protection. This OASDI must be supplemented by effective private pensions as well as by special programs for those whose earnings were so low that their social security benefits are inadequate.

We also must keep in mind that the cash benefits program has been financed from the very beginning by an earmarked tax levied equally on employers and employees. When the social security sys-

tem was planned, and at times since then, the possibility of general revenue support for this system was considered. Fortunately though, over the years Congress has insisted that with minor exceptions, social security cash benefits should be financed out of payroll taxes. Such financing helps to distinguish OASDI from purely welfare programs and promotes greater understanding of the program costs. It could be expected that at this critical juncture, proposals would come up again to open the gates of general revenue subsidies, but as before, many question the dangers implicit in such an approach.

Others are suggesting an increase of the 5.8 percent tax rate on employees and employers. Since the payroll tax system is regressive in nature, the burden of the tax falls disproportionately upon lower paid workers. Moreover, in my opinion, current rates are already burdensome to the point of becoming counterproductive.

Again, others proposed that a much higher taxable earnings base than the present \$14,100 would be a desirable way to solve at least part of the financing problem. This step, though, would increase revenues inadequately. Moreover, such an increase would be inequitable because the additional tax burden placed on a higher paid employee would far outweigh the increase in his benefits.

As indicated, the OASDI program is financed from taxes on covered earnings, because Congress has historically attempted to insure that the benefits of the program are related to the earnings of the worker. This is true even when the beneficiary is a spouse or dependent survivor.

The same principle, however, does not apply to benefits under part A of the medicare program. There, the amount of the benefits is determined by the hospital and related health care costs of an individual and bears no relationship to his wages. Under these circumstances, there does not seem to be any real reason for funding such costs by a tax on wages. Hospital insurance expenditures would seem to be more properly funded from general revenues. Accordingly, the advisory council on social security recommended, and I am supporting, this approach. If adopted by Congress, it would make a significant contribution to the continued solvency of the OASDI program without an immediate increase in total social security tax rates to which I remain opposed.

I know alternatives will be suggested by others, and am confident many will prove superior in some fashion to my suggestion. It is time for the discussion to begin, though. The problem is with us now, and further delay will only magnify the difficulty of achieving responsible, and affordable, answers.

I introduce this bill in hopes that it will encourage others to join in meeting our common responsibility to the social security system and those whose personal security depends upon it.

By Mr. MATHIAS:

S. 2623. A bill to promote the development of American handicrafts. Referred

to the Committee on Labor and Public Welfare.

Mr. MATHIAS. Mr. President, much of the legislation introduced in recent months relates in one form or another to the economy, or at least can be tied indirectly to the economy. The legislation to promote American handicrafts which I introduce today is no exception. For while I would like to stress merely the cultural benefits of this bill, the facts are that such support makes good economic sense, as well as offering Americans a greater opportunity to enjoy and know about their own handicrafts.

The number of Americans making and buying American handicrafts is growing each year. Fairs spring up and cause traffic jams wherever they take place and the quality of the products offered is indicative of the talent which is available in the American crafts field. Thus, I feel the legislation which I introduced in 1973 to promote the development of American handicrafts and which I introduce today in a revised version, is probably more relevant and more needed now. I have worked with many Federal agencies over the past months which are involved in the crafts scene and it is clear from these discussions that a central focus is needed in Washington to provide first of all a place to show off the wide variety of American crafts. Second, it will provide a coordinated approach to craft development and will make available a coordinated assistance package to crafts persons in needed areas. It is clear that crafts persons could benefit greatly from marketing assistance, health and safety guidelines, design control, and a more effective communication and coordination channel among crafts councils, organizations in the private sector and crafts persons in general.

I have also become aware of the potential for increased attention to be paid to the training of apprentices in every type of craft. Such an effort would not only insure a level of quality in American craft production, it would provide opportunities to develop programs in areas of high unemployment which might serve as master crafts/apprentice pilot projects. These projects could help ease unemployment and develop regional markets for crafts produced through these relationships and for regional craft development. In short, through establishing a coordinated effort in Washington with goals for both a national center and regional development potential, we will be able to tie together heretofore scattered efforts to help America's crafts persons. While these efforts are certainly substantial, they could be much more effective with an active coordinating body in existence.

I have always been impressed in my visits to other countries with the availability of handcraft products in places accessible to visitors, whether local or international. These products are of high quality and offer the purchaser a lasting souvenir of the cultural fabric of the country. The establishment of a National Center in Washington would give us what most countries have already. Craft persons and organizations would support a Center with their interest and their products and it is my belief that the

Americans visiting Washington as well as the foreign visitors to the Capital could well support such a Center and offer the potential of a self-supporting Center, once established. As an example of the potential economic benefits craft support will yield, it is interesting to note that a 1-month sale of mountain crafts sponsored by the community services in Washington last year grossed \$10,000 in sales. These were crafts produced in economically depressed areas of the country. The statistics available for sales from crafts fairs show the mushrooming interest in obtaining hand creativity and individuality. I have a table showing three examples of the increased patronage which arts fairs are attracting and these are not the most recent figures. But the upward trend is clearly evident. I ask unanimous consent that the table be printed at this point in the RECORD.

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

BLUE RIDGE HEARTHSIDE CRAFTS ASSOCIATION,
BOONE, N.C.

Year	Number of members	Gross sales
1968.....	10	\$6,000
1969.....	57	12,000
1970.....	187	70,000
1971.....	326	100,000

¹ Projected total based on actual sales of \$75,000 by Mar. 1, 1971.

KENTUCKY GUILD OF ARTISTS AND CRAFTSMEN, BEREA
COLLEGE FOREST

Year	Attendance	Sales
1967.....	5,000	\$8,317
1968.....	7,500	12,779
1969.....	17,411	18,718
1970.....	12,252	35,899

¹ Rain.

WEST VIRGINIA DEPARTMENT OF COMMERCE, MOUNTAIN
STATE AND CRAFT FAIR, RIPLEY, W. VA.

Year	Attendance	Craft sales	Food sales
1963.....	6,500	\$7,500	(¹)
1964.....	10,074	11,500	(¹)
1965.....	20,700	20,000	(¹)
1966.....	17,811	20,200	(¹)
1967.....	20,199	25,423	\$21,307
1968.....	36,154	53,065	32,257
1969.....	37,126	66,914	35,532
1970.....	45,000	91,663	42,000
1971.....	46,000	96,000	54,000
1972.....	62,000	132,444	61,378

¹ Not recorded.

Source: U.S. Department of Commerce, Economic Development Administration, May 1974, "The Potential of Handicrafts as a Viable Economic Force."

Mr. MATHIAS. This increased interest places more pressure on crafts people in matters of adequate marketing, knowledge, quality control, health and safety and taxes. While some of this help is available, there is no one place for the crafts persons to go for a package of related assistance. My bill would provide for the National Endowment for the Arts to conduct a study to make recommendations for better coordination

of Federal programs and to develop a nationwide plan to support American handicrafts.

The National Endowment for the Arts has begun work already to develop crafts efforts. My bill would hopefully supplement and complement their efforts. The National Endowment also serves as the home of the Interagency Crafts Committee which was formed to give a coordinating vehicle to Federal crafts efforts. The Interagency Committee has never had a central office, however, nor even a one person staff to help follow up their meetings and suggestions for improving crafts information and initiatives. Thus, with the establishment of a National Craft Center, there is also a provision for facilities for the Interagency Committee to be housed in the Craft Center.

I would like to stress that in addition to introducing this legislation I shall continue to work with those agencies, departments and organizations who are seeking to coordinate and support the American crafts scene. It is clear that only through this communication will any effort to establish a National Crafts Center and supporting regional efforts become a reality. It is my hope that we can continue to work simultaneously toward the National Center and toward providing effective assistance to crafts persons throughout the United States on a regional basis. There is great potential for effective coordination of crafts programs. My bill will help realize this potential and I ask for early consideration in committee and in the Senate.

By Mr. BENTSEN:

S. 2624. A bill to authorize the Administrator of General Services, or his designee, to utilize the money proceeds from the disposal of land at the Fort Bliss Military Reservation to purchase lands in El Paso County, Tex., for subsequent transferral to the Secretary of the Army or his designee. Referred to the Committee on Government Operations.

Mr. BENTSEN. Mr. President, I am today introducing legislation which will facilitate the transfer and exchange of several tracts of land adjacent to Fort Bliss, Tex.

The Army has indicated its intention to have the General Services Administration dispose of the Castner Range, some 8,300 acres at Fort Bliss. It has also indicated its desire to purchase land, known as Maneuver Area No. 2, which it has leased from private landowners since World War II.

Disposal of the Castner Range could provide much of the needed funds to purchase Maneuver Area No. 2. However, section 2 of the Land and Water Conservation Fund Act of 1965, as amended, and section 204 of the Federal Property and Administrative Services Act of 1949, would make this proposed funding mechanism impossible. The law now requires that the proceeds of all public lands sold by the GSA must revert to the Land and Water Conservation Fund.

The legislation I introduce today would, therefore, authorize the use by the GSA in this one instance of the proceeds from the sale of one plot of land for the purchase of another for the Army at Fort Bliss. The Honorable RICHARD

C. WHITE, who represents El Paso and in whose district Fort Bliss lies, has already introduced this measure in the House, and I am hopeful that both Chambers can proceed rapidly in approving this request.

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

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

S. 2624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of Section 2 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-5(a)) and Section 204 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 485), the Administrator of General Services, or his designee, is authorized to utilize the money proceeds received from the disposal of certain surplus real property at the Fort Bliss Military Reservation, El Paso County, Texas, to purchase for the United States certain land in El Paso County, Texas, at fair market value, said land being more particularly described as follows:

In Block 78, Township 1, T and P Railroad Survey, Sections 1; 3; 5; 7; 9; 11; 13; 15; 17; 19; 21; 23; 25; 27; 29; 31; 33; 35; 37; 39; 41; 45; and 47;

In Block 79, Township 1, T and P Railroad Survey, Sections 1; 3; 9; 11; 13; 15; 23; 25; 35; 37; 45; and 47;

In Block 79, Township 2, T and P Railroad Survey, Sections 1; 3; 9; 11; 13; 15; 21; and 23; containing 28,160 acres, more or less.

Sec. 2. The land to be disposed of at the Fort Bliss Military Reservation for the purpose of this Act shall be selected by the Administrator of General Services, or his designee, from surplus land in the Castner Range area of Fort Bliss lying within the following sections:

In Block 81, Township 1, T and P Railroad Survey, Sections 26; 31; 36; and 37.

In Block 81, Township 2, T and P Railroad Survey, Sections 2 and 3.

Sec. 3. The money proceeds from disposal of the surplus land selected under Section 2 of this Act shall be those received from disposal less the direct expenses to GSA for surveying, appraising and advertising in connection with such disposal. Payments from such proceeds may be used either to pay such expenses directly or to reimburse the fund or appropriation initially bearing such expenses.

Sec. 4. Following the acquisition of any or all of the land described in Section 1 of this Act, the Administrator of General Services, or his designee, shall transfer such land to the Secretary of the Army or his designee, for incorporation in the Fort Bliss Military Reservation.

By Mr. MATHIAS:

S. 2625. A bill to amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. Referred to the Committee on Finance.

S. 2626. A bill to authorize advance disapproval by Congress of any increase in rates charged under health benefit plans authorized under sections 8902 and 8903 of title 5, United States Code. Referred to the Committee on Post Office and Civil Service.

Mr. MATHIAS. Mr. President, I send to the desk two bills and ask that they

be referred to the appropriate committees for prompt consideration.

The first bill would amend the Social Security Act to allow certain employees of the Government who are eligible for health insurance benefits under title XVIII of such act to receive coverage thereunder without regard to other health insurance plans. The second bill authorizes advance disapproval by Congress of any increase in rates charged under health benefit plans authorized under sections 8902 and 8903 of title 5, United States Code.

Both bills, in my judgment, deserve immediate consideration and action by the Congress. The U.S. Civil Service Commission's recent announcement of a sharp rate increase in the Federal employees health benefits program makes action on this legislation even more compelling.

On January 1, 1976, the new premium rates for plans participating in the FEHB program are supposed to take effect. Because of section 1862(c) of the Social Security Act, which also takes effect on January 1, 1976, FEHB carriers will be required to pay out an additional quarter of a billion dollars in 1976. Briefly, section 1862(c) provides that no payment may be made under the medicare program after January 1, 1976, for any item or service covered by the FEHB program unless prior to that date Federal employees are provided with coverage supplementary to parts A and B of the medicare program.

The \$250 million additional payout by the carriers, however, will ultimately result in additional increases in employee's premium rates. This is particularly distressing since premium rates are already scheduled for a sharp increase because of nationwide increases in the cost of health care.

The U.S. Civil Service Commission has noted that, if we were to allow section 1862(c) take effect—

The FEHB program would become the only group health program in the nation in which Medicare does not pay benefits before the incumbent concerned receives the benefits of his group insurance.

According to the Civil Service Commission and the GAO, maintaining the current system of coordinating benefits for those Federal employees also covered by medicare might be the best course of action for the Congress to pursue. I ask unanimous consent that a portion of an August 4, 1975, report to the House Committee on Post Office and Civil Service by the Comptroller General of the United States which discusses the option of maintaining the present system be printed in the RECORD.

Additionally, I ask unanimous consent that pertinent sections of a joint Department of HEW and Civil Service Commission Report to Committees of the Congress on Improved Coordination Between Medicare and the FEHB Program be printed in the RECORD at this point, together with two tables prepared by the Civil Service Commission which set forth the effects of section 1862(c) on premium rates if we allow it to remain in Public Law 92-603 and the effect on premium rates if we act to repeal this section.

There being no objection, the mate-

rial was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

REPORT TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, HOUSE OF REPRESENTATIVES BY THE COMPTROLLER GENERAL OF THE UNITED STATES: PROPOSED COORDINATION BETWEEN THE MEDICARE AND THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAMS (EXCERPT)

MAINTAIN PRESENT SYSTEM

According to the Director of CSC's Bureau of Retirement, Insurance, and Occupational Health, CSC prefers the present system and the HEW-CSC proposal was developed only to comply with the intent of section 210.

CSC has sent to annuitants during open seasons a notice stating:

"All plans under the Federal Employees Health Benefits Program adjust their benefits so that they supplement, rather than duplicate, Medicare benefits. Both Government-wide plans and most employee organization plans have a low option which will, in most cases, *adequately supplement both parts of Medicare at less cost to you than the high option.* If your Medicare card(s) show that both you and your spouse have Part A hospital insurance and Part B medical insurance and you are in the high option of a plan (or in a plan with only one option), *you may wish to consider the advisability of changing to a less expensive low option in the same or a different plan.*" (Italics supplied.)

According to CSC estimates, in June 1976 about 28 percent of enrollees age 65 and over covered by both Medicare Parts A and B will be enrolled under a low option plan. The HEW-CSC proposal would increase health benefits mainly for family members not covered by Medicare who are now in low option FEHB plans because they would then receive high option coverage.

If the present system is maintained, CSC could prepare a publication showing how certain low option plans adjust their benefits to supplement Medicare and compare this with how high option plans adjust their benefits. This publication could show how most medical costs are paid with little out-of-pocket expense for an enrollee who also qualifies for Medicare Parts A and B. This could encourage more FEHB program enrollees age 65 and over with Medicare to switch to the less expensive low option plans. The high and low option monthly withholding rates for the two Government-wide plans are shown in the following table.

1975 monthly enrollee cost

Service benefit plan:	
Self-only high option.....	\$11.70
Self-only low option.....	2.21
Self and family high option.....	27.90
Self and family low option.....	5.41

Indemnity benefit plan:

Self-only high option.....	8.41
Self-only low option.....	3.44
Self and family high option.....	21.16
Self and family low option.....	8.52

It appears that the major difference between the high and low option plans of the two Government-wide plans for people covered by both parts of Medicare is the maximum lifetime limitation.

The major advantages of maintaining the present system are that (1) it would not increase the Government's costs and (2) according to CSC, low option coverage of most FEHB plans appears to be an adequate supplement to Medicare.

The major disadvantage of this system is that FEHB enrollees who are also covered by Medicare do not derive full value of their FEHB premium. However, other groups in the FEHB program, who do not have Medicare, also do not receive full value for their FEHB premium.

EXHIBIT 2

JOINT DHEW-CSC REPORT ON IMPROVED COORDINATION BETWEEN MEDICARE AND THE FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE AND THE COMMITTEE ON WAYS AND MEANS OF THE HOUSE OF REPRESENTATIVES AND TO THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE AND THE COMMITTEE ON FINANCE OF THE SENATE, REQUIRED BY PUBLIC LAW 93-480 TO EFFECTUATE SECTION 1862(c) OF THE SOCIAL SECURITY ACT ON JANUARY 1, 1976, RATHER THAN JULY 1, 1975

EXCERPT

V. Results if the 1862(c) Exclusion Goes Into Effect

One possible response to the difficulties of instituting the FEHB options as specified in section 1862(c) is to take no action to make complementary coverage available under the FEHB program. If this were to occur, then on January 1, 1976, Federal employees and annuitants covered by the FEHB program will be excluded from Medicare coverage which duplicates that provided by FEHB. SSA has determined, based on advice from its Office of the General Counsel, that the exclusionary language of section 1862(c) relates to coverage, not payments, and thus, would prohibit Medicare from making any payment for items and services covered under a FEHB plan in which the beneficiary is also enrolled, even though FEHB would not pay for such items and services. This occurs primarily when deductibles and coinsurance are involved.

From the standpoint of the FEHB plans, this alternative would be relatively simple to administer. A FEHB plan would pay its benefits in full (subject, of course, to any deductibles and coinsurance) without regard to whether the beneficiary is also covered by Medicare; and Medicare would not make any payment for items and services covered un-

der the beneficiary's FEHB plan even though the employee or annuitant did not receive payment for such items or services by reason of such deductibles and coinsurance.

This result would not only frustrate the intent of the Congress in enacting section 2862 (c), but it would also result in a serious disadvantage to dually entitled beneficiaries by depriving them of a substantial part of their Medicare protection. In addition, beneficiaries would have larger out-of-pocket expenses as they would have to pay FEHB deductible and coinsurance amounts. Furthermore, it would also cause serious administrative problems for the Medicare program. For example: (1) many inquiries would be received from Medicare beneficiaries injured by the denial of Medicare benefits for FEHB covered services, for which no payment or only partial payment was received under the latter program, (2) it would be necessary for SSA to develop and apply policies for implementing the FEHB exclusion, i.e., for determining whether items and services are covered under the particular beneficiary's FEHB plan, and (3) the Medicare carriers and intermediaries would have to stay abreast of the benefits offered by 114 or more FEHB plan options in order to avoid paying for FEHB covered services.

The elimination of Medicare coverage for dually entitled individuals would result in increased premiums for all FEHB employees and annuitants, and the Government. The Government contribution to FEHB coverage for 1976 would be increased by \$127,000,000 and enrollees would have to pay an additional \$108,000,000. These increases would be offset to some extent by corresponding decreases in costs to the Medicare program and to beneficiaries who would cancel their Part B enrollment and thus save the Part B monthly premium.

Those options which contain the greatest proportion of enrollees who, are individuals covered by Medicare would require the largest rate increases. Therefore, those individuals who are intended to be helped by section 1862(c) would be hit with the highest proportionate rate increase. In addition, persons who currently have Medicare and a low option FEHB plan, which together generally pay 100 percent of covered expenses, would need to consider changing to a high option in order to get relatively similar, although lesser, protection. (Whether or not such persons switched to a high option plan, they might also want to cancel their enrollment in Part B of Medicare, since they would generally derive very little benefit from such coverage.) This accounts for the additional cost to the Government and enrollees in the event section 1862(c) goes into effect.

EXHIBIT 3A

FEHB PROGRAM PRIMARY

[Rates if present social security law is not amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1976 biweekly premium rates					Change in employee pays
	1975 total premium	Total premium	Government pays	Employee pays		
Blue Cross-Blue Shield:						
High self.....	\$13.04	\$20.01	\$9.86	\$10.15	\$4.75	
High family.....	31.81	47.46	24.40	23.06	10.18	
Low self.....	4.08	4.48	3.36	1.12	1.10	
Low family.....	9.99	13.00	9.75	3.25	.75	
Aetna Life Insurance Co.:						
High self.....	11.52	18.06	9.86	8.20	4.32	
High family.....	28.70	43.08	24.40	18.68	8.91	
Low self.....	6.35	11.10	8.33	2.77	1.18	
Low family.....	15.74	27.48	20.61	6.78	2.94	
American Federation of Government Employees:						
High self.....	12.13	16.42	9.86	6.56	2.07	
High family.....	27.86	37.94	24.40	13.54	4.61	
Low self.....	3.75	3.75	2.81	0.94	0	
Low family.....	10.91	10.91	8.18	2.73	0	
Government Employees Hospital Association:						
High self.....	\$11.49	\$14.80	\$9.86	\$4.94	\$1.09	
High family.....	22.65	29.19	21.89	7.30	1.64	
Low self.....	7.63	8.36	6.27	2.09	.18	
Low family.....	14.80	16.19	12.14	4.05	.35	
National Association of Letter Carriers:						
High self.....	10.59	14.32	9.86	4.46	1.51	
High family.....	28.00	39.79	24.40	15.39	6.32	
National League of Postmasters of the United States:						
High self.....	14.64	18.02	9.86	8.16	1.16	
High family.....	31.41	38.70	24.40	14.30	1.82	
Low self.....	5.42	5.42	4.07	1.35	0	
Low family.....	13.12	13.12	9.84	3.28	0	

Plan (option-type enrollment)	1976 biweekly premium rates				Change in employee pays
	1975 total premium	Total premium	Govern-ment pays	Employee pays	
National Rural Letter Carriers Association:					
High self	\$10.64	\$14.12	\$9.86	\$4.26	\$1.26
High family	25.41	33.74	24.40	9.34	2.86
American Foreign Service Protective Association:					
High self	7.85	11.85	8.89	2.96	1.00
High family	25.66	38.71	24.40	14.31	7.58
Government Employees Benefit Association, Inc.:					
High self	9.33	11.35	8.51	2.84	.51
High family	30.57	37.76	24.40	13.36	1.72
Low self	3.11	3.11	2.33	0.78	0
Low family	7.89	7.89	5.92	1.97	0
Group Insurance Board:					
High self	10.43	11.09	8.32	2.77	-.02
High family	25.92	27.54	20.66	6.88	-.11
Special Agents Mutual Benefit Association:					
High self	9.91	13.02	9.77	3.25	.77
High family	25.13	33.02	24.40	8.62	2.34
Mail handlers benefit plan:					
High self	11.59	12.08	9.06	3.02	-.93
High family	31.57	33.07	24.40	8.67	-3.97
Low self	7.57	7.88	5.91	1.97	.08
Low family	20.81	21.81	16.36	5.45	.25
Alliance health benefit plan:					
High self	10.47	12.57	9.43	3.14	.31
High family	25.67	30.75	23.06	7.69	.95
Low self	3.01	3.01	2.26	0.75	0
Low family	7.63	7.63	5.72	1.91	0
American Postal Workers Union plan AFL-CIO:					
High self	16.35	16.35	9.86	6.49	-2.22
High family	36.40	36.40	24.40	12.00	-5.47
Group Health Association, NC:					
High self	14.64	19.80	9.86	9.94	2.94
High family	37.07	49.98	24.40	25.58	7.44
Low self	10.80	13.87	9.86	4.01	0.85
Low family	27.82	35.84	24.40	11.44	2.55
Health Insurance Plan of Greater New York:					
High self	11.19	14.01	9.86	4.15	.60
High family	31.20	39.03	24.40	14.63	2.36
Metro Health Plan:					
High self	16.29	20.58	9.86	10.72	2.07
High family	39.70	50.18	24.40	25.78	5.01
Group Health Plan, Inc.:					
High self	10.90	13.10	9.83	3.27	.01
High family	30.56	36.63	24.40	12.23	.60
Group Health Cooperative of Puget Sound:					
High self	9.96	15.08	9.86	5.22	2.73
High family	26.21	36.73	24.40	12.33	5.05
Western Clinic:					
High self	11.51	13.51	9.86	3.65	-.22
High family	27.60	30.88	23.16	7.72	-.95
Kaiser Foundation Health Plan of Oregon:					
High self	10.20	12.68	9.51	3.17	.61
High family	27.07	34.28	24.40	9.88	1.74
Kaiser Foundation Health Plan, Inc., Northern California region:					
High self	10.98	13.56	9.86	3.70	.36
High family	28.34	35.00	24.40	10.60	1.19
Kaiser Foundation Health Plan, Inc., southern California region:					
High self	13.89	16.30	9.86	6.44	0.19
High family	36.05	42.29	24.40	17.89	.77
Kaiser Foundation Health Plan, Inc., Hawaii region:					
High self	9.91	11.42	8.57	2.85	.37
High family	29.40	33.09	24.40	8.69	-1.78
Kaiser Community Health Foundation:					
High self	12.15	13.56	9.86	3.70	-.81
High family	33.33	37.11	24.40	12.71	-1.69
Kaiser Foundation Health Plan of Colorado:					
High self	11.67	13.41	9.86	3.55	-.48
High family	31.18	35.69	24.40	11.29	-.96
Family Health Program, Inc.:					
High self	12.36	15.15	9.86	5.29	.57
High family	34.22	41.79	24.40	17.39	2.10
Columbia Medical Plan:					
High self	11.82	14.39	9.86	4.53	.35
High family	36.07	44.18	24.40	19.78	2.64
Harvard Community Health Plan:					
High self	\$13.68	\$16.50	\$9.86	\$6.64	\$0.60
High family	34.99	41.32	24.40	16.92	.86
Compcare Health Plan:					
High self	14.52	16.67	9.86	6.81	-.07
High family	37.42	43.32	24.40	18.92	.43
Rhode Island Group Health Association:					
High self	14.21	15.54	9.86	5.68	-.89
High family	34.41	37.73	24.40	13.33	-2.15
Community Health Care Center Plan:					
High self	11.70	13.55	9.86	3.69	-.37
High family	32.57	37.64	24.40	13.24	-.40
Arizona Health Plan:					
High self	11.62	13.47	9.86	3.61	-.37
High family	34.90	40.08	24.40	15.68	-.29
Depaulo Health Plan, Inc.:					
High self	13.67	15.26	9.86	5.40	-.63
High family	38.80	43.18	24.40	18.78	-1.09
Lovelace-Bataan Health Program:					
High self	13.09	13.95	9.86	4.09	-1.36
High family	37.38	40.64	24.40	16.24	-2.21
Michael Reese Health Plan, Inc.:					
High self	12.91	16.00	9.86	6.14	.87
High family	33.26	41.59	24.40	17.19	2.86
Union Health Service, Inc.:					
High self	11.08	13.45	9.86	3.59	.15
High family	32.50	40.13	24.40	15.73	2.16
University Affiliated Health Plans, Inc.:					
High self	12.25	14.40	9.86	4.54	-.07
High family	36.75	40.50	24.40	16.10	-1.72
New Mexico Health Care Corp., Master-care:					
High self	0	14.84	9.86	4.98	0
High family	0	40.86	24.40	16.46	0
Group Health Insurance, Inc.:					
High self	8.08	10.95	8.21	2.74	0.72
High family	24.29	34.81	24.40	10.41	4.34
North Idaho District Medical Service Bureau:					
High self	11.78	16.02	9.86	6.16	2.02
High family	28.05	35.07	24.40	10.67	1.55
Washington Physicians Service:					
High self	12.25	16.21	9.86	6.35	1.74
High family	34.73	46.14	24.40	21.74	5.94
National Hospital Association:					
High self	8.93	11.09	8.32	2.77	.54
High family	22.89	28.57	21.43	7.14	1.42
Foundation for Medical Care:					
High self	11.15	14.60	9.86	4.74	1.23
High family	28.49	36.97	24.40	12.57	3.01
Hawaii Medical Service Association:					
High self	9.85	14.48	9.86	4.62	2.16
High family	27.59	40.91	24.40	16.51	7.85
Rocky Mountain Health Maintenance Organization:					
High self	0	14.99	9.86	5.13	0
High family	0	35.86	24.40	11.46	0
Seguros de Servicio de Salud de Puerto Rico, Inc.:					
High self	8.36	8.36	6.27	2.09	0
High family	26.75	26.75	20.06	6.69	-1.13
Share:					
High self	0	11.74	8.81	2.93	0
High family	0	32.70	24.40	8.30	0
Group Health Association of Northeastern Minnesota:					
High self	0	14.70	9.86	4.84	0
High family	0	36.61	24.40	12.21	0
Health Maintenance Corp. (of southwest Ohio):					
High self	0	14.77	9.86	4.91	0
High family	0	38.34	24.40	13.94	0
Community Health Program of Queens and Nassau:					
High self	0	16.97	9.86	7.11	0
High family	0	43.85	24.40	19.45	0
ABC—Health Maintenance Organization:					
High self	0	13.76	9.86	3.90	0
High family	0	39.06	24.40	14.66	0
Anchor:					
High self	0	13.86	9.86	4.00	0
High family	0	38.19	24.40	13.79	0

Note: Where no low option is shown, plan has only 1 option.

Source: U.S. Civil Service Commission.

EXHIBIT 3B
MEDICARE PROGRAM PRIMARY
 [Rates if present social security law is amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1976 biweekly premium rates				Change in employee pays
	1975 total premium	Total premium	Govern-ment pays	Employee pays	
Blue Cross-Blue Shield:					
High self	\$13.04	\$18.19	\$9.42	\$8.77	\$3.37
High family	31.81	43.14	23.13	20.01	7.13
Low self	4.08	4.08	3.06	1.02	0
Low family	9.99	11.81	8.86	2.95	.45
Aetna Life Insurance Co.:					
High self	\$11.52	\$16.13	\$9.42	\$6.71	\$2.83
High family	28.70	38.46	23.13	15.33	5.56
Low self	6.35	8.58	6.44	2.14	.55
Low family	15.74	21.25	15.94	5.31	1.38

EXHIBIT 3A—FEHB PROGRAM PRIMARY—Continued

[Rates if present social security law is not amended prior to Jan. 1, 1976]

Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates			Change in employee pays	Plan (option-type enrollment)	1975 total premium	1976 biweekly premium rates			Change in employee pays
		Total premium	Govern- ment pays	Employee pays				Total premium	Govern- ment pays	Employee pays	
American Federation of Government Employees:						Kaiser Community Health Foundation:					
High self	\$12.13	\$14.25	\$9.42	\$4.83	\$0.34	High self	\$12.15	\$13.56	\$9.42	\$4.14	\$-0.37
High family	27.86	32.74	23.13	9.61	.68	High family	33.33	37.11	23.13	13.98	-.42
Low self	3.75	3.75	2.81	.94	0	Kaiser Foundation Health Plan of Colorado:					
Low family	10.91	10.91	8.18	2.73	0	High self	11.67	13.41	9.42	3.99	-.04
Government Employees Hospital Association:						High family	31.18	35.69	23.13	12.56	.31
High self	11.49	13.50	9.42	4.08	.23	Family Health Program, Inc.:					
High family	22.65	26.61	19.96	6.65	.99	High self	12.36	15.03	9.42	5.61	.89
Low self	7.63	7.63	5.72	1.91	0	High family	34.22	41.40	23.13	18.27	2.98
Low family	14.80	14.80	11.10	3.70	0	Columbia Medical Plan:					
National Association of Letter Carriers:						High self	11.82	14.39	9.42	4.97	.79
High self	10.59	13.83	9.42	4.41	1.46	High family	36.07	44.18	23.13	21.05	3.91
High family	28.00	36.59	23.13	13.46	4.39	Harvard Community Health Plan:					
National League of Postmasters of the United States:						High self	13.68	16.19	9.42	6.77	.73
High self	14.64	16.99	9.42	7.57	.57	High family	34.99	40.51	23.13	17.38	1.32
High family	31.41	36.49	23.13	13.36	.88	Compcare Health Plan:					
Low self	5.42	5.42	4.07	1.35	0	High self	14.52	16.56	9.42	7.14	.26
Low family	13.12	13.12	9.84	3.28	0	High family	37.42	43.01	23.13	19.88	1.39
National Rural Letter Carriers Association:						Rhode Island Group Health Association:					
High self	10.64	12.48	9.36	3.12	.12	High self	14.21	15.54	9.42	6.12	-.45
High family	25.41	29.83	22.37	7.46	.98	High family	34.41	37.73	23.13	14.60	-.88
American Foreign Service Protective Association:						Community Health Care Center Plan:					
High self	7.85	11.35	8.51	2.84	.88	High self	11.70	13.42	9.42	4.00	-.06
High family	25.66	37.08	23.13	13.95	7.22	High family	32.57	37.39	23.13	14.26	.62
Government Employees Benefit Association, Inc.:						Arizona Health Plan:					
High self	9.33	11.14	8.36	2.78	.45	High self	11.62	13.47	9.42	4.05	.07
High family	30.57	37.12	23.13	13.99	2.35	High family	34.90	40.08	23.13	16.95	.98
Low self	3.11	3.11	2.33	.78	0	Depaulo Health Plan, Inc.:					
Low family	7.89	7.89	5.92	1.97	0	High self	13.67	15.26	9.42	5.84	-.19
Group Insurance Board:						High family	38.80	43.18	23.13	20.05	.18
High self	10.43	11.09	8.32	2.77	-.02	Lovelace-Bataan Health Program:					
High family	25.92	27.54	20.66	6.88	-.11	High self	13.09	13.95	9.42	4.53	-.92
Special Agents Mutual Benefit Association:						High family	37.38	40.64	23.13	17.51	-.94
High self	9.91	12.88	9.42	3.46	.98	Michael Reese Health Plan, Inc.:					
High family	25.13	32.62	23.13	9.49	3.21	High self	12.91	15.84	9.42	6.42	1.16
Mail Handlers Benefit Plan:						High family	33.26	41.12	23.13	17.99	3.65
High self	11.59	11.96	8.97	2.99	-.96	Union Health Service, Inc.:					
High family	31.57	32.74	23.13	9.61	-3.03	High self	11.08	13.45	9.42	4.03	.59
Low self	7.57	7.80	5.85	1.95	.06	High family	32.50	40.13	23.13	17.00	3.43
Low family	20.81	21.59	16.19	5.40	.20	University Affiliated Health Plans, Inc.:					
Alliance Health Benefit Plan:						High self	12.25	14.40	9.42	4.98	.37
High self	10.47	11.93	8.95	2.98	.15	High family	36.75	40.50	23.13	17.37	-.45
High family	25.67	29.20	12.90	7.30	.56	New Mexico Health Care Corp., Mastercare:					
Low self	3.01	3.01	2.26	.75	.00	High self	0	14.84	9.42	5.42	0
Low family	7.63	7.63	5.72	1.91	.00	High family	0	40.86	23.13	17.73	0
American Postal Workers Union Plan AFL-CIO:						Group Health Insurance, Inc.:					
High self	16.35	16.35	9.42	6.93	-1.78	High self	8.08	10.30	7.73	2.57	.55
High family	36.40	36.40	23.13	13.27	-4.20	High family	24.29	32.65	23.13	9.52	3.45
Group Health Association, N.C.:						North Idaho District Medical Service Bureau:					
High self	14.64	19.05	9.42	9.63	2.63	High self	11.78	14.79	9.42	5.37	1.23
High family	37.07	48.10	23.13	24.97	6.83	High family	28.05	34.07	23.13	10.94	1.82
Low self	10.80	13.35	9.42	3.93	.77	Washington Physicians Service:					
Low family	27.82	34.51	23.13	11.38	2.49	High self	12.25	15.08	9.42	5.66	1.05
Health Insurance Plan of Greater New York:						High family	34.73	42.92	23.13	19.79	3.99
High self	11.19	13.45	9.42	4.03	.48	National Hospital Association:					
High family	31.20	37.48	23.13	14.35	2.08	High self	8.93	10.11	7.58	2.53	.30
Metro Health Plan:						High family	22.89	26.00	19.50	6.50	.78
High self	16.29	20.27	9.42	10.85	2.20	Foundation for Medical Care:					
High family	39.47	49.41	23.13	26.28	5.51	High self	11.15	14.01	9.42	4.59	1.08
Group Health Plan, Inc.:						High family	28.49	36.14	23.13	13.01	3.45
High self	10.90	12.62	9.42	3.20	-.06	Hawaii Medical Service Association:					
High family	30.56	35.26	23.13	12.13	.50	High self	9.85	13.48	9.42	4.06	1.60
Group Health Cooperative of Puget Sound:						High family	27.59	38.13	23.13	15.00	6.34
High self	9.96	13.57	9.42	4.15	1.66	Rocky Mountain Health Maintenance Organization:					
High family	26.21	35.73	23.13	12.60	5.32	High self	0	14.99	9.42	5.57	0
Western Clinic:						High family	0	35.86	23.13	12.73	0
High self	11.51	12.82	9.42	3.40	-.47	Seguros de Servicio de Salud de Puerto Rico, Inc.:					
High family	27.60	30.45	22.84	7.61	-1.06	High self	8.36	8.36	6.27	2.09	0
Kaiser Foundation Health Plan of Oregon:						High family	26.75	26.75	20.06	6.69	-1.13
High self	10.20	12.68	9.42	3.26	.70	Share:					
High family	27.07	34.28	23.13	11.15	3.01	High self	0	11.74	8.81	2.93	0
Kaiser Foundation Health Plan Inc., northern California region:						High family	0	32.70	23.13	9.57	0
High self	10.98	13.36	9.42	3.94	.60	Medical Care Group of St. Louis:					
High family	28.34	34.42	23.13	11.29	1.88	High self	0	13.32	9.42	3.90	0
Ross-Loos Medical Group:						High family	0	41.84	23.13	18.71	0
High self	12.97	17.92	9.42	8.50	3.17	Group Health Association of Northeastern Minnesota:					
High family	30.88	41.80	23.13	18.67	6.72	High self	0	14.70	9.41	5.28	0
Kaiser Foundation Health Plan, Inc., southern California region:						High family	0	36.61	23.13	13.48	0
High self	13.89	16.30	9.42	6.88	.63	Health Maintenance Corp. (of southwest Ohio):					
High family	36.05	42.29	23.13	19.16	2.04	High self	0	14.77	9.42	5.35	0
Kaiser Foundation Health Plan, Inc., Hawaii region:						High family	0	38.34	23.13	15.21	0
High self	9.91	11.19	8.39	2.80	.32	Community Health Program of Queens and Nassau:					
High family	29.40	32.45	23.13	9.32	-1.15	High self	0	16.97	9.42	7.55	0
						High family	0	43.85	23.13	20.72	0
						ABC Health Maintenance Organization:					
						High self	0	13.76	9.42	4.34	0
						High family	0	39.06	23.13	15.93	0
						Anchor:					
						High self	0	13.86	9.42	4.44	0
						High family	0	38.19	23.13	15.06	0

Note: Where no low option is shown, plan has only 1 option.

Source: U.S. Civil Service Commission.

Mr. MATHIAS. Mr. President, I would point out that if we should discover that repeal of section 1862(c) should present an unforeseen hardship for FEHB enrollees covered by medicare, I am prepared to introduce the necessary legislation which will allow for the Government to pay all of the cost for part B coverage for eligible FEHB program enrollees.

The second bill I have introduced will give the Congress an opportunity to review all proposed rate increases by carriers participating in the Federal employees health benefits program. According to the Civil Service Commission, the proposed increases for 1976 are due to the sharp rise in health care costs. The Commission cites the 18-percent increase in average hospital charges and the 11-percent increase in average physician fees in the last year as chief causes for the rise in costs. Additionally, the Commission takes note of the malpractice problem and the resulting upward push in malpractice insurance premiums as an additional reason for these drastic increases in premium rates for enrollees. This year's projected operating deficits for most FEHB carriers is serious. Equally serious, however, is the 35 to 40 percent higher average annual cost per enrollee's premium which the Commission projects for 1976.

It seems to me that the Congress and the Civil Service Commission have an obligation, however, to look beyond the question of operating deficits and premium rate increases and try to determine if the rate increases the deficits might be due to factors which extend beyond the obvious reasons such as increases in physician fees, hospital charges, malpractice premiums, and the cost of new health care technology. Both the Congress and the Commission have an obligation to identify and correct any and all inefficiencies which exist in the present system. We need to know, particularly when we are confronted with sharp increases such as those now proposed, whether or not efforts are being made by the Commission and the carriers to decrease or control health care costs.

We need to know, for example, whether the present system stimulates misutilization of the health benefits programs, both by the providers and the enrollees. We need to know what incentives are employed by the carriers and providers to improve utilization.

And the Congress needs to be in a position to act, and act swiftly to disprove rate increases if it can be determined that sufficient steps have not been taken to control and eliminate those cost factors associated with inefficient management.

Under the review process established in this bill, the Congress will be able to examine the proposed rate changes and, at the same time, consider the extent to which mismanagement, poor utilization of health resources, and cost control measures or the lack thereof contribute to the problems which prompt rate increases.

The review contemplated under this legislation would not be a one-shot affair

based on the Commission's recent announcement, but rather will be triggered whenever the Commission and the carriers feel they have to increase enrollees premium rates. Under the terms of this bill, the case for premium rate hikes will have to be made by carriers not only to the Commission, but to the Congress as well.

I ask unanimous consent that the text of these bills be printed in the RECORD.

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

S. 2625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1862(c) of the Social Security Act is repealed.

S. 2626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8902 of title 5, United States Code, is amended by redesignating the second subsection (j) as subsection (k) and by adding at the end thereof the following new subsection:

"(1) (1) The Commission shall submit any proposed increase in rates charged under a health benefit plan described by section 8903 of this title to the Congress not later than 30 days prior to the date on which such increase is proposed to become effective. Any such increase shall take effect as proposed and shall continue in effect unless, before the end of the first period of 30 calendar days of continuous session of Congress after the date on which the proposed rate increase is transmitted, either House adopts a resolution disapproving the proposed rate increase, in which case a rate increase shall not take effect. The continuity of a session is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

"(2) Paragraphs (3)-(9) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(3) If the committee, to which has been referred a resolution disapproving a proposed rate increase has not reported the resolution at the end of 10 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the rate increase which has been referred to the committee.

"(4) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same rate increase), and debate thereon is limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it

is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(5) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same rate increase.

"(6) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a proposed rate increase, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(7) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(8) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a proposed rate increase, and motions to proceed to the consideration of other business, are decided without debate.

"(9) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a proposed rate increase are decided without debate."

By Mr. GRAVEL:

S. 2627. A bill to establish a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met. Referred jointly, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, and the Committee on Public Works.

Mr. GRAVEL. Mr. President, I am today introducing legislation which would create a commission to study national transportation policy and to recommend programs and policies to insure that the future transportation needs of the United States will be met.

Our transportation system has many facets, all vital to the Nation as a whole and all instrumental in the growth of the United States.

Waterways are liquid highways for the economical transportation of food, energy and industrial supplies, and other commodities. Harbors are terminals which both receive goods from beyond our shores and supplies shipped from within our boundaries. Railroads played a major role in opening up the West and remain essential carriers of necessary materials. Highways have made us, on an individual basis, the most mobile nation in the world. Mass transit has prevented our cities from choking. And aviation has opened up horizons undreamed of by our Founding Fathers.

All of these modes of transportation have been the subject of numerous studies and extensive research. But there

has never been a national effort to take all these facets and tie them together.

We have no idea of the relative costs of, or the interrelationship between, water, air, rail, and highway transportation. All of them have grown on an individual basis at different periods in our development.

We do not know, in precise terms, what the effect of improving one transportation mode would be on another, competing mode, in the same geographical area.

We do not know the exact cost to the consumer and the Nation of expanded Federal assistance to railroads accompanied by imposition of user charges on the inland waterways.

Only 1 month ago the Secretary of Transportation issued a preliminary statement of national transportation policy. I applaud this effort, which we have been waiting for since the creation of the Department nearly 10 years ago.

I believe, however, that an adequate national transportation policy cannot be formulated at this time.

In transportation, the fragmented responsibilities among congressional committees and Federal agencies has complicated the development of coordinated policy. There has been no attempt to achieve a balance among competing transportation modes that would produce the most efficient system for the Nation as a whole.

I believe it is time for the Federal Government to take a positive leadership role in the development of a national transportation policy. Such a policy must be based on a compendium of knowledge which has not yet been developed. We need a joint effort of qualified people representing the Congress, Federal agencies, the transportation industry, and the public.

The bill I am introducing today, Mr. President, would establish a 25-member commission. The membership would come from the appropriate committees of the House and Senate, the agencies of the Federal Government having transportation responsibilities, the transportation industry itself, and the public.

The Commission is directed to make a full and complete investigation and study of our transportation demands and the resources and policies which presently exist to meet these demands. The Commission will evaluate the relative merits of all modes of transportation in meeting our needs. At the conclusion of the study, which is to take 1 year, the Commission will recommend the programs and policies most likely to insure that an adequate transportation system will succeed in meeting the needs for the movement of goods and people in our society.

It is only with the results of such a study before us, Mr. President, that the administration and the Congress can effectively and responsibly formulate a balanced transportation policy for this Nation. It is my hope that this measure will become law as expeditiously as possible. We have already waited too long.

Mr. President, I ask unanimous consent that this measure be jointly referred to the Committee on Public Works, the Committee on Commerce, and the Committee on Banking, Housing and Urban Affairs.

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

By Mr. HUGH SCOTT:

S.J. Res. 145. A joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn. Referred to the Committee on the Judiciary.

Mr. HUGH SCOTT. Mr. President, I am introducing a joint resolution that will grant posthumously full U.S. citizenship to William and Hannah Penn. This is a fitting tribute to the founders of Pennsylvania.

Founding Pennsylvania was not William Penn's only contribution to history. He was a moral giant of his day who stood by his Quaker convictions while suffering persecution from a hostile government. Mr. Penn's belief in freedom of religion led him on his quest for a new land where toleration of all religious beliefs would be practiced.

Before Penn left England for America he brought about a change in trial procedure that had a profound influence on the court system that later developed in the United States. He had been arrested with William Meade on a trumped-up charge for inciting to riot and a jury found them not guilty. The trial judge was not pleased with that verdict, and he locked the jury up without food or drink and threatened them unless they reconsidered. The jury came back after several grueling days with the same verdict of not guilty. The Penn-Meade case set a precedent whereby a jury must be allowed to reach an independent decision without interference.

After this major accomplishment, Mr. Penn left for the New World on his holy experiment in August 1682 with 100 Quakers crowded into a ship called the *Welcome*. The party landed at a spot on the Delaware River they called Philadelphia, the "City of Brotherly Love." To Penn's credit, he immediately established friendly relations with the Indians and treated them with respect.

The administration of such a vast territory between New York and Maryland took up most of William Penn's energy until his death in 1718. Hannah Penn assisted her husband in running the colony, and when William returned to England she probably became the first woman involved in the administration of a territory in the New World. The Penns guaranteed liberty of conscience and promised that free people could change the system if they chose to do so. These guarantees attracted settlers from all over the world and the Keystone State-to-be began to prosper.

William and Hannah Penn laid a strong foundation for a strong system of government in the Commonwealth. I urge my colleagues to consider expeditiously this resolution and insure that these great Americans are given this high honor in this Bicentennial period.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 632

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr.

BROOKE) was added as a cosponsor of S. 632, a bill to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements.

S. 1110

At the request of Mr. NUNN, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 1110, the Judicial Tenure Act.

S. 1437

At the request of Mr. CHILES, the Senator from Michigan (Mr. PHILIP A. HART) and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1437, a bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes.

S. 1776

At the request of Mr. HUGH SCOTT, the Senator from North Carolina (Mr. MORGAN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1776, a bill to establish the Valley Forge National Historical Park in the Commonwealth of Pennsylvania.

S. 1847

At the request of Mr. HUMPHREY, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 1847, a bill to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs.

S. 2207

At the request of Mr. FONG, the Senator from New Hampshire (Mr. DURKIN) and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 2207, a bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

S. 2258

At the request of Mr. BROCK, the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from New Mexico (Mr. DOMENICI), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arizona (Mr. FANNIN), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2258, a bill to establish a method whereby the Congress may assure a more effective use of tax dollars.

S. 2350

At the request of Mr. SYMINGTON, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2350, a bill to place the Secretary of the Treasury on the National Security Council.

S. 2404

At the request of Mr. PACKWOOD, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors to S. 2404, a bill to provide that income from certain public entertainment activities conducted by organizations described in section 501(c) (3), (4), or (5) shall not be unrelated trade or business income and shall not affect the tax exemption of the organization.

S. 2426

At the request of Mr. DOLE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 2426, a bill to establish a reduced rate of postage for letters sealed against inspection mailed by private citizens.

S. 2451

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

S. 2463

At the request of Mr. CLARK, the Senator from Colorado (Mr. GARY HART) was added as a cosponsor of S. 2463, a bill to insure fair treatment for women, and to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes.

S. 2530

At the request of Mr. BUCKLEY, the Senator from Utah (Mr. GARN), the Senator from Indiana (Mr. HARTKE), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 2530, a bill to provide for equal access to courts in lawsuits involving the Federal Government, and for other purposes.

S. 2531

At the request of Mr. BUCKLEY, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of S. 2531, a bill to amend the Immigration and Nationality Act to require proof of United States citizenship or lawful residence as a condition for receipt of assistance supported by appropriated funds, and for other purposes.

S. 2537

At the request of Mr. TALMADGE, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 2537, a bill to reform the Food Stamp Act of 1964.

S. 2574

At the request of Mr. EAGLETON, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 2574, to amend the Securities Act of 1933.

S. 2598

At the request of Mr. PACKWOOD, the Senator from Tennessee (Mr. BROCK), the Senator from Missouri (Mr. SYMINGTON), and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 2598, a bill to provide for the inspection and identification of imported meat and dairy products.

SENATE JOINT RESOLUTION 89

At the request of Mr. MATHIAS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 89, a joint resolution designating "The Stars and Stripes Forever" as the national march of the United States.

NURSING HOME REFORM

Mr. MOSS, Mr. President, on March 12 I introduced 12 nursing home reform bills; another 36 bills were introduced on April 29. I wish to list the following as additional cosponsors. Mr. HARTKE as a cosponsor of S. 1155 through S. 1165 and S. 1552 through S. 1587, inclusive. Mr. BROCK as a cosponsor of S. 1553, 1571, 1572. Mr. PELL cosponsors S. 1566, 1572, 1578, 1581. Mr. BURDICK cosponsors S.

1156, 1159, and 1160. Mr. BUCKLEY cosponsors S. 1960. Mr. KENNEDY cosponsors S. 1582, 1583, and 1584. Mr. HUMPHREY cosponsors S. 1160, 1163, 1232, and 1234. Mr. BAYH and Mr. LEAHY wish to be entered as cosponsors of Senate Joint Resolution 75. Mr. MUSKIE and Mr. HATHAWAY wish to cosponsor S. 1563. Mr. METCALF wishes to cosponsor S. 1161, 1162, 1163, 1164, 1165, 1166, 1552, 1553, 1554, 1555, 1556, 1565, 1582, 1583, 1584, and Senate Joint Resolution 75.

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

AMENDMENTS SUBMITTED FOR PRINTING

GOVERNMENT IN THE SUNSHINE ACT—S. 5

AMENDMENT NO. 1050

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

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

MILITARY CONSTRUCTION APPROPRIATIONS, 1976—H.R. 10029

AMENDMENT NO. 1054

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

Mr. CULVER submitted an amendment intended to be proposed by him to the bill (H.R. 10029) 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.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 968

At the request of Mr. ROTH, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of amendment No. 968, intended to be proposed to the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ANNOUNCEMENT OF HEARING ON ENERGY PRICES AND THE ELDERLY

Mr. CHURCH, Mr. President, I wish to announce—as chairman of the Senate Committee on Aging—that the committee will conduct a hearing on November 7, 1975, at 10 a.m. in room 1318, Dirksen Senate Office Building, on the subject of "The Impact of Rising Energy Costs on Older Americans."

Senator CHILES, who took testimony at a similar hearing in September 1974, will preside.

ADDITIONAL STATEMENTS

A CONSERVATIONIST DEPARTS

Mr. ROBERT C. BYRD, Mr. President, many tributes have been paid, and they continue to be paid, to the late Dr. Daniel Hale, M.D., of Princeton, W. Va., who

died on September 30. Invariably, these tributes note that this outstanding West Virginian was one of our country's most effective conservationists.

Dr. Hale was a public-spirited man in the very best sense of that term. He was so thoroughly convinced of the intrinsic worth of conservation especially of soil and water and plant life, that he devoted uncounted days and months and years of activity to public problems associated with these matters with no thought of credit or reward for himself. He gave equally of his time and talent to the problems associated with public health.

The result is that today the southern area of his native State of West Virginia is a better place for all who live there. At least four editorial columns in West Virginia publications have taken note of that fact, and they should be of interest to all who have an interest in West Virginia.

The first is from the Bluefield Daily Telegraph of October 2, entitled "Dr. Dan Hale;" the next is from a publication of the West Virginia Department of Agriculture, the Market Bulletin, of October 15, by Agriculture Commissioner Gus R. Douglass, entitled "A Conservationist Departs;" the third is from the Princeton Times of October 2, entitled "Dr. Daniel Hale; and the last is from the St. Albans Advertiser of October 9 by Oneita Hilbert Adkins, entitled "Just a Country Doctor: He Made House Calls!"

Mr. President, Dr. Hale was a tireless, dynamic force for good in my State, the like of whom we may not soon see again.

I ask unanimous consent that the four articles be printed in the RECORD.

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

[From The Bluefield (W. Va.) Daily Telegraph, Oct. 2, 1975]

DR. DAN HALE

Many of those who knew Dr. Dan Hale of Princeton remarked at one time or another that it was a mystery to them how he ever found time to practice medicine. It was a mystery to this newspaper too, although we know he did.

The wonderment was caused by Dr. Hale's seemingly unending involvement in conservation and public health matters, an involvement which has richly rewarded the city and area he served, in the true meaning of the word.

As a leading and a guiding spirit in the Brush Creek Watershed Association and many similar projects, Dr. Hale helped to transform Mercer County, eliminating many flood problems and assuring Princeton of a problem-free water supply with ample reserves. His interest in public health created and sustained a strong county health department, obtained for this area the Southern Regional Health Council, and made that organization a success beyond most original expectations.

The list of worthwhile projects in which Dan Hale played a major role is practically unending, and we don't intend to attempt to list them. Dr. Hale himself never seemed to care in the least whether he received credit for the work, and we don't think he did. The improvements themselves were what mattered to him.

A few years ago, for instance, Dr. Hale visited this newspaper to enlist our aid in stirring up some interest in the Edison Hollow dam and reservoir project, which had been on the books for a long time but which

was receiving no attention from anyone in Bluefield.

Dr. Hale explained that this relatively simple impoundment could at one stroke end Bluefield's water shortages, reduce the possibility of and damage from floods, create a recreational and scenic improvement and provide all the water which could possibly be needed locally for industrial purposes.

This newspaper, in concert with Dr. Hale, then launched a drive to obtain approval for the project, which wasn't difficult to do once he put his message across, and it was approved, financed, and authorized in relatively short order. Only Tuesday, in fact a major road relocation project in connection with the dam was bid.

Significantly, the project isn't being named for Dr. Hale, although he had more to do with its becoming a reality than anyone else. And he couldn't have cared less about whose name went on it.

Dr. Hale died Monday night in Blackwater Falls, while attending still another meeting dealing with his beloved conservation efforts. It no doubt was the way he would have chosen to depart.

It cannot be said of very many of us that the world became a better place as a result of our passage through it. It can be said of Dan Hale, most definitely.

[From the Market Bulletin, Oct. 5, 1975]

A CONSERVATIONIST DEPARTS

(By Commissioner Gus R. Douglass)

Dr. Daniel Hale died in his sleep at Blackwater Falls State Park sometime early on September 30, 1975.

His death ended one of the most successful personal conservation efforts ever mounted in this nation. His success will, in time be studied and his name will be acclaimed in the fashion now reserved for Soil Conservation Chief Hugh Hammond Bennett and President Theodore "Teddy" Roosevelt.

Dr. Hale was known to different groups as a physician, an ecologist, a conservationist, a tree farmer, a health care administrator and a gardener, but to all he was a driving dynamic man who was their friend.

An article elsewhere on this page details some of Doc's great successes. Those mentioned will continue to bear fruit for decades, but there are many other endeavors which Doc had started that won't reach the fruiting stage for years. Thus, we will be hearing more or less continuously from him even though he has left for a better land.

So long, Doc, and thanks. West Virginia, the nation and the world is better because of you.

[From the Princeton (W. Va.) Times, Oct. 2, 1975]

DR. DANIEL HALE

It was with great sadness this week that we learned of the death of Dr. Daniel Hale, a long-time Princeton physician who had dedicated his life to the conservation and preservation of his native Southern West Virginia.

A friend as well as physician to many hundreds of Princetonnians, Dr. Hale's legacy of personal and community service will endure for many years to come.

Though he had practiced medicine in Princeton for over 36 years—he established his practice here in 1939—it was in the area of conservation that he achieved his greatest honors.

His years of work and effort culminated in numerous state and national awards in the area of conservation and, closer to home, his dedication and ability played a major role in the development of the Daniel Hale Reservoir, one of the largest watershed and soil conservation projects in this section of the Mountain State.

It is perhaps an indication of the measure of the man that he died quietly in his sleep Monday night after delivering the keynote address at a state committee meeting of state Soil Conservation Districts at Blackwater Falls, W. Va.

During his 63-years, Dr. Hale's brilliant mind and tireless work habits propelled him to a stature few achieve. But through it all he maintained the common touch and simple humility that is the mark of greatness. He will be missed.

[From the St. Albans (W. Va.) Advertiser, Oct. 9, 1975]

JUST A COUNTRY DOCTOR: HE MADE HOUSE CALLS

(By Oneita Hilbert Adkins)

Call it fate or coincidence in the timing of the special agriculture addition of the West Virginia Hillbilly last week carrying the article on Dr. Dan Hale of Princeton, W. Va. and his untimely death occurring simultaneously.

It was my good fortune to meet Dr. Hale back in '69 when with a group of interested citizens on watersheds, made a trip to Princeton to see first hand the Brush Creek watershed for which Dr. Hale's untiring efforts backed by an admiring community achieved acclaim nationally in turning back age-old floods by building several dams, that not only transformed a rampaging creek, but claimed a town from the jaws of flooded devastation into a vibrant community with new industries and hope.

Our caravan of eight cars was led by Dr. Hale who took time away from his busy practice. I was again fortunate to be in his car with others, including the late Mr. Milam, Engineer of the Milam Engineering Co. of Dunbar and John Hart, Engineer, who has since assumed the company interest. Dr. Hale's running dialogue radiated a vibrant personality that goes for the jugular vein attitude as he proudly pointed out the transformation from a fatal decay of a city to an era of economic growth with a rich potential, the direct result of the watershed.

Dr. Hale at that time was president of the county health board and due to so much pollution had to close down the entire area to new construction. He believed in treating the cause.

At one time Brush Creek flooded 1,150 acres of prime land, now serves as the county's main source of water with several small dams and one master dam with a storage capacity of 550 million gallons of water covering 72 acres and a depth of 58 feet. Also creating a park area that is exceeding all expectations. Glen Wood Park, Home of the Aging overlooks this expanse of sparkling water with boating and fishing a fast growing pastime. To the right is the Mercer County 4-H Camp and a school plant.

The lower lying plains were then alive with construction of homes, factories, vocational school, Extended Care facility, Regional Mental Health Center, Princeton High School Athletic Field, S.D.H. District office and numerous other undertakings.

Dr. Hale is credited with establishing the first Regional Health Council that today is a model for rural health care throughout the country.

Dr. Hale was presented with many honors, but preferred to be called just a country doctor who made house calls and was equally at home in his office or sharing the podium with others crusading for improvements for mankind.

One has to make the trip to Princeton to even visualize what the determined spirit of his imaginative leadership has brought to a community, state and nation, who rose to the occasion in helping a community to literally by their own boot-straps in conservation receive national recognition for stamina and pride in an achievement, leaving a rich heritage for those who come after him.

THE STEWARDSHIP OF VALLEY FORGE

Mr. HUGH SCOTT. Mr. President, the Washington Post yesterday morning carried an editorial in support of actions to preserve the Valley Forge Park at Valley Forge, Pa. As the prime sponsor of S. 1776, the bill to establish the Valley Forge National Historical Park, a bill which has been cosponsored by 23 members of the Senate, 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:

[From the Washington Post, Nov. 4, 1975]

THE STEWARDSHIP OF VALLEY FORGE

The efforts of some citizens in eastern Pennsylvania to save Valley Forge park appear to be winning a measure of success. Earlier this year, the integrity of this historic and scenic parkland was threatened by what the Veterans Administration called its "grave-site availability problem." The VA wanted some 500 acres of Valley Forge's total 2250 acres for a cemetery. Led by the area's congressman, Rep. Richard Schulze, who took an immediate stand, citizens urged the VA to consider other sites in the state. Apparently sensing that its original impulse to dig into hallowed Valley Forge was unwise, the VA has now decided to create a cemetery at Indiantown Gap.

With that dispute out of the way, the goal now is to transfer the park from state to federal control. Bills are pending in both the Senate and House. In hearings a few days ago before the Senate Subcommittee on National Parks and Recreation, several witnesses made the point that national ownership of the park will mean little unless efforts are made to protect the present acres and to expand the open spaces that are available. One of these spaces is the Chesterbrook area, an 865 acre tract of unspoiled land. The Interior Department estimates that this property will cost \$22 million, a sum that local citizens believe is excessively high. Sen. Hugh Scott (R-Pa.) said the \$22 million figure is one that "I cannot live with in this time of federal budgetary stress." Rather than lose Chesterbrook outright because of the costs, the Interior Department should "re-examine its estimates," as Sen. Scott urged, to see if the property can be secured without such a large outlay. Chesterbrook is essential to the integrity of the park, not only to provide additional land for the increasing numbers visiting the area, but also to prevent further urbanization around the park.

It is crucial now for the Interior Department to stand firm in its original interest in accepting stewardship of Valley Forge. Almost ten times the usual number of visitors is expected in 1976. If any American parkland deserves the enthusiasm of the Interior Department it is this site of the historic encampment of colonial soldiers 200 years ago. To maintain Valley Forge in pastoral excellence and environmental purity will not only honor the patriots of the past but also serve the millions of citizens who visit the park today.

GENOCIDE CONVENTION

Mr. PROXMIER. Mr. President, much attention has been focused on the legal implications of the Genocide Convention. Little has been said about the deterrent effect of the convention. Genocide usually is a gradual process, the final extermination preceded by lesser outrages against humanity. It is during this process that the perpetrator of the

atrocities may be deterred by the threat of individual punishment in the nation in which the offenses took place. If that nation fails to try the offender, another signatory nation can bring the case before the International Court of Justice.

Various arguments are used against signing the convention. An initial objection is the danger of entanglements resulting from international commitments. However, there is ample precedent for the United States to sign the Genocide Convention. We have already committed ourselves to international conventions on the slave trade, traffic in opium, piracy, and others.

Another fear is the alleged threat to the principle of territorial jurisdiction over crimes. This widely accepted principle is upheld by the convention in that the initial obligation to pursue justice belongs to the nation in which the crime was committed. Only when that fails can another nation bring the case before the International Court.

It has also been argued that once we sign the convention and are then subject to accusations of genocide by other nations, an enemy could use such charges to detain and punish overseas U.S. personnel. Such fears of the misuse of the convention are unreasonable because an unfriendly nation will trump up any phony charges it wishes, whether or not there is any basis in international law.

Genocide is a recurring crime. The 1915 Turkish massacre of Armenians, the Hitler massacre of the Jews, and the recent mass extermination of Biafrans by Nigeria are a few of the more heinous crimes. There is no certainty that it will not happen again. The United States must be prepared to exert its moral and legal influence against such atrocities by committing itself fully to the Genocide Convention.

RESPONSE TO ADMIRAL RICKOVER'S TESTIMONY

Mr. GOLDWATER. Mr. President, on September 17, 24, and 29, special hearings were conducted by the Research and Development Subcommittee of the Senate Armed Services Committee and the Joint Economic Subcommittee, jointly chaired by Senator MCINTYRE and Senator PROXMIRE. The hearings covered independent research and development and bid and proposal costs, two distinct but related subjects. On October 1, 2 days after the hearing, Senator PROXMIRE had inserted in the CONGRESSIONAL RECORD at page S31156 the statement of one witness, but did not insert the statements of other qualified witnesses.

COMPLETE LIST OF WITNESSES

September 17: Elmer B. Staats, Comptroller General; Kenneth L. Woodfin, Assistant Administrator for Procurement, NASA.

September 24: Dr. Malcolm R. Currie, Director, Defense Research and Engineering; Mr. Dale Babione, Deputy to the Assistant Secretary of Defense for Installations and Logistics; Mr. Raymond G. Romatowski, Assistant Administrator for Administration, ERDA; Dr. Kenneth Oshman, President, ROLM Corporation.

September 29: Mr. Thomas J. Murrin, President, Westinghouse Public Systems,

Inc.; Dr. Richard DeLauer, Vice President, TRW; Mr. Thomas G. Pownall, President, Martin-Marietta; Admiral Hyman G. Rickover, Deputy Commander, Naval Sea System Command; Dr. Frederick Long, Cornell University; Mr. Hugh E. Witt, Administrator for Federal Procurement Policy; Mr. D. G. Soergel, Consultant, Public Policy Research.

Several witnesses were accompanied by supporting witnesses.

Senator PROXMIRE chose to insert only Admiral Rickover's testimony in the CONGRESSIONAL RECORD and ignored all the other witnesses as though the Admiral was the sole witness whose testimony was to be considered.

Let me further state that the Commission on Government Procurement created by Congress to report on Government procurement stated as follows about I.R. & D.

Recognize in cost allowability principles that independent research and development (I.R. & D.) and bid and proposal (B. & P.) expenditures are in the Nation's best interests to promote competition (both domestically and internationally), to advance technology, and to foster economic growth. Establish a policy recognizing I.R. & D. efforts as necessary costs of doing business. . . .

This Commission position was supported by the General Accounting Office in its report of June 5, 1975.

Senator MCINTYRE wisely asked the industry witnesses to prepare a response to Admiral Rickover's testimony. This has been done and this exegesis puts the admiral's testimony in the proper light. In the interest of fairness and equity, I ask unanimous consent that the response to Admiral Rickover's testimony be printed in the RECORD. I recommend that all Senators, particularly those to whom Senator PROXMIRE has sent a copy of Admiral Rickover's testimony, read the statements of all witnesses at the hearings to obtain an objective understanding of the subject.

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

COMMENTS ON ADMIRAL RICKOVER'S TESTIMONY

The Tri-Association Ad Hoc Committee on I.R. & D. / B. & P. appreciates the opportunity to submit comments on the September 29, 1975, statement and testimony of Admiral H. G. Rickover.

While the Admiral's expertise and authority in the field of nuclear power plants are a matter of record, his generalizations into broader areas are unsupported by the facts.

It is patently clear that his views are uniquely isolated from the main thrust of study and thought that have been developed before and in anticipation of the subcommittee's hearings. It would appear that the Admiral's concentration on and experience in the narrow field of nuclear power plants has served to insulate him from certain verities with respect to the technical and financial management practices of government contractors, and the environment in which government procurement operates, particularly in the acquisition of defense materiel.

The Admiral's testimony gives the impression that he has not read or been advised of the Industry Position paper on I.R. & D. / B. & P. and the 322-page volume of documentation developed by the Tri-Association Ad Hoc Committee in 1974. The hearing record will show that industry's posture on I.R. & D. / B. & P. is substantially in agreement with that of

the report of the Commission on Government Procurement, the General Accounting Office, and the postures of the Department of Defense, NASA, ERDA, the Office of Federal Procurement Policy, and the Defense Science Board (DSB). It would seem, therefore, that the Admiral's testimony is a unique and isolated perspective. As his testimony indicates: "This statement reflects the views of the author and does not necessarily reflect the views of the Secretary of the Navy or the Department of the Navy."

To examine some specific allegations in Admiral Rickover's testimony:

OPENING STATEMENT

The vast majority of defense procurement is actually non-competitive

The fallacy in this provocative statement is evident from the Admiral's next words—"with only a few large firms competing for major weapons systems." As he correctly points out, it is an inescapable fact of business life in the world over that the design and production of major systems require correspondingly large amounts of technical, financial and productive resources, which the smaller companies, by definition, do not possess.

The Admiral's misconception regarding the extent of competition in Defense procurement is evident from his later statement to Senator McIntyre that "About 88% of the contracts today are negotiated contracts which means they are not competitive." The Admiral is wrong. The most recent issue of Military Prime Contract Awards issued by Office of the Secretary of Defense states:

"Military prime contracts awarded after solicitation and receipt of two or more responsive offers for competitive price, design, or technical proposals totaled \$15,872 million and represented 43.6% of the net amount of procurement (excluding intra-governmental orders) during fiscal year 1974 compared to \$14,493 million and 43.2% for fiscal year 1973."

Admiral Rickover's further statement that "even when more than one firm is capable, prior experience, shop loading or other factors can effectively insulate the successful bidder against competitive pressures," largely reflects his own relatively narrow experience with industry. The facts conclusively show that today, and for many years past, essentially all major weapon systems are bid and won competitively, and that the strongest competitive pressures remain upon the winner after contract award to conduct his business efficiently and economically.

These pressures take a variety of forms. The obvious ones are the terms and conditions of the contract, whether explicitly containing incentives on costs or requiring performance at a fixed price in times of unpredictable inflation and escalating cost of materials. Less obvious are the pressures that result from uncertainties regarding the future of most programs today, at any phase of their evolution through advanced development to "full-scale" production. Such pressures include re-competition by the award of production on an annual-buy basis, the presence, or imminent threat, of a second production-source, or competing the "buy-out" of a program on a multi-year winner-take-all basis. In addition, there is today the ever-present possibility that international agreement and/or congressional budget decisions can bring about the premature and unforeseen termination of a program that the successful contractor had devoted significant resources to winning, in the reasonable belief (in light of all information available prior to the competition) that the program represented a major business opportunity.

To judge from the Admiral's statements and certain questions asked of witnesses at

the hearings, one could assume that the winning of any major weapons system program was, in effect, the guaranteed award of ten to fifteen years of business at a substantial level. Such, simply, is not the case. Recent history is replete with examples where the winning contractor has seen his program terminated or dramatically curtailed shortly after or, in some cases, prior to his initiation of work thereupon! For just these reasons, a contractor winning even a major program cannot relax and enjoy it, and abandon a fiercely competitive posture. A contractor must always be in a position to compete effectively for new work, and the prudent management of present work is a significant factor in maintaining a viable competitive posture.

Whether motivated by a need to "keep won" the weapons system business previously gained on a competitive basis, or whether forced to keep costs in line in order to win new business to protect his investment in people and facilities from any foreseen or unforeseen vagaries that might prematurely terminate his on-going programs, today's contractor is forced to remain highly competitive.

The lack of incentive to control costs

As stated above, the notion that there is, in general, no true competition, (which may be true in the nuclear programs managed by the Admiral) and that "actual costs incurred—generally can be passed on to the Government" reflects a viewpoint totally out of touch with the award and conduct of the vast majority of DoD business.

IR&D—The Government has no say in how money is spent

In the literal sense, the Government does not contract for and, hence, does not explicitly direct IR&D expenditures. These are company-determined projects, but it is patently untrue to imply that DoD, for example, has no voice in IR&D expenditures. The technical merit of a contractor's IR&D work is reviewed in detail, both prospectively and following completion of the work. The technical rating accorded this work is made available to the government negotiator for use as a factor in negotiating the IR&D ceiling. In addition, many advance agreements contain a re-opener clause, whereby a contractor's failure to achieve a technical rating for his program closely equivalent to that he received for the prior year automatically results in substantial further reduction of the IR&D ceiling negotiated. While his achieving of a tangibly improved rating can likewise result in an increase of his negotiated ceiling, it is obvious that this situation is biased in the Government's favor in that it is manifestly impossible to achieve a significant improvement to one's own prior rating year after year.

Additionally, under Public Law 91-441, the required test for Potential Military Relationship represents a further manner in which DoD "has a say" in its contractors' IR&D work.

COSTS OF IR&D

The real facts here are muddled by the use of "IR&D" cost to describe the total of IR&D and B&P costs. A misleading and inaccurate picture is conveyed by the complete failure to mention the factors, including mandated changes to the accounting treatment of these costs, which have had the effect of escalating the amounts of IR&D and B&P reported as allowed against DoD contracts, although, in fact, other costs charged to these DoD contracts were correspondingly reduced!

To be specific—Beginning in 1972, the reported costs for IR&D and B&P were increased by the requirement to add overhead or burden to all such costs. This factor alone caused a \$32 million increase in DoD's share of IR&D/B&P costs reported in 1972, and

\$55 million for such costs reported for 1973. As the DCAA report noted (for 1972) "The \$32 million DoD share does not necessarily represent an increase in total costs absorbed by DoD contracts since this burden may have otherwise been allocated to direct costs of DoD contracts had it not been applied to IR&D and/or B&P costs."

Finally, recent year reported totals include IR&D/B&P costs allocated to foreign military sales, which costs are absorbed by the foreign purchaser and not by DoD. Thus, as Senator McIntyre clearly explained in his report to Congress on April 9, 1975, consideration of this factor resulted in net out-of-pocket costs to DoD for IR&D/B&P of \$763 million for 1973 and \$766 million for 1974 as contrasted with the unadjusted figures of \$801 million for 1973 and \$808 million for 1974 presented without explanation or qualification in the attachment to the Comptroller General's testimony at these hearings.

It is precisely the publication of confusing data of this type, especially when it is attributable to an authoritative source such as the GAO, that encourages critics to draw invalid comparisons between annual totals for IR&D/B&P allowed by DoD, and to proclaim that the current system is "out of control," contrary to the true facts of the case.

The Admiral's parochial reference to Congress' elimination of important submarine R&D projects, while "up to a billion dollars a year" were spent "financing IR&D projects," again reflects a total misunderstanding of the nature of IR&D and B&P costs. These are necessary and essential costs of doing business and, as the DSB Report states, represents the price of competition; i.e., a cost which is recovered many times over in the lower prices of future contracts that result from the Government's ability to award them on a competitive basis.

It is unfortunate that the Nation's natural interest in determining its total annual expenditures for research and development has resulted in singling out the IR&D and B&P cost elements from all the other cost elements comprising the major defense contractors' overhead, and reporting only the annual totals of IR&D/B&P costs. Similar annual totals for other cost elements in the major defense contractors' overhead, such as heat and light, guard forces, equipment depreciation, etc., etc., would also represent impressive dollar sums, although the contractors' vital need for such expenditures and the inability of Congress or any other body to make meaningful detailed recommendations for improving the efficient use of such monies might be more readily conceded.

IMPACT ON COMPETITION

The concept that, in general, the largest defense contractors receive the largest "IR&D payments" and that this helps them perpetuate their dominant position is to confuse effect with cause. Defense contractors of all sizes recover some portion of their IR&D and B&P costs as allowable costs to their sales to DoD. No defense contractor receives a cash payment for IR&D/B&P work. The advance agreement of a major defense contractor is an agreement that some portion of these costs will be recognized in the prices he charges for goods or services sold to DoD. In point of fact, a small contractor may recover 100% of his allocable IR&D/B&P costs if the ratio of these costs to his selling prices remains substantially constant from year to year. Moreover, the criterion for establishing the admissible ratio is each individual small company's historic record of IR&D/B&P costs vs. selling prices. A small company can thus expend 10% to 12% of its sales for IR&D alone, permitting it to recover the costs of performing twice or more the advanced work relative to its sales volume than the major

defense contractors are allowed. Of course, as small companies grow, they arrive at the dollar threshold for IR&D/B&P expenditures where they no longer may use a formula basis for determining the allowability of these costs, but must execute advance agreements and be subject to the same constraints as the major defense contractors.

The example quoted of a nuclear-powered commercial submarine tanker postulates an absolute lack of military value for the project, which would appear extreme. No reference is made by the Admiral to substantial cost benefits the Navy could have received through the absorption of a portion of the contractor's overhead costs by the commercial project, had he been successful in selling such vessels.

PROMOTING A MODERN INDUSTRY TECHNOLOGY BASE

Industry's reference to the need to maintain and hence retain an up-to-date modern industrial technology base for defense needs is here confused by the Admiral with an alleged need to broaden the industrial base. This base currently comprises companies of all sizes and with varying mixes of defense and non-defense and commercial sales. Large companies with adequate facilities, financial resources and technical capability are mandatory for the prosecution of major weapons systems. The medium and smaller size companies compete either as prime contractors for the award of smaller systems, subsystems, components or piece-parts, or as subcontractors to the major defense contractors for substantial portions of their prime contract business.

In all cases, irrespective of size or customer mix, no company recovers any IR&D/B&P costs from DoD until and unless it wins Defense contracts. Such recovery of a normal cost of doing business does not become a "subsidy" to a company just because it has the DoD as a customer. In fact, precisely the converse is true for the major defense contractors, who subsidize the government to the extent that they are not allowed to recover the full amount of IR&D/B&P costs properly allocable to DoD contracts.

BENEFITS FROM IR&D

As both the DSB report and the Tri-Association Study point out, IR&D/B&P are essential to the maintenance of competition and the major cost benefit is in the ensuing reduction of the cost of contracts that DoD awards because it is able to make such awards based on competition. The concomitant yield of advances in technology, superior performing acceptable performance is in a real sense an additional benefit of IR&D/B&P and not the sole output.

IR&D AS A NORMAL BUSINESS EXPENSE

If, as the Admiral contends, there is no true competition, prices are based on the actual costs incurred, and these costs can generally be passed on to the Government, it appears inconsistent to argue that "there is no incentive for a contractor to waste heat or light," i.e., that there is a strong incentive for him to control such costs, but no incentive for him to control IR&D/B&P costs despite the existence of a ceiling limit for the latter.

Qualitatively, the assertion that "increased IR&D spending can enhance the company's profits and strengthen its market position, military and commercial" is correct. Quantitatively, however, any increased level of IR&D/B&P expenditures must be carefully weighted against the resulting increase in overhead rates which militates against a company's competitive position, and also against the dollar-for-dollar profit erosion consequent upon IR&D/B&P expenditures exceeding the ceilings negotiated with DoD.

Here again, the Admiral's continued inaccurate reference to IR&D/B&P as "IR&D"

overlooks the fact that almost half of these costs accepted by DoD are associated with B&P. The fact that the majority of B&P work of the major defense contractors is performed in preparation for and response to RFP's initiated by DoD is clear demonstration that the associated costs are a legitimate and necessary cost of doing business.

RIGHTS TO INVENTIONS, PATENTS AND TECHNICAL DATA

It is noted that in the Admiral's statement on rights to inventions, patents and technical data he stated that the Government "may" pay for most of the work and that a contractor "may" extract a royalty. It would appear grossly inequitable for the Government to seek rights based upon a mere assumption that the Government "may" have paid or "may" have to pay a royalty. As to the first part of the statement, it should be noted that of the major companies doing business with the Defense Department, only a handful—probably less than ten—do more than 50% of their total business with Defense. Thus, it would appear to be the rare exception rather than the rule for the Defense Department to "pay for most of a Company's (IR&D) work." Further, a contractor cannot exact a royalty from the Government. Under 28USC1498, the Government can infringe any U.S. Patent and the owner's (contractor) sole remedy is an action in the Court of Claims for fair and reasonable compensation. We believe that our Courts can be relied upon to assure that any compensation a contractor would receive would be fair and reasonable.

The Admiral apparently confuses the relationship of employer-employee and that of an independent contractor. The research employee hired by a contractor enjoys job security, benefits, facilities, background know-how and assistants. Moreover, inventive employees often receive awards both in remuneration and position. On the other hand, a company's relationship with the Government is that of an "independent contractor" and being a Government contractor does not enjoy "job security" or any other benefit listed above that are provided to an employee. Finally, a contractor receives no additional consideration for the making of an invention or obtaining a patent. In fact, the Defense Department disallows any cost incurred by a contractor in obtaining a patent on an IR&D invention.

Any attempt by the Government to acquire rights in IR&D inventions, patents and technical data can have only an adverse impact on defense procurement. Such a policy would most certainly reduce competition for defense contracts because a company would not and should not jeopardize a proprietary position in order to accept a Defense Department contract. Such a policy would also probably inhibit IR&D expenditures in areas of concern to the Government.

DOD ADMINISTRATION OF IR&D

The Admiral's discussion contains much subjective opinion, innuendo and generalizations that are at considerable variance with the facts. For example:

(1) "The Defense negotiators are in a weak bargaining position. Large contractors can hold out for a higher ceiling amount and usually get it."

Again the Admiral is wrong. The Armed Services Procurement Regulation (ASPR) states:

"When negotiations are held with a company meeting the \$2 million criterion * * * and an advance agreement is not reached, payment for IR&D costs is required to be reduced substantially below that which the company or profit center would otherwise have received. The amount of such reduced payment shall not exceed 75% of the amount which, in the opinion of the contracting officer, the company or profit center would

be entitled to receive under an advance agreement. Written notification of the contracting officer's determination of a reduced amount shall be provided the contractor. In the event that an advance agreement is not reached prior to the end of the contractor's fiscal year for which such agreement is to apply, negotiations shall immediately be terminated and the contracting officer's determination of the reduced amount shall be furnished."

The effectiveness of DoD's negotiations is attested to by the fact that DoD's acceptance of IR&D/B&P costs has been a steadily declining percentage of sales to DoD. Also, most defense contractors consistently spend significant (and unreimbursed) dollar sums for IR&D/B&P over and above their negotiated ceilings. Why would this happen if the Admiral's contention were correct?

(2) DoD's technical review of IR&D is far from casual. The Admiral is possibly unaware that what he calls "IR&D proposals" i.e., the contractors' Technical Plans, have for some years been required to present the progress accomplished in the prior year on all completed, terminated or continuing tasks, and that this progress is accorded a technical rating directly impacting the overall technical rating accorded a contractor's planned IR&D work for the following year. Contrary to the assertion that these evaluations have little or no impact on "how much IR&D will be handed out," there is a very tangible impact as discussed previously under "Lack of Incentive to Control Costs."

(3) The statement that "Unless Government reviewers can prove that a project has no potential military relationship the cost of the project is allowed" is incomplete and conveys an erroneous impression. Costs of a contractor's IR&D program are allowed up to the DoD's pro rata share of his negotiated IR&D ceiling (not of the contractor's total IR&D program) provided that the dollar value of the portion of his IR&D judged to have a potential military relationship equals or exceeds the DoD share. Thus, the full costs of all projects judged to have a potential military relationship are not generally allowed to be charged to DoD contracts.

(4) "Under the current IR&D program, the Government is committed to supporting any new venture a defense contractor decides to undertake."

Again, the Admiral is wrong. The criteria used for determination of "a potential relationship to a military function or operation" (Potential Military Relationship) and published in the Congressional Record (May 8, 1973, p. 14779) already exclude many worthwhile IR&D projects closely related to DoD's interests. The ludicrous example laboriously contrived by the Admiral serves as eloquent testimony to his utter lack of understanding of the current system.

IMPACT ON NATIONAL DEFENSE

On page 10 of his testimony, Admiral Rickover states "The impression is left that IR&D helps us hold our lead in technology despite mounting expenditures by the Soviets" while on page 11, he further states, "In my view, the fact that the Soviets are spending far more than we are for research and development is all the more reason to spend our limited funds in areas that are most likely to be profitable from a technological standpoint."

Obviously the Admiral desires that all R&D be government-directed—this indeed is the Soviet system. His statements reveal that the Admiral completely misses the manner in which IR&D is such an important contributor to this nation's technology base. IR&D involves the prime attention of the most creative technical and management people in thousands of companies—all independ-

ently determining through this competitive process their degree of success and their economic future. It therefore multiplies manyfold the capabilities of the relatively much fewer governmental personnel, no matter how competent and creative those personnel might be. It is exactly the fact that the Soviets do not have an equivalent ability to enlist the innovative thinking of large numbers of engineers and scientists as inputs to their decision processes, and must rely wholly on successful consummation of government planning by a relatively small number of experts, that provides grounds for belief that this nation can offset their demonstrated willingness to devote more resources to Defense. Supporting the validity of this belief is the fact that the declared Soviet intent to bury the United States has not occurred in leading areas of the commercial arena, such as civilian aircraft, computers, and microelectronics to name but a few. It is not evident that the Soviet lack of success is attributable to inadequate resources applied to these tasks, but more likely that its determination of the technical approaches judged to be profitable proved to be inadequate or too rigidly selected and specified.

The following excerpts from the Tri-Association Study elaborates upon this point:

"The majority of IR&D work (some 80% or \$320 million annually) lies in the areas of Applied Research and Development; i.e., in the application of new technology, to operational requirements. This Nation's technical strength lies precisely in this area. Often, in the past, new technology has first emerged overseas; but its efficient, effective application to cost-competitive operational systems or hardware has first been accomplished in this country. IR&D is the early R&D most tightly coupled to potential producers of end-items, and it is intrinsically stimulated and urged by company managements toward the realization of operational devices and systems, rather than indulged as a leisurely conduct of technically elegant work."

"IR&D gives us an important kind of insurance in that experimenters who may think there is a better approach to the desired capability than that which has been covered by technology contract may be pursuing that alternative within the reasonable constraints—under IR&D."

The Admiral goes on to illustrate the effectiveness of the bureaucratic process for technical decision making, using the example of the Atomic Energy Commission and stating that its restrictive policy on IR&D did not impede the development of atomic energy, a fact that cannot be measured or properly assessed. However, one fact is clear, this policy contributed heavily to the reduction of competition in this arena.

While the AEC method provides very tight control of IR&D and B&P expenditures, it would be totally unworkable if applied across the board. AEC (now a component of ERDA) operates in a very narrow field, primarily with "captive" contractors operating AEC's GOCO (Government Owned Contractor Operated) facilities; these contractor segments are very dependent upon AEC and have very little choice but to accept AEC's directives on IR&D and B&P. Moreover, AEC has reaped the benefit of the support of DoD and all other private industry, of IR&D in the broad range of high-technology, non-nuclear disciplines AEC requires in such fields as electronics, controls, materials, etc. The AEC approach broadly applied would stifle contractor creativity and innovation. The AEC method not only fails to recognize IR&D and B&P as fully recoverable costs of doing business, but it also fails to recognize that IR&D is an indispensable innovative process and that B&P is the competitive mechanism for turning these innovations into products.

It is significant that Mr. Romatowski testi-

fied that ERDA had abandoned the AEC policies on IR&D reimbursement and the acquisition of rights in IR&D patents and technical data, because the Government received no benefits therefrom, and to align ERDA policies with other Federal agencies.

SUMMARY

This section repeats in summary form the misconceptions that DoD's allowance of a portion of IR&D/B&P costs against its ongoing contracts for goods and services represents a subsidy, assists the concentration of economic power in the hands of a few large defense contractors, and that superior results would be obtained by DoD's specifying all R&D projects and directly funding them on a contractual basis. The Admiral states that "in this way, Congress could also properly exercise its oversight function over IR&D expenditures."

The Admiral seems to be unaware of the continuous Congressional review of IR&D/B&P, or of the GAO report B-167034 issued in February on the subject of DoD's efforts to plan for the support of innovative research. Some quotations therefrom appear to be supportive of industry's position that the contractor's initiative is a vital ingredient in the productivity of innovative ideas for DoD.

FACTORS TENDING TO LIMIT INNOVATIVE RESEARCH

"Service officials state that, before approving funds, the Congress requires the services to provide some indication of the results expected from a research project. They believe this requirement restrains the funds allocated to innovative research because it is very difficult to predict what specific results, if any, will be achieved from high-risk, long-term research."

"Other factors which have caused program managers to hesitate to perform innovative research are:

1. *Availability of funds.* It is becoming more difficult to obtain funds for research that is not directed toward solving an existing problem in a relatively short time.
2. *Extremely high risk.* Program managers hesitate to take big risks because they are pressured to show results to justify the funds on research.
3. *Transfer difficulties.* Often great difficulty exists in finding a "customer" who will buy a new or conventional "idea." Program managers do not know if new ideas resulting from innovative research will be accepted and used.

CONCLUSIONS

As indicated by the foregoing specifics, Admiral Rickover's continuing and inherently narrow view of the vital nature of IR&D/B&P stands in sharp contrast to the predominant consensus of opinion between COGP, GAO, DoD, NASA, ERDA, DSB and OFPP.

As described in the testimony presented at the recent hearings by the Tri-Association witnesses:

"While we as a country are reducing our R&D expenditures, most of our major economic competitors are increasing theirs at significant rates. Since 1963, the U.S. has lagged such progressive countries as Japan, West Germany, and France in the growth rate of R&D.

"This de-emphasis on R&D compared to our past expenditures and compared to our economic competitors should be of great concern to all of us. It is equally worrisome that as our R&D expenditures decrease, our rate of growth in both productivity and GNP is markedly lower than these other countries.

"IR&D has over the years contributed invaluable advances to our nation's security and to the national technology base, which heretofore has been second to none. IR&D has helped gain and maintain our position as leading developer of superior military equipment.

"There has been a significant reduction in

DoD's share of contractor IR&D/B&P costs in recent years—down from a 51% share in 1969 to only 40% in 1974. In our judgment, this may result in disastrous consequences in the future. It is clear that the low profit levels of the defense and aerospace industry—averaging only 3% of sales in 1974—preclude the possibility that reductions in defense IR&D/B&P allowances can be offset by increased expenditures of company funds."

HARRY E. HULL

Mr. RIBICOFF. Mr. President, Harry E. Hull of Ridgefield, Conn., is being honored on November 11, 1975, in the town of Ridgefield.

No person has made a greater contribution to that special and beautiful town. A lifelong resident, he has given of his talent, personality, heart, and mind to the betterment of his hometown. He has been a leader in the political, social, and economic life of that community. He has served in every capacity, including four terms as Ridgefield first selectman. Harry Hull represents the best ideal of public service.

Harry is an old and dear friend. I have known him for many years, working closely with him on the problems affecting the town of Ridgefield and the State of Connecticut. I, too, salute Harry Hull for his character, ability, and service to his fellow townspeople. In commemoration of this day, I am having a flag flown over the U.S. Capitol for presentation to Harry. The board of selectmen has issued a proclamation detailing his career and his service. I ask unanimous consent that it be printed in the RECORD.

A PROCLAMATION TO THE PEOPLE OF RIDGEFIELD

Whereas the strength of a community lies in the hearts and minds of its citizens, and Whereas loyalty, devotion, talent and courage, given by one member on behalf of all the other members is a priceless ingredient in the life process of a community, and

Whereas Harry E. Hull, a native son, born and reared among the ridges and valleys of this lovely hill country town has given in abundance of his strength, time and wisdom, and,

Whereas the record will show that he has served the Town in an official capacity as

Chairman of the Rationing Board during World War II,

Administrator of the Lewis Fund,

A member of the Flood and Erosion Control Board,

A member of the Charter Revision Committee,

A member of School Building Committees,

A member of the Board of Education,

A member of the Board of Assessors,

A member of the Board of Finance,

Chairman of the Democratic Town Committee,

A member of the Board of Selectmen and First Selectman for four terms between 1947 to 1957, and

Whereas The record will also show that he has been a leader in the Patriotic, Social and Economic life of the town as,

A soldier in the American Expeditionary Force in World War I,

District Commander and Charter Member and Commander of American Legion Post 78,

A volunteer with the Ground Observer Corps in World War II,

Grand Marshal of the Memorial Day Parade for fifty years,

A Director of the Soldiers, Sailors and Marine Fund,

A Charter Member of the Last Man's Club,

A member of Odd Fellows Pilgrim Lodge,

A Boy Scout Leader,

A volunteer fireman,

A member, Governor and Deacon of the First Congregational Church,

A founder and Charter Member of the Ridgefield Community Center, and Charter Member of the Board of Directors,

A member of the Ridgefield Contractors Association, and,

Whereas He has provided stability and common sense to a community in the throes of turbulent transition, and

Whereas He personifies the ideal of the creative and dedicated citizen, and,

Whereas With nothing more than his innate abilities and hard work he has won the appreciation, respect and affection of all those who have been privileged to know him, and,

Whereas It is altogether fitting and proper that the people he has served for so long and so well should recognize the nobility of that service, be it therefore

Resolved That Tuesday, November 11, 1975, in addition to being designated as Armistice Day, be designated in Ridgefield as Harry E. Hull Day.

Done by unanimous vote of the Board of Selectmen under the authority vested in us by the people of Ridgefield and the State of Connecticut, on this 1st day of November, in the Year of Our Lord Nineteen Hundred and Seventy Five and of the Independence of the United States of America the one hundred and ninety-ninth.

A CLOUD OVER OKLAHOMA SENATORIAL SEAT

Mr. BELLMON. Mr. President, a year ago today, an election was held in the State of Oklahoma to fill a seat in the U.S. Senate. The outcome of that election was close, although not as close as many others in the history of the U.S. Senate. The vote in the election has never been challenged. Edmondson, Democrat, received 387,162 votes. BELLMON, Republican, received 390,997 votes. BELLMON, thus, was the winner by a margin of 3,835.

I repeat, Mr. President, the outcome of this election has never been challenged. Yet today, 1 year later, after four unanimous decisions by Oklahoma courts and two investigations by the staff of the Senate Rules Committee, a cloud, however slight, still hangs over my seat in the U.S. Senate. This is a result of a challenge filed with the Senate last January by Mr. Edmondson.

Last January, I filed with the Senate a motion to dismiss Mr. Edmondson's challenge. My motion to dismiss has not been acted upon by the Senate Rules Committee.

Mr. President, it may not be proper for me to discuss the merit or lack of merit of Mr. Edmondson's challenge. However, I believe it is proper for me to raise the question as to the justification for the long delay in resolving this matter and removing whatever cloud has been cast over my reelection.

The New Hampshire controversy was cited by many as a reason or excuse for the long delay in deciding the merits of Mr. Edmondson's challenge. However, that question has now been settled for many months. At the present time, it is

anticipated that the Senate Rules Committee will conduct hearings on November 17, or 377 days after Oklahomans reelected me to a second term in the U.S. Senate.

Mr. President, any Senator who is elected by a close vote could be placed in the same position I have been in over the past 12 months by an opponent who desires to manipulate the present procedures of the Senate. Unless these procedures are improved upon, future years could see a frequent recurrence of the kind of challenge which has delayed the final confirmation of my reelection.

In the interest of avoiding future prolonged and costly election challenges, I am joining Senator GRIFFIN of Michigan, a member of the Rules Committee, in support of legislation which would require the Rules Committee to act promptly on motions to dismiss—and thus speed up the process of disposing of election challenges. This proposal, modeled after legislation adopted by the House, would become effective in 1976. It would not affect my case.

Mr. President, justice delayed is justice denied in the Senate as well as in the courts of our land. Improvements in Senate procedures to prevent long delays in settling future challenges obviously is needed.

SENIORS FIGHT FOR NURSING HOME REFORM

Mr. MOSS. Mr. President, the November 1, 1975, National Observer contains an excellent story describing the efforts of senior citizens to bring about nursing home reform. The article mentions favorably the Grey Panthers of Philadelphia and Citizens for Better Care of Detroit. The article notes that such groups have been springing up. It reports on the activities of the National Coalition for Nursing Home Reform and the progress this group has made since it was formed in June.

I am particularly pleased that the article credits my Subcommittee on Long-Term Care for being the impetus for these efforts. I ask unanimous consent to have the story by Jaime Friedman printed in the RECORD.

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

THE ELDERLY LEAD A FIGHT ON NURSING-HOME WOES: THEY'RE TOUGH ADVOCATES, NOT JUST "VISITORS"

(By Jaime Friedman)

If the term elderly suggests someone doddering and aimless, one conversation with Grace Adair will help wipe out that stereotype. Mrs. Adair is 79 years old, and she is dynamite. A director of the Detroit-based Citizens for Better Care, she is one of the leaders of a fast-growing nationwide movement made up mainly of older persons and aimed at nursing-home reform.

There are now some 16 nursing-home reform groups in cities from Seattle to Philadelphia, and their goal is to end physical abuses and restore "human dignity" in institutions that lately have fallen under severe public scrutiny. Like Mrs. Adair, the reformers have time to devote to their projects, experience at dealing with government agencies, and a cause that touches both their fears and their compassion, a potent mixture by any definition.

FIVE YEARS OF HEARINGS

"Old people are more afraid of going into nursing homes than they are of death itself," Mrs. Adair says. "We're going to do something about that. We're organized, growing, and we are not going to be stopped."

These groups sprang into action as public attention to nursing-home abuses grew. After five years of hearings, the Senate Subcommittee on Long-Term Care reported that it found countless "examples of cruelty, negligence, dangers from fires, food poisoning, virulent infection, lack of human dignity, callousness and unnecessary regimentation, and kickbacks to nursing-home operators from suppliers." While 1.2 million Americans are confined to nursing homes, the subcommittee reported, evidence "indicates that a majority of homes fail to meet standards of acceptability."

Most nursing-home reform groups share small beginnings, shoestring budgets, and swelling memberships. Citizens for Better Care, for example, began in 1969 when seven volunteers met in the basement of a downtown Detroit church. The group now has 1,300 dues-paying members and a paid staff of 10 persons, aged 22 to 61. Most members are elderly, as are 11 of its 19 directors.

SUING FOR INFORMATION

"One thing we think it's vital to make clear is that we're not just a so-called friendly visitors group; we are first and foremost an advocacy organization," says Freda Gorrecht, 58, the group's president.

During an investigation of nursing-home conditions in the Detroit area in 1971, the reform group asked the state health department for copies of inspection reports on several homes. The health department considered the reports confidential, and Citizens for Better Care sued to force the department to make public those reports on all Michigan's 396 nursing homes. In 1974, an appeals court upheld the citizens group.

The group's investigation exposed widespread patient mistreatment in the Detroit area. Its survey of 80 homes showed that 44 facilities had 12 or more violations of the state health code and that 19 of the 44 homes had more than 20 violations each. In the year since the group's survey was issued, the state health department has doubled the number of intent-to-deny-license orders sent to Michigan nursing homes. At present 54 homes face license revocation.

"PATIENT ADVOCATES"

Michigan's state nursing-home association insists that health-code violations occur only in a minority of its member institutions, and the health department defends its ability to monitor conditions in the 396 homes across the state. Still, Citizens for Better Care has assumed its own watchdog role. On the group's front lines are 26 "patient advocates," or ombudsmen. All elderly volunteers, they are screened and trained by the group to be familiar with local, state, and Federal regulations relating to nursing-home care. Each volunteer spends six hours a week visiting a nursing home in his or her neighborhood.

"We direct our ombudsmen to develop good relations with the staff in the home, but their basic role is to be advocates for the patients," says Bob Anson, ombudsman project director. "Their job is to make sure that patients are being treated properly and that something is done about legitimate [patient] complaints."

"The volunteers need a combination of tact, curiosity, and aggressiveness," says Anson, and 69-year-old Corinne Gaines more than fits the bill.

TOP STAFFERS FIRED

Mrs. Gaines, a retired registered nurse who spent much of her professional life in cancer and tuberculosis hospitals, says the first nursing-home administrator she met with

was hostile and refused to co-operate in the project. After she complained to him about roaches, thefts of patients' belongings, and neglect of bedridden patients in the home, the administrator barred her from returning. The callous treatment of patients eventually was brought to the attention of the home's owners, and all the top staff members there were fired, she adds proudly.

"Without the ombudsmen, a lot of patients wouldn't complain about abuses for fear of retaliation by the staff," Mrs. Gaines says. "If you were bedridden, needed to be fed, bathed, and taken to the bathroom, how would you feel about complaining about the person on whom you depend for all these needs?" She adds: "We can really help, because we're not occasional visitors like a lot of social workers with heavy case loads. We're there twice a week, and the patients can depend on it."

In 1974 Citizens for Better Care handled 612 complaints of alleged nursing-home abuses that either had been reported to ombudsmen or called in on one of the group's hot-line telephones by patients or their relatives. Members investigated each complaint and, according to Anson, two-thirds of them proved to be warranted.

"Many of the problems can be taken care of without getting public-health agencies involved," Anson says. "If not, the ombudsmen refer it to the CBC (Citizens for Better Care) which takes it to the proper agency. We bug the hell out of them until something is done."

MONEY FROM WASHINGTON

Citizens for Better Care has successfully lobbied for legislation requiring the state Department of Health to inspect nursing homes with surprise visits rather than with announced inspections, and for a law limiting nursing-home profits to a return of 12 per cent on invested capital. The group is also pressuring the state government for stricter nursing-home regulation.

Detroit's Citizens for Better Care is generally recognized as the leader in the nursing-home reform movement, and it is the only one to receive any Government funds—\$190,000 this year in grants from the Department of Health, Education, and Welfare. Elsewhere, however, other groups are bidding to match and surpass the Detroit group's record.

In Seattle, for instance, Citizens for Improvement of Nursing Homes is a 500-member group headquartered in the home of its president, 69-year-old Dorothy Kallgren. Its \$1,500 budget is financed by annual dues and contributions from some members' savings.

So far, the Seattle citizens group has won passage of laws that require disclosure of nursing-home financial data and that impose a \$500 penalty on nursing homes for each violation of a state health regulation. It has also sparked an investigation of the unwarranted use of patients' personal funds by nursing homes. That inquiry resulted in 11 Seattle-area homes being cited for misappropriation or misuse of those funds.

Notwithstanding these victories, Mrs. Kallgren cautions that "we have a long fight ahead of us before nursing-home conditions in this state are anything like adequate. Right now the city of Seattle pays more to feed the animals in the zoo than the entire state spends on the well-being of nursing-home patients."

In Philadelphia two members of the Gray Panthers published the 76-page "Citizens Action Guide: Nursing Home Reform," which is fast becoming the movement's manual of tactics. The Panthers, a nationwide network of 8,000 self-styled "wrinkled radicals" and youthful activist supporters, have attacked not only nursing-home care but also the treatment of the elderly by mass-transit authorities, the medical profession, television programmers, the Adminis-

tration, and Congress. "The people we face are all adept at the political game and we've got to get that way too. We're not there yet but we will be," says Maggie Kuhn, 70, one of the group's founders.

"WE WERE SQUASHED"

The importance of political muscle already has been discovered by the fledgling Kansas for Improvement of Nursing Homes, a Lawrence-based group. "When we went to the State Legislature to plead for reform, there were just a few of us; the industry was out in force, and we were squashed," says 62-year-old Petey Cerf, one of the group's organizers. "Now we've decided to build a statewide organization, go out and get the votes, and then march right back. When we do, perhaps we'll find them in a more receptive mood."

Until recently, nursing-home reform groups operated more or less on their own. To bolster each other's efforts, 16 groups met in Washington, D.C., last June and set up a National Coalition for Nursing Home Reform. "This organization could become one of the most powerful public-interest groups in the country," says Ms. Kuhn. "Don't forget that the elderly are the fastest-growing minority in America; we are 21 million strong and most of us vote. A united, national organization of the elders of the tribe would certainly have considerable political power, and if it were astute at using it, some considerable change could be made."

BEYOND NURSING HOMES

The changes she talks about go well beyond the field of nursing-home care. "If you think about it, a critique of nursing-home care leads to a critique of the whole health establishment and ultimately to the question of what makes people sick in the first place," Ms. Kuhn says. "That issue involves the medical profession, occupational safety, housing, and the environment—all of which affect not just people in nursing homes but the rest of the population as well."

To the elderly members of the reform movement, empathy with nursing-home residents comes naturally. But the movement has another strong appeal. Explains Ms. Kuhn:

"Society says that people over 65 aren't good for anything but the scrap heap, and many retired people accept that view and start feeling that way about themselves. Advocacy literally breathes new life into them. They forget about their own aches and pains and get swept up in something bigger and more important and so much needed."

Though the movement is made up mainly of the elderly, it also attracts younger people as both members and leaders. Doug Roberts, for instance, is 32 and one of the founders of Citizens for Better Care. He describes his dedication with a story.

"Two years ago I was putting on an advocacy workshop at a convent school in Monroe (Mich.); there were about 40 nuns there, as I remember. During the program one of them got up and asked me why someone like me was working in nursing homes. The message really was how could someone as young as I be interested in people so much older."

"'Sister,' I told her, 'I'm preparing for my future!'"

NOBEL PEACE PRIZE FOR SAKHAROV

Mr. TAFT. Mr. President, last week the Cincinnati Enquirer asked Mr. Leonid Brezhnev an important question: Will the Kremlin react to the awarding of the Nobel Peace Prize to Andrei D. Sakharov in a manner consistent with the Helsinki agreement?

This is, I believe, an important question. In the past, the Soviet leadership

has reacted negatively when the Nobel Prize was awarded to Soviet dissidents. Boris Pasternak and Alexandr Solzhenitsyn both felt the wrath of the Soviet Government when they were selected for Nobel prizes.

I hope that the Soviet Government will, in the case of Dr. Sakharov, act in a manner fully consistent with détente and with Helsinki. The Soviet Government should show the world that those who hold a view of socialism different from that of the Communist Party of the Soviet Union are nonetheless free under Soviet law to express their views, without fear of persecution. For the Soviet Government to condemn Dr. Sakharov is for them to say that Dr. Sakharov's fundamental belief—that world peace must be based on respect for the individual human being in society—is not consistent with Marxism-Leninism. That would, I think, be an interesting admission.

Mr. President, I ask unanimous consent that the editorial from the Cincinnati Enquirer, "A Test of Soviet Humanity," be printed in the RECORD.

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

A TEST OF SOVIET HUMANITY

Andrei D. Sakharov, Soviet physicist and "father" of the Soviet H-bomb, is once again challenging the Soviet government to live up to its own professions of peace and justice.

The Soviet government has in recent years squirmed as Mr. Sakharov has repeatedly exhorted it to allow greater freedom for Soviet citizens and criticized it for its repression of political dissidents.

This time, however, the challenge comes indirectly, for the Nobel Peace Prize committee in Norway has proclaimed Mr. Sakharov this year's laureate.

Mr. Sakharov "has addressed his message of peace and justice to all peoples of the world," the committee stated. "For him it is a fundamental principle that world peace can have no lasting value unless it is founded on respect for the individual human being in society."

Twice before since World War II, the Nobel committee in literature in Stockholm, Sweden, has awarded its prize to Soviet writers, Boris L. Pasternak and Alexander I. Solzhenitsyn. Both times the Kremlin masters have been angered, and have persecuted the writers for having been honored. The Soviet leaders have taken the awards as insults to and assaults upon Soviet "democracy."

Will Leonid I. Brezhnev and the other guardians of Soviet "purity" gasp with alarm at this new judgment by the outside world of who speaks the truth and embodies virtue in the Soviet Union?

It would seem at least embarrassing just weeks after Mr. Brezhnev has endorsed the document of the European Security Conference promising an opening of frontiers in Europe, both physical and political, for the Soviet government to harass Mr. Sakharov or to condemn the Nobel Peace Prize committee for anti-Soviet behavior.

What say you, Mr. Brezhnev?

PRIVATE PHILANTHROPY IN OUR HEALTH CARE SYSTEM

Mr. RIBICOFF. Mr. President, the role of philanthropy is a vital one in our health care system. Over \$4 billion was contributed in 1974 by Americans to private philanthropy, over \$700 million of this to hospitals, largely to support nec-

essary expansion, improvement, and innovative programs that could not be supported in any other way.

On October 16, I spoke to 750 delegates of the National Association for Hospital Development at their annual conference. This organization helps medical institutions to expand facilities and provide new programs.

Because of the importance of private philanthropy, I ask unanimous consent that my speech be printed in the RECORD.

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

SPEECH BY SENATOR ABE RIBICOFF

I am greatly honored by this presentation of the 1975 achievement award. All of us interested in health care are keenly aware of the excellent work done by your organization. This is one reason why the award means so much to me.

I would like to talk briefly today about a subject that relates directly to your work: The continuing importance of private philanthropy to our hospitals. As many of you know, I joined recently with Senator Russell Long in reintroducing the Catastrophic Health Insurance and Medical Assistance Reform Act, S. 2470. This bill recognizes the critical role of philanthropy as a source of funds for our hospitals.

Our hospitals will continue to depend on the generosity of concerned citizens who contribute time and energy as well as financial resources. In total, about \$4 billion went to these institutions last year. To illustrate its importance, the director of Mount Sinai Hospital in New York recently reported that such contributions made up 50 percent of his institution's operating deficit.

Private philanthropy furnishes a kind of "venture capital" for hospital development. It enables innovations and critical breakthroughs. It also funds capital improvements—new buildings, beds, and equipment. These are the essential building blocks of health care.

This is why I insisted on including in the Long-Ribicoff bill a specific provision aimed at encouraging philanthropy. The provision applies to the determinations made by the Federal Government of reimbursable costs under Federal aid programs. It would bar Federal officials from deducting unrestricted gifts and endowment income from the reimbursements.

The provision is necessary, unfortunately, because officials of the present administration at various times have adopted a contrary policy. They have deducted funds from private philanthropy in calculating the operating costs of hospitals. In addition, the administration's economic stabilization program barred many hospitals from raising their rates in response to costs due to inflation. The hospitals had to use endowment and gift income to make up their deficits. This policy undercut the purposes of philanthropy; it was ended only when the economic stabilization program itself was eliminated. We hope that our bill's provision will effectively prevent a repetition of this threat or any similar one.

The Long-Ribicoff bill has three basic parts.

First, we recognize that every American family is faced with the fear of being financially destroyed by catastrophic illness or accident. The bill would establish a catastrophic health insurance program that would assure every citizen the opportunity to buy insurance either through the Federal Government or through the private sector.

Second, we recognize that every American family needs basic health insurance at reasonable cost. Our bill sets standards for basic non-catastrophic insurance that must be made available to everyone who wants it.

And third, we recognize that millions of Americans can't afford health protection at all. Our bill streamlines and broadens the Medicaid system through general uniform standards, eligibility and administration.

The total cost of the program will be \$9 billion. This is a great deal of money, but it is far less than other proposals and meets the most pressing health care needs in a responsible and pragmatic manner.

At present we cannot afford a health insurance coverage. And even if we could afford it, the Federal Government would have tremendous problems administering it.

I believe that this bill is a good first step—our best hope for progress in this Congress. Both Majority Leader Mike Mansfield and Minority Leader Hugh Scott have joined with us in introducing it. We'll need your help and support.

Our bill encourages private philanthropy because we believe that private giving to hospitals is essential to the Nation's health care. A nation that ceases to give will soon cease to grow. It will also cease to provide for its citizens basic needs. I salute the work you are doing, and I thank you again for this award.

THE PRICE OF RED INK

Mr. LAXALT. Mr. President, \$1½ billion borrowed weekly, \$544 billion total indebtedness as of the beginning of this fiscal year, and a \$36 billion annual interest cost which has now become the Government's third most expensive activity; these are just a few of the tangible consequences of the Federal Government's inability to live within its means. Yet, there are still those who seem unaware of our serious debt problems.

The strain on the credit markets predicted last spring by Secretary Simon is already here. Interest rates stimulated by fears of renewed inflation and heavy Treasury borrowing have been rising since midyear. This means bank interest charges, mortgage rates, and yields on Treasury securities have all been moving up. With the result that the inflow of funds to savings institutions has slowed and we could soon see a return to what the economists refer to as disintermediation. Unfortunately, as economic recovery proceeds, business demands for credit will grow leading to an even more serious head-on confrontation between Treasury borrowing and business needs with serious consequences for the future course of economic recovery.

Certainly, the Treasury is doing what it can to minimize the damage caused by its heavy borrowing. It is attempting to acquaint the market sooner and in more detail with its borrowing plans. It is trying to reduce excessive reliance on short-term interest rates and to lengthen the maturity of Government debt. Yet, it is finding that such techniques can have only a very limited impact when the budget deficit is so substantial. As the Under Secretary of the Treasury pointed out recently, "when the national deficit is so gross, its impact cannot be fine tuned."

The need is obvious. If this Nation is not to go the direction of New York City, we must again begin to live within our means. However, despite an abundance of evidence, it appears that this elementary fact has still not been brought home adequately to a number of our colleagues.

For this reason, I ask unanimous consent that "The Price of Red Ink, Officials Worry More Over Economic Strains of Federal Borrowing," an article in the September 30 Wall Street Journal, be printed in the RECORD.

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

PRICE OF RED INK—OFFICIALS WORRY MORE OVER ECONOMIC STRAINS OF FEDERAL BORROWING

(By James P. Gannon)

WASHINGTON.—In a heavily guarded pressroom at the Bureau of Engraving and Printing here, foreman Arthur Baron stands almost surrounded by tangible evidence of a great economic abstraction: the national debt.

Around him stand more than a dozen waist-high stacks of half-printed Treasury bills—government IOUs in the making. Each tightly bound pile consists of 5,000 large sheets of square paper, on which are printed six bills to be valued at \$10,000 apiece. Every stack represents \$300 million but just looks like an oversize bundle of crisp stationery.

"Those machines over there," says Mr. Baron, pointing to two whirring presses, "used to be printing currency, but now we have them working pretty steadily on the debt."

The fact that Mr. Baron's presses have switched from printing money to printing U.S. debt securities is a telling sign of the times. The federal government, short of money, is long on debt these days. Its money machines are cranking out millions upon millions of these pretty pieces of paper—purple, blue and green and bearing engraved likenesses of long-forgotten Treasury Secretaries and bearded Presidents.

THE INEVITABLE DAMAGE

The Treasury is issuing these fancy pieces of paper at a once-unthinkable pace of more than \$1.5 billion a week. The attractive interest yields—lately reaching as high as 8.5%—offered on these supersafe securities are luring funds away from the stock market, corporate bonds, savings accounts and other competing havens for money. Treasury debt managers are working hard to reduce the damage this can do to the fledgling economic recovery, but they concede that some damage is inevitable.

Treasury Secretary William Simon warned the House Budget Committee yesterday that "unprecedented" government borrowing is draining funds away from housing and business investment, thus weakening the economic upturn. "Unfortunately," he said, "the hoped-for recovery of residential construction and business investment will be hampered by the disruptive impact of massive federal debt-financing requirements." At a separate House hearing yesterday, the Treasury asked Congress for another temporary increase in the federal debt ceiling to accommodate its big borrowing plans.

Government borrowing in the fiscal year that began last July 1 is expected to top \$80 billion, up from \$51 billion in the past year, fiscal 1975, and from just \$3 billion in fiscal 1974. At the beginning of the current fiscal year, the federal debt already totaled \$544 billion, up 68% in a decade. Just paying interest on the debt now costs \$36 billion a year, which makes that the government's third most expensive activity, right behind social-welfare spending and national defense.

The heavy borrowing, of course, reflects the fact that the government is running deeply in the red, mainly because the recession eroded tax receipts and swelled spending on such things as unemployment benefits and food stamps. This fiscal year's deficit is likely to hit a record \$70 billion or

more up from \$43.6 billion in fiscal 1975, and the early guessing on next year's red ink ranges from \$35 billion to \$50 billion. Thus, big borrowing will continue indefinitely.

Last winter, Treasury Secretary Simon touched off a debate by contending that the Treasury's hefty borrowing would "crowd out" other borrowers, such as corporations, local governments and home buyers. At the time, the debate was academic. No crowding-out occurred in the first half of calendar 1975 because the recession sharply reduced business and consumer borrowing and left the Treasury ample elbow room in the credit markets.

SIGNS OF STRAIN

But the second half of 1975 and all of 1976 may be different, government officials and many private economists warn. They don't see any early credit crunch, but they do see these signs of strain in financial markets that could point to difficulties ahead:

Corporations in recent weeks have postponed or canceled roughly \$700 million of proposed new offerings of bonds and other debt issues. The would-be borrowers that backed away from the credit markets include blue-chip outfits, such as J.P. Morgan & Co., the prestigious New York bank-holding company, and lesser-rated borrowers, such as Consolidated Edison Co., New York City's electric and gas utility.

Interest rates, influenced by fears of renewed inflation and the Federal Reserve Board's restrictive monetary policy as well as heavy Treasury borrowing, have been on the rise since midyear after falling in the first half of calendar 1975. Bank interest charges, mortgage rates and yields on Treasury securities have been moving up. A mid-June offering of two-year Treasury notes provided investors an average return of 6.61%, but the yield at this month's sale of such notes jumped to 8.44%, well above the return that savers can earn at a bank or a savings and loan association.

The inflow of funds to savings institutions is dramatically slowing as savers seek the higher rates in Treasury securities. The August increases in deposits at savings and loan associations was less than half the record inflow of July, and some industry executives fear that September figures may allow a net outflow of funds. Such a development, if sustained a few months, would dry up mortgage credit and retard any rebound in the depressed home-building industry—a rebound considered vital for a general recovery.

Viewing these trends, Treasury Secretary Simon is sounding the "crowding-out" alarm again—but this time with more outside support. "Unfortunately," says the former Wall Street bond trader, "crowding out isn't just a fear any longer, it's a reality." The economic recovery is stronger than he had expected, Mr. Simon says, leading to financial strains earlier than he had thought likely.

While Mr. Simon's warnings may be somewhat exaggerated for effect (he hopes they will scare Congress away from enlarging the deficit further), his concern is shared increasingly by outside experts.

In a recent analysis of credit-market conditions, economist Henry Kaufman of the Wall Street securities firm of Salomon Brothers commented that although borrowers felt little strain in the first half of the year, "crowding-out now is surfacing with the emergence of some real growth, an acceleration of inflation and huge Treasury financing demands."

David M. Jones, vice president and economist of Aubrey G. Lanston & Co., a New York dealer in government securities, says that "postponement of corporate bond issues suggest there has been, if not crowding-out, a least opting-out by corporate borrowers to

wait for better market conditions. "He adds that as a stronger economy fuels business demand for credit early next year, chances of a "head-on confrontation" between Treasury borrowing and business needs will increase.

The housing industry is growing particularly vocal in warning that Treasury borrowing is threatening to jeopardize a home-building comeback. "The federal government's mushrooming credit demands will push interest rates higher," warns economist John M. Wetmore of the Mortgage Bankers Association of America, and "in turn all private sectors of the economy, including the mortgage market, will get crowded out." Mortgage lenders, such as savings and loan associations, are particularly alarmed that this month's Treasury auctions prompted many depositors to withdraw their savings to buy higher-yielding Treasury notes; an unusually large proportion of the notes were bought by individuals, rather than banks and other financial institutions.

Treasury officials are trying hard to reduce the ill effects of their borrowing, but the government's huge cash needs leave little room for maneuvering. And at the Federal Reserve Board, there is little inclination to fully accommodate the Treasury's needs by pumping up the nation's money supply; the Fed fears that such a course would only feed inflation.

The Fed, insiders say, is willing to watch interest rates rise and to see some tightening in mortgage-money markets as the price of sticking to its self-imposed limits on money-supply growth. "We've tried not to make any easing in policy because of Treasury needs," one Fed source says. He admits that "there are some signs of strain developing" in financial markets and that "housing could stand to lose" as the Treasury's borrowing and the Fed's firm stance push interest rates up. But he argues that greater damage would be done if the Fed relaxed its credit grip to make the Treasury's borrowing easier—and thus abandoned its anti-inflation policy.

Treasury debt managers, trying to dream up ways to borrow more than \$80 billion this fiscal year, are trapped between the rock of the Fed and the hard place of their own cash needs. "You have nothing but bad choices," comments Edwards Snyder, a veteran Treasury debt-management specialist, who likens the present situation to the borrowing binge needed to finance World War II.

Under these circumstances, the Treasury must constantly, rather than occasionally, tap the credit market. Sales of intermediate and long-term issues—notes and bonds—are being scheduled two and three times a month, usually in bites of \$1 billion to \$3 billion, instead of quarterly as before. Weekly auctions of three-month and six-month Treasury bills are raising \$700 million to \$1 billion of "new money"—money beyond that needed to pay off maturing bills.

"We're operating in a fundamentally different climate," from that in which the Treasury has operated in the past," contends Edwin H. Yeo III, the former Pittsburgh bank economist who became under secretary for monetary affairs—chief debt-juggler—two months ago. Not only are the Treasury's needs much bigger, Mr. Yeo says, but financial markets are "more volatile"—subject to wider and more frequent ups and downs as inflation fears and other psychological factors dictate.

The Treasury is adjusting its financing operation to this jittery climate in different ways, the official suggests. One effort is minute-by-minute monitoring of bond- and stock-market activity. In his otherwise antique-filled office, Mr. Yeo has installed an electronic gadget with a keyboard like a typewriter and a picture tube like a TV set. By punching the right combination of keys, Mr.

Yeo can order up an instant display of bond prices, stock-trading activity, commodity quotes, the hour's news headlines or other information.

"I like to know what's going on," says the 41-year-old Mr. Yeo, who has a penchant for vested suits, button-down shirts, slicked-down hair and Simon-says conservatism. "You have to know what is going on and why to design a financing that will catch the tide of events."

Besides watching the market more, Treasury men are trying to tell the market more about their financing plans. They recently outlined in public their elaborate plan for raising \$44 billion to \$47 billion in new money during the current July-December period. Why? "Our feeling was that the markets were uncertain about our plans and uncertainty is anathema to markets," Mr. Yeo remarks. By letting dealers and investors know well in advance the amounts and types of coming Treasury debt issues, Mr. Yeo hopes to calm some of the jitters that can result in wide price swings and interest-rates changes.

In an effort to reduce upward pressure on short-term interest rates and lengthen the maturity of government debt, Mr. Yeo also is lessening the Treasury's reliance on short-term bills in favor of longer-term notes and bonds. He thinks this will ease the problem of "disintermediation"—meaning the outflow of savings from thrift institutions—and the resulting harm to housing. Further, selling two-year notes now instead of three- or six-month bills means that the Treasury will have less maturing debt to "roll over" in 1976, when business demand for credit may be strong, he notes.

These and other damage-control adjustments in Treasury financing techniques can have only a limited impact on the general structure and level of interest rates, Mr. Yeo readily admits. When the national deficit is so gross, its impact can't be fine-tuned.

Only half in jest, debt manager Ed Snyder sums up the Treasury's problem: "Debt management today is easy. There aren't too many choices to make. You just do all of everything that you can think of and hope that it is enough."

STATES FIND SPACE DATA USEFUL

Mr. MOSS. Mr. President, as chairman of the Committee on Aeronautical and Space Sciences, I am vitally interested in the many benefits of space that have practical application here on Earth. One of the most fruitful of these areas is the use of Earth resources data obtained by satellites and specially equipped, high-flying aircraft of the National Aeronautics and Space Administration.

A recent article in the Wall Street Journal by Douglas Martin describes how Mississippi and Louisiana are using NASA expertise and data to deal with problems of land use, pollution, and natural disasters. The article points out how these two States are saving significant amounts of time and money by using NASA's assistance.

As Mr. Martin points out:

Unlike some federal aid programs, this one is inexpensive and amazingly free of red tape.

Because this article is of interest to other Senators and other States, I ask unanimous consent that it be printed in the Record.

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

[From the Wall Street Journal, Oct. 15, 1975]
A LIFT FROM NASA—TWO SOUTHERN STATES USE SPACE SCIENCE TO SOLVE SOME DOWN-TO-EARTH PROBLEMS

(By Douglas Martin)

PASCAGOULA SWAMP, Miss.—Last summer, the private owners of some 40,000 acres in this lush cypress forest said they were interested in selling. Conservationists were delighted. The swampy forest is one of the largest unspoiled wildlife habitats left in the southeast U.S. When the conservationists asked the state of Mississippi to take up the sale offer, however, legislators—to whom a swamp was just a swamp—balked.

"Many legislators thought we were nuts," says William Y. Quisenberry, director of the state's new wildlife heritage program.

Then the space men stepped in. From the National Space Technology Laboratories at nearby Bay St. Louis, Miss., came satellite photographs showing in detail the swamp's rich stands of hardwood and pine. Other data gathered at the space center made possible a persuasive economic analysis of the benefits of turning the swamp into a recreation and nature preserve. Impressed, the state legislature turned around and approved the sale of \$15 million in bonds to raise money to buy the acreage. "In the end," Mr. Quisenberry says, "it was like voting for motherhood."

A new federal program—for sharing expertise, rather than revenues—created NASA's role in the project. The program is experimental. With a \$400,000 grant from the National Science Foundation, NASA and other federal agencies at the Bay St. Louis base are lending technological aid to two states, Mississippi and Louisiana, to deal with problems in land use, pollution and natural disaster.

Unlike some federal aid programs, this one is inexpensive and amazingly free of red tape. It took only three weeks and \$10,000 for NASA to evaluate the economic potential of the Pascagoula swamp.

Officials who created the program think that if poor states like Mississippi and Louisiana—which rank, respectively, 50th and 44th among the states in per-capita income—can be assisted, then technological aid can produce benefits anywhere in the country. If the science foundation had sought easy success, one official says, "we'd have gone to New York or California. But the proof of the pudding is in the tough states."

Representatives of the two states use the Bay St. Louis base to confer with working scientists and other experts from NASA, the Environmental Protection Agency and the Interior, Commerce and Transportation departments. Things go informally. Instead of preparing massive documentation to support requests for aid, state representatives usually can just drop in and ask for the help they need. Recently, for example, Guthrie Perry, a Mississippi wildlife biologist trying to take a census of the state's alligators, stopped by and asked to see if he could spot their nesting grounds on infrared aerial photos made by NASA. He found he could, bought \$100 worth of photos and took them home to study.

The program worked especially efficiently in last spring's severe flooding. Photographs from Landsat 1 and Landsat 2, NASA satellites that monitor the condition of the earth's terrain, helped determine the extent of flooding, which Louisiana needed to know to obtain disaster aid from the government. In the past, it sometimes took four or five months to obtain such relief. Because of NASA's help, this time it took only four days.

In another case, Mississippi was able to hire high school students to locate bodies of water on high-altitude photos for a dam-safety survey that the government required. The study cost only \$25 per body of water. P. T. Bankston, a Mississippi official at the

space center, says other states engaged in such studies have run up costs of \$200 to \$1,000 per body of water. And a Louisiana official says NASA expertise saved the state government "at least a year" in developing its state-wide communications system.

The government derives some benefit from the program, too—finding, for example, new and earthy uses for the expensive technology it has developed for space travel and scientific information gathering.

Wayne Mooneyhan, director of NASA's earth resources laboratory at Bay St. Louis, says satellites now are mapping Mississippi in 40-acre grids. NASA's sophisticated photo technology provides so much information about the terrain, he says, that when the process is completed, a wildlife-habitat survey of the state could be made in less than a minute. The last such study made in Mississippi took 11 years to complete.

Satellite and U-2 aircraft data on water temperature, salt content and currents have helped direct commercial fishermen from Louisiana and Mississippi to large schools of fish in the Gulf of Mexico. The fish finding, Mr. Mooneyhan says, is so precise "it scares you."

NASA expects eventually to use satellite and U-2 data to help prepare more accurate estimates of crop yields and to undertake other projects in the U.S. and elsewhere. But Mississippi's Mr. Bankston has some ideas for drawing on NASA expertise outside the terrain-study field—in designing more efficient wheel chairs and artificial limbs, for example. "If there's anybody who knows about human engineering," he says, "it's NASA."

The science foundation's two-year grants for the program expire next June, but the program has been so successful that officials expect it to continue. For one thing, the two states have agreed to pay for specific services rendered. Some federal officials now envision expanding the program. "There's no reason why more states can't get involved with other federal installations," says Jerome Rosenberg, a NASA official in Washington. The program, he says, "is adaptable to any other state."

CAMPAIGN FINANCING

Mr. MATHIAS. Mr. President, 1 year ago today, I won reelection to the Senate following a campaign that I conducted under a program of financial restrictions, imposed voluntarily, that were stricter than the requirements of Federal or State law.

My experiences with that campaign, and with other campaigns through the years, have led me to the conclusion that a reform of laws governing the process of financing campaigns for elective Federal offices is essential to permit the average American to participate effectively in the political process.

I believe the campaign I ran last year was a worthwhile step in that direction. I think its lessons are well worth studying.

Accordingly, I am making this comprehensive report today to the Senate on my 1974 campaign finance program, after a year of careful reflection and detailed review.

That review included a study and analysis—by me and by those persons who, as members of my 1974 campaign staff, were intimately familiar with the development and implementation of the campaign finance plan—of all aspects of the plan.

I reviewed the goals, the mechanics, and the results of the plan.

I reviewed all the documents, news releases, speeches, statements, and other materials that I or my campaign staff issued or used in the campaign in connection with financing.

I reviewed all the news clippings, including editorial comments, from publications and other organizations in Maryland and elsewhere, that were collected during the campaign and since.

I reviewed copies of all the campaign financial statements that were filed with Federal and State authorities as required by law.

Some of this voluminous material is being submitted with this statement for inclusion in the RECORD.

All the material that I have described is available for inspection in my office by any interested party, and I would welcome the opportunity to discuss this subject with any individual or organization that has a legitimate interest in furthering the reform of our campaign financing process.

The decision to undertake a campaign of this type was not made lightly or suddenly. I have long been working with others within the Congress in an effort to reform the laws that govern campaigns for elective Federal offices.

I was a cosponsor of the bill which became the Federal Elections Campaign Act of 1971. During consideration of this bill by the Senate, I offered 13 amendments to the bill which were adopted by the Senate. I debated the merits of these amendments, and of the complete bill, on the Senate floor and in private meetings with my colleagues and others. I voted for the bill, and stated at that time that it could be regarded only as a first step toward a process that would enable the average American to participate effectively in the process of campaigns.

In 1973, I cosponsored two major bills to reform further the laws which govern election campaigns for Federal elective offices. I participated in the debate concerning the merits of the bill that was eventually enacted as the Federal Elections Campaign Act Amendments of 1974. I testified before the Senate Subcommittee on Privileges and Elections during its consideration of this bill, and I debated the merits of the bill when it was before the full Senate. I represented the Senate as a conferee during the House-Senate conference to reconcile the differences between the bill as passed by the House of Representatives and the bill as passed by the Senate. I signed the conference report, spoke in favor of the conference bill on the Senate floor, voted for the conference bill, and urged President Gerald Ford to sign the bill into law. On April 3, 1975, I filed an affidavit in support of the act in the U.S. Court of Appeals for the District of Columbia.

One of the principles that was of major concern to our Founding Fathers was equality of access to the political arena. This ideal was imperfectly achieved at the founding of our Republic and it is imperfectly achieved today, but our Nation has made great strides toward achieving it during our history. The great extensions of the franchise to blacks, to women, and to our younger citizens, as well as the abolition of the poll tax and the direct election of Senators were all

intended to remove barriers to the participation of our people in the selection of their leaders, and to equalize control over political outcomes.

In recent years this concern about equality of access to the political arena has found expression in attempts to reform our system of financing political campaigns, including the efforts leading to the enactment of the Federal Elections Campaign Act of 1971 and the Federal Elections Campaign Act Amendments of 1974.

I would like to emphasize at this point that the idea of financing Federal elections out of public funds has long been recognized as consistent with basic American values and beliefs. Public financing was proposed by Theodore Roosevelt in 1907, and has been more recently endorsed by President Truman and President Johnson.

A system of public financing of Presidential campaigns has three major benefits: it equalizes access to the political arena among candidates and among members of the general public; it permits voters and candidates to control the incredible growth in campaign expenditures; and it enables us to remove a large part of the corrosive influence of big money from our political campaigns and our governing process.

The old system of relying upon huge private gifts of money from individual contributors has had several detrimental effects on the political process which are evident to me and to a large part of the general public with which I have contact.

The old system diminishes the role that many Americans can play in the political process. It is usually far easier to raise large sums of money for political purposes by concentrating on raising large gifts from a relatively small number of citizens, rather than by attempting to raise small gifts from a large number of citizens.

Accordingly, in my own campaigns before 1974, and other campaigns in which I have been involved, the principal effort related to fund-raising has been designed to appeal to citizens of relative wealth. The greatest effort is put where the greatest return can be achieved, and in campaigns in which contributions of any size can be accepted that effort is almost always placed on soliciting large contributions.

The nature of these fund-raising efforts affects the entire campaign process—where and when the candidate appears, the timing and tone of the candidate's remarks, where and by what means campaign literature is distributed, the extent to which citizens are encouraged to vote, and so forth.

The result is that it is more difficult than it otherwise would be for small contributors to become involved in the campaign. In my own campaigns, and others in which I have been involved, a candidate who can accept contributions of any size does not seek to make as many opportunities for involvement available to the thousands of potential small contributors as does a candidate who limits the size of contributions.

There are many ways to make greater opportunities for participation available to the potential small contributor. In my

1974 campaign, we undertook special fund-raising appeals mailings, distributed special envelopes for contributions at social or community affairs, provided speakers to address community groups interested in the campaign, and organized special door-to-door efforts. These efforts were designed to make it easier for the citizen of limited or moderate means to participate in the campaign, and they were successful.

Many citizens correctly perceive that the citizen who gives a large contribution often receives special consideration from the candidate, both before and after the election. Candidates usually know and remember the names of individuals who make large contributions. An official may not change his or her vote solely to accommodate the views of such contributors, but often officials, including myself, will agree to meet with an individual who made a large contribution so the official can hear the contributor's concerns and make the contributor aware these concerns have been considered.

Moreover, on the many matters which come before an elected official which do not relate directly to a specific vote, the official will often agree to meet with the large contributor, listen to his views, and to the extent feasible, respond to the contributor's concerns. Since an elected official has only so much time available, the inevitable result of such special treatment for the large contributor is that other citizens are denied the opportunity they otherwise would have to confer with the elected official.

The result is that those who would become politically active because of such contact with the elected official are discouraged from doing so. Moreover, others who know or suspect such special treatment for big contributors have told me that they feel the average American has no significant role in the political process, and that they therefore do not participate.

In December of 1973, I announced that I would impose on the campaign organization working for my reelection a series of limitations that would serve as a test for a new method of financing and conducting campaigns for Federal offices.

I imposed these limits on my campaign for several reasons:

First, I believed it was important for the Congress and the country to know to what extent a campaign could be funded without the benefit of large contributions from individual citizens.

Second, I believed that Marylanders deserved to know that a candidate did not owe special allegiance or consideration to any individual because of a large contribution.

Third, I believed Marylanders would respond favorably to a new method of conducting a campaign and Marylanders would participate in this effort who had not participated before in campaigns because they felt unneeded, or unwanted, or because the candidate had not provided opportunities for their involvement.

Fourth, I wanted to be able to serve as a Senator for the next 6 years with-

out feeling special obligations to any individual contributor.

Fifth, I wanted the citizens of Maryland to know that I would serve them as their Senator without owing any special obligation to any individual because he or she contributed a large amount to my campaign.

The limitations which I imposed on my campaign organization beginning December 21, 1973, were:

I accepted no cash contributions for my campaign;

I permitted no cash expenditures by my campaign organization or by others on my behalf;

I solicited small contributions only;

I did not accept any contribution of more than \$100 from any one individual;

I accepted contributions from groups or organizations only if such contributions represented donations of \$100 or less from specified individuals, or if the organization certified that its contribution did not include more than \$100 from any single individual;

I did not accept the benefit of any donation in excess of \$100 given to any group or organization and earmarked for my campaign;

I reported every contribution—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout the campaign;

I reported every expenditure—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout my campaign;

I established one central campaign committee, and it controlled all receipts and expenditures of my campaign; and

I abided by the expenditure ceilings—8 cents per voter in the primary and 10 cents per voter in the general election—which were contained in the Federal Election Campaign Act Amendments of 1974.

Before I announced these limitations, my campaign organization had raised \$118,745 from 541 contributors. After paying 1968 campaign debts and pre-campaign obligations, this amount was reduced to approximately \$50,000. The \$118,745 was raised from 302 contributions of \$100 or less totaling \$25,045, and 239 contributions of more than \$100 totaling \$93,700. The \$93,700 consisted of 196 contributions of \$500 and under, 35 contributions between \$500 and \$1,000, and 8 contributions of over \$1,000. Of the 8 contributions of over \$1,000, one was for \$1,200, two were for \$1,250, one was for \$2,000, and four were for \$2,500.

After I imposed the limitations, my campaign organization raised approximately \$187,000 from approximately 6,370 individuals. No individual gave more than \$100. The average contribution was \$29.35. In addition, other individuals "pooled" their contributions of less than \$100. These "pooled" contributions totaled \$77,000 and involved at least 1,800 individuals.

The number and size of contributions to my 1974 campaign was substantially different from the number and size of contributions to my 1968 campaign. In 1968, my campaign organization raised approximately \$402,000 from approximately 1,860 contributors. Only 5 per-

cent of this amount, \$20,852, was raised from 821 contributions of \$100 or less. The remaining 1,043 contributions of more than \$100 totaled \$388,148, or 95 percent of the total amount raised.

In 1974, the total amount raised from 8,716 contributors was \$382,745. Of the total amount contributed, 76 percent, or \$289,045, consisted of 8,472 contributions of \$100 or less. The remaining \$93,700 of contributions above \$100 represented 24 percent of the total amount, contributed by 239 persons before I imposed the limitations in December 1973. The \$264,000 raised after I imposed the \$100 limit on contributions from any individual represented 100 percent contributions of \$100 or less.

The table below more clearly defines the impact of the limitations I imposed:

	1968	1974
Total amount contributed	\$402,000	\$382,745
Total number of contributors	1,864	8,716
Total amount contributed at \$100 or less	\$20,852	\$289,045
Total number of people contributing \$100 or less	821	8,472
Total amount contributed at more than \$100	\$388,148	\$93,700
Total number of people contributing more than \$100	1,043	239

As these figures suggest, many Marylanders became involved in my campaign in 1974 only because they knew that large contributions of money had been banned. Throughout the campaign, people who had never before been involved in politics came forward to participate and contribute because they felt that the limits I had imposed made their involvement important. I am submitting for the RECORD some of the letters I received from several of these individuals.

It is important to recognize that the circumstances surrounding the experiment that I undertook in 1974 were unique.

It is difficult, therefore, to state how well a similar experiment would fare if it were conducted at another time, by another candidate, in another State—or, for that matter, considering the constantly changing circumstances of politics, in my own State.

In 1974, the media stated frequently that my reelection was a sure bet. This had the effect of discouraging citizens from becoming involved in my campaign because many felt I would win even without their participation.

It was principally through the media, however, that the campaign plan became widely known to the public. From the first announcement of the plan, at a news conference in December 1973, until the conclusion of the campaign, news coverage was, for the most part, full, accurate, and fair. Toward this end, I and my campaign staff made it a point to cooperate with the media to the fullest extent possible, responding to every inquiry and making all information readily available. Editorial comment was overwhelmingly favorable.

Reporting and discussion of the campaign finance plan by the media were of particular importance because a decision was made early in the campaign to

forgo virtually all the traditional and costly advertising and public relations activities that so often are associated with political campaigns. There were no billboards. There were no television spots. Indeed, the only activity of this type was a limited series of radio spots that I recorded, without adornment, during the last month of the campaign.

The decision to campaign without extensive and expensive advertising and public relations activities was made for two reasons.

First, and of practical consideration, was the fact that we were determined to remain within the limits of the campaign budget, and not go into debt. The campaign budget was determined by a continuous, incoming flow of small contributions, and it was difficult to earmark large sums for such activities.

Second, and of philosophical consideration, was the feeling that consistent with a reform of campaign contributions was a reform of campaign expenditures. The campaign was designed to reach people as interested individuals. Accordingly, campaign strategy was developed with a direct person-to-person approach in mind, rather than a broad, impersonal, public appeal.

The person-to-person approach was implemented through direct mail activities that proved to be effective. One problem with direct mail, of course, is that it, too, is a costly mechanism. But in terms of the goals and the philosophy of the campaign and the nature of the experiment that we were conducting, I am satisfied that the principal decisions that were made were the correct ones.

There is another factor that should be considered in evaluating the 1974 campaign. I was a well-known incumbent who began the campaign with a positive rating in the public polls. Candidates in other races who are either less well-known or whose conduct has made them less popular with the public would undoubtedly encounter more difficulty in raising funds. Moreover, a candidate who confronted a more closely contested primary and general election would probably feel the need for raising more campaign funds than I believed necessary for my reelection in 1974.

The key fact which emerges from the results of this experiment, however, is that a system that relies on large contributions from private individuals impedes the participation of persons of limited or moderate means. Conversely, if the size of all contributions is limited, citizens who have never before been actively involved in the political process will participate and contribute.

The total of these small contributions can be substantial. So can be the improvement in the political climate.

Mr. President, in connection with the statement that I have just delivered, I ask unanimous consent that the following items be printed in the *RECORD*:

First. The floor remarks that I delivered in the Senate on December 21, 1973, the day I announced my campaign finance plan.

Second. The brief message from me that was printed on the direct mail material that was used in the campaign.

Third. A letter dated July 30, 1975, from David Cohen, president of Common Cause.

Fourth. Excerpts from letter that were received during the campaign from contributors.

Fifth. An editorial, "How Reform Starts," from the *Evening Sun* of December 24, 1973.

Sixth. A column, "A Naive and Unreasonable Resolution," by Ernest B. Furgurson, from the *Baltimore Sun* of December 27, 1973.

Seventh. An editorial, "Mathias' Example," from the *Montgomery County Sentinel* of December 27, 1973.

Eighth. An editorial, "Maryland's National Image," from the *Baltimore Sun* of December 30, 1973.

Ninth. An article, "Scenario for Election Reform To Be Tested by GOP Senator," from the *Toledo, Ohio, Blade* of February 10, 1974.

Tenth. An article, "Senator Mathias Returns Some Contributions," from the *Cumberland, Md., News* of September 22, 1974.

Eleventh. An article, "Campaign Act Backed by Mathias," from the *Washington Post* of March 8, 1975.

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

REMARKS BY SENATOR CHARLES MCC. MATHIAS, JR., FRIDAY, DECEMBER 21, 1973

Mr. MATHIAS. Mr. President, sessions of Congress always end with much work left undone and many jobs unfinished. That is in the nature of things and is not likely to change.

But there are some tasks that cannot be delayed and there are some times that cry for change. One of those tasks is the reform of the election process to correct the abuses rooted in money and secrecy. Congress must not go home without heeding a public outcry against failures of government and changing the patterns of the past.

No problem confronting our nation today is greater than that of our steadily eroding confidence in our political system, and in ourselves. This erosion of confidence results from incontrovertible evidence that our current political campaign process corrupts our principles, our leaders, and ourselves. Reform of that system is essential to restoring confidence and self-respect, and this restoration is essential to mastering the other problems and challenges we face.

We all take the oath to support and defend the Constitution. Our constitutional processes have been under attack for the past few years. The spirit and intent of the law has been abused and in some instances the letter of the law has been violated. This is particularly so in our campaign and electoral processes.

Members of Congress must feel the weight of their responsibility for reform that bears not only upon the national legislature collectively, but upon each member individually as elected representatives and as practicing politicians. If the Congress cannot now provide an institutional answer to election reform, there are, nonetheless, appropriate personal solutions that can be taken.

In 1973, the Senate passed a campaign reform act—the Federal Election Campaign Act Amendments of 1973. That bill contained many historic provisions which promise significant improvements in Federal election campaigns. Yet that bill now languishes in a House subcommittee. It is dead for the 1974 campaigns. Its promises are empty.

In 1973, the Senate debated public financing of campaigns. A majority of Senators

agreed that this step was necessary and proper to make our political system one in which we can all once again take pride. Yet public financing was filibustered to death on this floor. And while we have the firm promise of committee action within the Senate on public financing bills next year, we know such action cannot affect 1974 campaigns.

In 1974, we can accomplish much. In 1974, the Congress can enact public financing. In 1974, Congress can enact legislation to set ceilings on contributions and campaign expenditures. In 1974, the President can join with the Congress and the courts in seeking to ensure that the abuses of the past are accounted for, and that our campaign system is modified so such abuses cannot recur. We must do all of this, even if we realize that the laws now in effect that proved so ineffective in 1972 will still be in effect in 1974.

And so, we contemplate what more we are able to do now.

Laws, as a general proposition, measure the outer perimeters of human behavior that are prohibited by Society. Laws leave us freedom to choose the level of social attitudes that we will exhibit toward our fellow men. Thus the law prohibits mayhem and murder, but leaves us free to determine whether we will in fact live in love and charity with our neighbors. Thus the law exacts through taxes a minimum contribution for public welfare and defense, but leaves us free to volunteer personal work or gifts for the causes we think are also important to our community.

Why should we not then consider that the election laws, which prescribe minimum standards of conduct, should not be seen in the same light? If through opposition or inertia the general standards cannot be raised by revisions of the general law, what is to prevent those who are particularly concerned from doing more? The answer is, of course, nothing whatever except the well-trodden paths of politics that so many of us have followed with the best of motives and the highest of ideals to such shoddy destinations. I feel that I must seek a new road.

And so, I wish to tell the people of Maryland as well as the Senate some of the steps I personally plan to take in 1974.

First, I will accept no cash contributions for my campaign.

Second, I will permit no cash expenditures by my campaign organization or by others on my behalf.

Third, I will solicit small contributions only.

Fourth, I shall not accept any contribution of more than \$100 from any one individual.

Fifth, I will accept contributions from groups or organizations only if such contributions represent donations of \$100 or less from specified individuals, or if the organization certifies that its contribution does not include more than \$100 from any single individual.

Sixth, I will not accept the benefit of any donation in excess of \$100 given to any group or organization and earmarked for my campaign.

Seventh, I will report every contribution—no matter how small—to the appropriate Federal and State authorities at regular intervals throughout the campaign.

Ninth, I will establish one central campaign committee, and it will control all receipts and expenditures of my campaign.

Tenth, I shall abide by the expenditure ceilings—10 cents per voter in the primary and 15 cents per voter in the general election—which were passed by the Senate in July and now languish unattended in the House.

These are not the rules I have lived by in the past. They are different from the rules followed in 1960 when I was first elected to the Congress. They are different from 1968 when I was first elected to the Senate. Indeed, they are different from last May when many members of the Senate honored me by

your presence in Baltimore at a fund-raiser pointing toward my 1974 campaign from which a balance remains. Perhaps we all should have been wiser in years past, but we can't turn back the clock and start reform in 1960 or 1968 or even 7 months ago. What we can do is start now.

In seeking this new start and this new direction, it is necessary to make a goal clear. It is not some exemplary degree of personal virtue. After all, it is our ancient prayer that the Lord should not weigh our merits, but pardon our offenses. What I am seeking is rather a new system, a new method, a new standard which will make our democracy more truly democratic. By adopting these voluntary limits it is obvious that new risks are incurred. The only way to surmount those risks is to meet the criticism raised by a public which has become distrustful of all politicians and is losing faith in all our political system and politicians will require a tremendous and vigorous effort on the part of every man and woman who supports my candidacy. But it can be a struggle that is invigorating and exciting, because it will explore new ways to fulfill old ideals.

None of the steps I have listed are currently required by Federal law. Some of them go far beyond any proposals which we have debated and supported. But in each case, those who have advocated such steps have been told that no candidate could run a credible campaign if he abided with such rules. We have been told that we were naive and unreasonably idealistic.

In each case, I have argued to the contrary. And so today, I pledge to test out my own beliefs. I am confident that the people of Maryland can demonstrate to the Congress that campaign reform can work. It is the road I feel I should take.

MESSAGE FROM SENATOR CHARLES
McC. MATHIAS

DEAR MARYLANDER: In the last five years in the U.S. Senate I have tried to represent Maryland as a man of independent judgment. I have led the fight for campaign reform and am staking my future on a 1974 Senate campaign based on thousands of small gifts. I will accept no contribution for more than \$100.

I need your help—to help preserve my freedom from large contributions—and to prove that the public has not lost its confidence in independent public servants.

By returning a contribution in the \$15 to \$100 range in this envelope you can help establish a new commitment to conscience and integrity in government. That is my goal as your Senator and I hope you will want to help.

Sincerely,

CHARLES McC. MATHIAS, Jr.

COMMON CAUSE,
Washington, D.C., July 30, 1975.

Hon. CHARLES McC. MATHIAS,
Russell Building,
Washington, D.C.

DEAR SENATOR MATHIAS: Common Cause believes that the example you set during the 1974 Senate campaign constituted a highly valuable demonstration of the fact that political campaigns can be run without reliance on big private givers. We strongly commend your effort. By refusing to accept individual campaign contributions over \$100, you were able to show by personal example that small donors can play a more important role in the political process than large givers. The responses you received from small donors clearly established that far more people were willing to be involved in the political process when they knew it was not going to be dominated by a relatively few large givers.

Watergate educated tens of millions of Americans to the enormous dangers of the old system of financing political campaigns. Public opinion polls continue to show a dan-

gerously low level of confidence in the integrity of our government.

This kind of discontent and distrust can only be overcome by positive action by our national leaders. Your 1974 campaign finance effort represents just such a positive step.

As you know, absent public financing of elections, non-incumbent candidates in particular often will be unable to adopt the financing approach you followed in your campaign and raise sufficient funds to run a competitive race. This is one of the fundamental reasons that Common Cause believes it is essential to enact public financing for Congressional races.

We very much appreciated the key leadership you provided in the 93rd Congress on behalf of this issue, as well as various other campaign reform measures. Common Cause intends to work hard to enact public financing for Congressional races in this Congress. We look forward to working with you again and to your continued strong leadership on behalf of this vital reform.

Sincerely,

DAVID COHEN,
President.

EXCERPTS FROM LETTERS RECEIVED FROM
CAMPAIGN CONTRIBUTORS

"My husband and I applaud your stand on campaign funding and, as a gesture of our support for you, send the enclosed check. This is the first time we have ever supported a candidate financially, as we never felt it necessary before."

"I approve of and commend Senator Mathias' efforts to reform our campaign laws, so that politics in America need not be dominated by the very rich and the corrupt. I am enclosing my check for \$50.00 to advance this cause. The only stipulation which I place on this contribution is that it be returned to me in the event that Senator Mathias abandons these guidelines during the campaign. In return I pledge that should you notify me that this 1974 campaign is in financial difficulty, I shall contribute an additional \$50.00."

"Never before have I, a Democrat, knowingly contributed to a Republican campaign fund. The small enclosure is not, in fact, a commitment to vote for or support you. However, your new and refreshing approach to campaign financing has my support—and possibly my vote."

"Enclosed is a check for five dollars toward your campaign for re-election. It's from my tips as a day waitress in Lake George. I've never contributed to a campaign for public office before but I feel your efforts toward campaign reform are great (for lack of a more descriptive word) and because of this, I'm contributing."

"Your action concerning fund raising for your coming campaign is most impressive and a giant step in the right direction. It is also an excellent example for your colleagues. Therefore, for the first time in my life, I am making a political contribution."

"Enclosed is a check for \$10. I cannot contribute more, as I am a student paying my own tuition and I have very little income. But I strongly support your commitment to finance your campaign without submitting to the influence of large contributors."

"I have always had a fantasy that one day I would be the biggest contributor to the political campaign of a prominent statesman like you. Little did I know that I could do it so cheaply."

"Am enclosing contribution of \$25 to affirm my support for your methods of fund-raising."

"I applaud your recent policy stand in that you will not accept a political contribution over \$100.00. I hope this policy will rub off on other elected officials so we can have in the law-making, individuals that are obligated to no one. This is my first political contribution, and I didn't vote for you the last time."

"I recently read about your self-imposed

limit on campaign contributions; and I hasten to send you my check."

[From the Baltimore Evening Sun,
December 24, 1973]

HOW REFORM STARTS

Senator Mathias's announced intention to impose several financing restrictions on his re-election campaign, including a \$100 limit to individual contributions, marks the first time an important Maryland political figure has gone significantly beyond the minimal requirements of the law. That he faces no more than token opposition in the primary and general elections and that the self-imposed limits may not apply retroactively to money tucked away from a fund-raiser already held do help make the restrictions easier for the Senator to live with.

Nevertheless, it is a major step going beyond the only comparable move locally, Governor Mandel's already-fulfilled pledge to publicize the list of contributors to his own fund-raiser. And it contrasts sharply with the 1970 campaign of Mr. Mathias's Maryland colleague, Senator Beall, who was helped into office by a secret, substantial Nixonian contribution about which some of the most important details still remain secret.

The Mathias initiative serves two purposes: first, it is a prod to other 1974 candidates, particularly any senatorial candidates, to restrict and make more open their own campaign financing; second, it will provide an actual test for some proposals which until now have received a lot of lip service but little actual support. Senator Mathias's plan is a welcome addition to the Maryland political scene, and one which other politicians should seriously consider adopting.

[From the Baltimore Sun, Dec. 27, 1973]

A NAIVE AND UNREASONABLE RESOLUTION

(By Ernest B. Furgurson)

WASHINGTON.—Speaking of New Year's resolutions, the country could hope—in vain—that every politician running for office in 1974 would pledge to emulate Maryland's Senator Charles Mathias. I say in vain because the entire body politic was looking studiously the other way when he announced his intention. Except, that is, for Mike Mansfield, who stated with reasonable accuracy that Mathias was on his way to becoming "the conscience of the Senate."

On his own and lonely, Mathias is doing what every politician since B.C. Greece has been pleased to talk about at great length before suddenly finding it too late in the session or otherwise inconvenient to follow up with action. The Senate debated to exhaustion the idea of cleaning up campaign financing, but did nothing. Mathias said, well, I don't care about the rest of you, but I'm going to run for re-election as if the tightest reform laws we talked about and buried were instead passed into law.

He is defying a long tradition described by astute men like Simon Cameron, who said, "An honest politician is one who when he is bought will stay bought," and William H. Vanderbilt, who said, "When I want to buy up any politician I always find the anti-monopolists the most purchasable. They don't come so high," and Henry C. Frick, who said of Franklin Roosevelt, "We bought the s.o.b. but he didn't stay bought," and generations of others who have traded in new and used politicians from the clerk's offices of every county in the land to the Oval Office of the White House.

The Federalists did it, and the Mugwumps, and the Freesoilers and the Locofocos and the Greenbackers and the Silverites and the Dixiecrats and the Prohibitionists and of course the Democrats and Republicans. But Mathias seems suddenly to have come upon what William Allen White, who had seen a few of them come and go, said about 30 years ago on the subject:

"In politics, it is remarkable what you can do with a hundred dollars if you spend it yourself. It is also sad to think of how little you can do in politics with a hundred dollars if you let someone else spend it."

As if he had taken that to heart, Mathias stood on the floor of the Senate and explained that in running for his second term he will accept no, repeat no, cash contributions of any size. He will permit no expenditures in cash, he will solicit small contributions only, he will report every contribution and every expenditure of whatever size and he will have only one campaign committee to handle all his election funds. And to top it, he will accept no contributions of more than \$100 from any individual, whether directly or through political organizations.

The effect of it, in the eight-figure era of Maurice Stans and Herbert Kalmbach, is to bind and gag himself hand, foot and tongs, and allow any of his so-far-unannounced challengers to choose their weapons to have at him.

If you did not know Mathias you would have to assume it was just a cute way to get his campaign off to a fast start, especially since he happened to hold his explanatory press conference the next day in the very hearing room where all those sordid fast-buck finaglers have been parading past the Watergate committee.

In fact, that was exactly what it was—except that if you do know Mathias, you have to assume that he is going to do everything he says. In his statement, he did not after all leave himself much room for maneuver. It was not a long-winded speech, it was a list of ten specifics. Unlike those wonderful campaign reform bills that staggered around the Congress and then collapsed as usual, it is not open to amendment.

Many of Mathias's colleagues in the Senate and elsewhere will hope that their constituencies are unaware that any candidate has dared go on his own even beyond the reforms proposed in Congress. As Mathias said, "We have been told that we were naive and unreasonably idealistic"—and it was his colleagues who did the telling. No doubt a lot of them wish he would go away and quit embarrassing them.

But in this move and in many others he has taken in the Senate, he is doing something valuable for his party—the same Maryland GOP, nominally, that produced Spiro Agnew and supported Mr. Nixon. He is reminding the public that before there was a Nixon or an Agnew, there was a body of honorable men banded together as Republicans, and that some of that type survive—and that even in the sour and cynical atmosphere of Washington today, at least one of them is willing to gamble on being a naive and unreasonably idealist.

[From the Montgomery County (Md.) Sentinel, Dec. 27, 1973]

MATHIAS' EXAMPLE

Sen. Charles McC. Mathias Jr. has set an excellent example for all contenders for public office by pledging to limit contributions to his re-election campaign next year to \$100 maximum per person and restricting both contributions and campaign spending to checks, rather than cash. We hope other office seekers will see the merit—and we might add political good sense in this era of Watergate—in the senator's pledge and follow his lead.

The reforms which Sen. Mathias will apply to his campaign zero in on two factors which have tainted far too many other campaigns in the past, especially the disgraceful 1972 presidential campaign: (1) the influence of large contributors and (2) the concealment of contributions and spending through bogus committees and untraceable cash.

Specifically, the Maryland Republican has pledged to:

Accept no cash contributions and permit

no cash expenditures by his campaign organization or others in his behalf;

Accept only small contributions—no more than \$100 from any one individual. Contributions will be accepted from groups or organizations only if they represent donations of \$100 or less from specified individuals;

Report every expenditure and contribution—no matter how small—to the appropriate federal and state authorities;

Establish one central campaign committee to control all receipts and expenditures; and Abide by the expenditure ceilings—10 cents per voter in the primary and 15 cents per voter in the general election—passed by the Senate and now languishing in the House.

Sen. Mathias' plans are especially bold, not just because some of them go far beyond present law or proposals but because they fly in the face of arguments that no candidate can run a credible campaign if he abides by such rules—that anyone who does is naive and hopelessly idealistic.

The senator argues to the contrary, however, and we believe he is right when he says that "the people of Maryland can demonstrate to the Congress that campaign reform can work."

[From the Baltimore Sun, Dec. 30, 1973]

MARYLAND'S NATIONAL IMAGE

This has been a distressing year for those who value the good name of the Free State of Maryland. Our state has been besmirched by the Agnew disgrace and lesser scandals that have made Maryland a byword for corruption, a sort of latter-day Jersey City to be used for a cheap laugh from coast to coast. Yet politics, just as life itself, sometimes has a self-correcting mechanism, and if Maryland had its Agnew it also has its Mathias.

As a Congressman and Senator, Charles McC. Mathias has been a credit to his state. His was a voice in opposition to the Vietnam war when that position was a lonely and risky one. He advanced progressive causes when the Nixon administration still had the capability to purge Republican nonconformists. And when the Watergate scandals came to light in all their enormity last spring, Mr. Mathias was one of the first to call attention to the threat they symbolized to democracy in America. High officials in the administration, he said, were afflicted by a "confusion of loyalties" whereby they placed lesser interests above the Constitution.

Constitutional questions continued to trouble the Maryland Senator as more was learned about the administration's penchant for secret police methods to safeguard what it defined as "national security." Mr. Mathias came to the conclusion that Mr. Nixon's admitted establishment of secret White House investigative units amounted to a violation of the Bill of Rights, particularly Fourth Amendment protections against illegal search and seizure. In a remarkable address to the Senate shortly before the Christmas recess, the Maryland Republican foresaw dangers of an "authoritarian national security state" (meaning a dictatorship) if such tendencies continued. There had always been a "King's party" in the United States, a group committed to the aggrandizement of the Executive Branch at the expense of representative democracy. But so great had been the trend to arbitrary presidential power, he suggested, that the people were losing faith in the institutions of the Republic.

Senator Mathias' remedies were threefold: sponsorship of a proposed "Bill of Rights Procedures Act" requiring court approval for any government emergency action that could violate basic democratic privileges; appeals for more participatory democracy by school-district size political subdivisions; a personal pledge to subject his 1974 reelection campaign to the most rigorous standards under serious discussion on Capitol Hill.

The latter proposal is not without political advantage to an incumbent in a strong posi-

tion before primary and general elections. In contrast, however, Mr. Mathias stands to gain few votes by charging the President with Fourth Amendment violations or by calling for more participatory democracy. Such positions are part of a record that has led Senator Mike Mansfield, the Democratic leader, to call Mr. Mathias the "conscience of the Senate." Considering the source, this is real praise for a first-term Senator. It raises the prospect that another Maryland citizen may be rising to a national prominence that could help regain the state's proper place in the country's regard.

[From the Toledo, Ohio, Blade, Feb. 10, 1974]
LIKES JEFFERSON'S "LITTLE REPUBLICS"—
SCENARIO FOR ELECTION REFORM TO BE
TESTED BY GOP SENATOR—MATHIAS OF
MARYLAND PLANS TO CUT LAVISH ELECTION-
EERING, LIMIT CONTRIBUTIONS TO \$100

(By Frank Kane)

WASHINGTON.—Although he has never been mentioned for national office, Mike Mansfield, the Senate majority leader says that just having him in the Senate makes him proud of the institution.

And although he represents a state (Maryland) whose own governor says has become a national symbol for political corruption, he manages to project the image of integrity and independence.

This is Sen. Charles McCurdy (Mac) Mathias, Jr., Maryland Republican who, largely because of Watergate, is embarked on one of the more interesting political experiments in the nation—trying to run a statewide campaign for re-election by using contributions of only \$100 or less.

It is an attempt, he says, to end the "curse of secrecy and the curse of big money that led to so much trouble" for other politicians, notably in Watergate-related scandals.

The experiment probably will cut off 70 per cent of his traditional campaign support and force him to drastically change the style of his campaign for re-election to the Senate.

Actually, in the case of Senator Mathias, such an approach would appear, to the outside observer at least, not to pose too many problems.

In five years in the Senate he has built such a favorable reputation in Maryland that as yet no Democrat (or Republican, for that matter) of any formidable stature has offered to oppose him in either the primary or general elections. Undoubtedly he will have opposition, but likely of the "sacrificial lamb" variety.

In addition, Maryland is a much smaller state than Ohio and a Senate candidate in Maryland probably can make do with a half million dollars for a campaign that would require a million in the Buckeye State.

And as a well-known incumbent, he is probably in a much better position to raise money from a large number of small contributors than would a little-known challenger, he admits.

"But, you must remember that as an incumbent, it also would be easier for me to get more big contributions, and just because I am an incumbent is no reason for me not to do what I am doing."

Like many other politicians, Senator Mathias believes that Watergate is bound to hurt all officeholders, Republicans and Democrats, seeking re-election in 1974, but it will hurt some more than others. Republicans probably will be hurt more than the Democrats.

For a time, George Bush, Republican national chairman, was successful in projecting the idea that Watergate was not really related to the Republican party—that the break-in and cover-up were committed by hirelings, not by professional Republican politicians.

But then came the case of Spiro Agnew (of Maryland), twice nominated by his party to

the second-highest office in the land, and "this broadened things to the point where the Republican party had to accept some responsibility," Senator Mathias says.

"It demands an extraordinary response from Republican candidates. They must conduct themselves in a manner that indicates that they recognize the problem and are willing to do something about it. Otherwise, Watergate will be disastrous for them."

In addition to reforming personal campaign practices, Republicans have a special responsibility to the nation to try to clear up the "Watergate mysteries," he says.

Senator Mathias recalls how, in the summer of 1972, shortly after the initial Watergate news, he went to William Timmons, in charge of White House legislative liaison, and said, "Whatever it is, get the facts out, and get them out now." There might be a rough 48 hours or so, the senator says he told Mr. Timmons, but after that it would be over.

Needless to say, things did not happen that way, and in the ensuing months Senator Mathias became increasingly a public advocate of the facts on Watergate.

He is still disappointed at the role President Nixon continues to play. "It is tragic" that the President is now withholding evidence from the special Watergate prosecutor again, he remarked last week.

"The Republican party has to be visibly and vocally in favor of full disclosure. It is part of the cathartic process for the party."

Charles Mathias is a member of an old western Maryland Republican family.

A great-grandfather ran for the state legislature on a ticket that included Abraham Lincoln, and a grandfather campaigned for Theodore Roosevelt on the Bull Moose ticket. The senator often jokes that this is why he turned out to be such a maverick in Republican politics nationally—because his grandfather was a Bull Moose.

He was born in 1922 in Frederick, where his father was a lawyer, active in politics.

He received degrees from Haverford College and the University of Maryland law school; served in the Navy in World War II, retiring recently from the naval reserve with the rank of captain. After the war he went back to Frederick to practice law with his father.

Like many small-town lawyers, he "almost inevitably" became involved in politics and was successively elected city attorney of Frederick, a member of the Maryland house of delegates, and then to the U.S. House of Representatives in 1960 and the U.S. Senate in 1968.

He remembers that his father was reluctant to let him leave the law office to go into politics, "but I told him, 'It's your fault for taking me to the White House to see Calvin Coolidge when I was a boy.'"

He also remembers riding with President and Mrs. Herbert Hoover in their car on an outing in Maryland when he was small.

While in the U.S. House, the most populous county in his congressional district was Montgomery County, which is full of Washington bedroom communities and generally quite liberal in voting attitudes.

This may partly explain Senator Mathias' relatively liberal stands, although an aid says that it probably was more of a case of Mr. Mathias operating in an atmosphere that was compatible with his own thinking.

In any event, as a freshman senator, he was against the Nixon administration's proposals for an anti-ballistic missile system, against the Carswell and Haynsworth nominations to the Supreme Court, for withdrawal of all U.S. troops from Southeast Asia by the end of 1971, against the Administration's attempts to weaken the Voting Rights Act of 1965 and thus carry out its so-called "southern political strategy," and against the D.C. crime bill.

On the other hand, he was for such administration proposals as the Lockheed

loan, the supersonic transport plane, revenue sharing, and welfare reform.

By mid-term, however, he was said to be so unpopular with the White House that columnists Evans and Novak were reporting that he was earmarked to suffer the fate of Sen. Charles Goodell of New York when he came up for re-election.

In the case of Senator Goodell, Vice President Agnew spearheaded successful administration efforts to knock off the maverick freshman GOP senator.

But Senator Mathias was building such popularity in his home state that the White House must have started to get second thoughts.

In June, 1972, Dr. Henry Kissinger, the President's chief foreign-policy adviser, made a rare appearance at a political dinner in behalf of Senator Mathias, who says that Dr. Kissinger joked that he seldom appeared at partisan functions but "after looking at Senator Mathias' voting record, I am convinced that this must be a thoroughly bipartisan affair."

The Kissinger appearance seemed to still the talk of "getting" Senator Mathias, and in 1972 he did some work on President Nixon's re-election campaign in Maryland.

In May, 1973 the President reciprocated by sending a message to another Mathias dinner in which he hailed the Maryland man as a "voice of reason and independence in the Senate" and added that he shared the senator's "commitment to the cause of good government."

The Senator has considerable interest in the area of governmental reform. For example, he thinks that government has gotten too far away from the people.

As a result, he has become intrigued with a proposal that Thomas Jefferson once made for "little republics," which are in essence neighborhood bodies of government that not only could make decisions on neighborhood matters but also serve as forums of opinion for the people on national issues.

Jefferson, Mr. Mathias says, complained that a congressman in his day had reached the point where he was representing 33,000 people and who, Jefferson asked, could accurately represent the views and wishes of that many people?

Today, of course, a congressman represents close to half a million people.

"We've done a lot of things to improve democracy, such as civil rights and equal rights measures, but sheer numbers are defeating our purpose," the senator says.

He hopes to introduce legislation for a pilot program of "little republics."

He also talks about legislation to strengthen individual's constitutional guarantees, even in cases involving national security. For example, he wants to do away with the procedure of authorizing national security wiretaps without a judge's warrant.

"A federal judge can be just as well trusted on national security matters as some nameless, faceless bureaucrat."

He thinks that Congress needs to write statutory guidelines for the operation of the Federal Bureau of Investigation. This would increase public confidence in the FBI as well as improve its operations, he contends.

But the greatest current interest probably is in his experiment with campaign financing reform.

He has promised that he:

Will not accept cash contributions or allow anyone else to spend cash on his behalf (in an attempt to avoid the problems that the Nixon re-election committee ran into while receiving and spending large amounts of cash.)

Will not accept contributions of more than \$100 from any one individual.

Will take contributions from organizations only if they specify that the money represents donations of \$100 or less from specified individuals or if they guarantee

that contributions do not include more than \$100 from any single person.

He also says he will operate with only one central campaign committee and it will report all receipts and expenditures, no matter how small.

In addition, he intends to abide by spending ceilings that were contained in a bill passed by the Senate last July and which now languishes in the House.

What this will mean to his campaign, he says, is that he will have to broaden its base of support—by holding meetings designed to seek out more people who are willing to contribute volunteer work or small amounts of money. In other words, make it a "lot more representative system."

It also means that he probably will have to cut down on media advertising and "expensive public relations oriented events."

Even his personal campaign style probably will have to be reduced. For example, he says, a statewide campaign in Maryland usually involves use of a big car with a radio-telephone. "I may have to make do with my old '66 station wagon," he remarks with a smile.

"But we were getting pretty lavish, anyway. We were beginning to think it was the only way to campaign."

[From the Cumberland (Md.) News, Sept. 23, 1974]

SEN. MATHIAS RETURNS SOME CONTRIBUTIONS

BALTIMORE.—Sen. Charles McC. Mathias has returned more than \$14,000 in contributions to his re-election campaign, according to a spokesman.

The money was returned to Mathias supporters who failed to follow his self-imposed campaign reform guidelines including a \$100 limit on individual contributions.

According to a statement released over the weekend, Mathias has returned 183 separate contributions since December, 1973 when he announced his own reforms in response to what he described as a congressional failure to adopt meaningful legislation.

Most of the returned contributions were in excess of \$100, a Mathias campaign aide said. Contributions under the \$100 limit may also have been returned because they were made in cash, which campaign officials will not accept.

Mathias workers said the \$14,205 in returned funds was never logged and so is not a part of the \$254,500 Mathias reported raising for his re-election bid.

Mathias easily outdistanced his Republican primary opponent, Dr. Ross Z. Pierpont. But he is expected to face a tougher fight against Barbara Mikulski, the Democratic senatorial candidate.

Miss Mikulski, who raised a little over \$20,000 for her primary victory, has sharply criticized Mathias for refusing to go along with her proposal to limit their general election spending to \$50,000.

Mathias has pledged not to spend more than \$300,000 in the general campaign.

Before declaring his reform rules last December, Mathias raised about \$72,000 at a fund raiser for which no voluntary contribution limit was established.

According to Mathias' office, a total of 5,354 persons have contributed to the senator's campaign.

[From the Washington Post, Mar. 8, 1975]

CAMPAIGN ACT BACKED BY MATHIAS

(By Helen Dewar)

The public is right when it suspects that big election campaign contributors get special treatment, Sen. Charles McC. Mathias (R-Md.) has told the federal courts in an accounting of his own campaigns aimed at rebuffing a challenge to the new elections financing law.

Mathias also cited his own experience to

rebut contentions by Sen. James L. Buckley (Cons. R-N.Y.) and former Sen. Eugene McCarthy a Minnesota Democrat, that any benefits from the new law are outweighed by its infringement on freedom of expression for candidates and contributors.

Buckley and McCarthy are among sponsors of a suit challenging the 1974 law, which sets limits on campaign contributions and expenses and provides for public financing of presidential campaigns.

Before Dec. 21, 1973, when he imposed a \$100 limit on gifts and other controls on financing his 1974 re-election campaign, Mathias said he, like other candidates, pitched his fund-raising efforts toward large contributors.

"The nature of these fund-raising efforts affect the entire campaign process, where and when the candidate appears, the timing and tone of the candidate's remarks, where and by what means campaign literature is distributed, the extent to which citizens are encouraged to vote, and so forth," Mathias said in an affidavit filed in federal court here.

"An official may not change his or her vote solely to accommodate the view of such (large) contributors, but often officials, including myself, will agree to meet with an individual who made a large contribution so the official can hear the contributor's concerns and make the contributor aware these concerns have been considered," he added.

The "inevitable result," he said, is that other citizens are denied equal opportunity for access to public officials.

Conversely, he said, when he limited the size of campaign contributions, the number of individual contributions rose dramatically, leading to broader participation in the political process.

In the 1974 campaign, Mathias said, he received contributions of \$100 or less from more than 8,500 individuals, amounting to \$290,000 of the nearly \$400,000 he raised before and after the Dec. 21 limit on the size of contributions.

In contrast, only 1,800 people contributed to his 1968 campaign treasury of about \$402,000, with 9 per cent of them contributing 65 per cent of the total.

"As these figures suggest," he told the court, "many Marylanders became involved in my campaign in 1974 only because they knew that large contributions of money had been banned."

TIME COVER STORY DEPICTS PROBLEMS OF THE AGED

Mr. MOSS. Mr. President, the June 2, 1975, issue of Time carried a cover story which examines in detail the problems confronting the elderly. The story, entitled "New Outlook for the Aged," is a masterful exposition of this society's lack of sensitivity. It provides numerous case histories emphasizing the bankruptcy of U.S. policy with regard to older Americans.

Time's story gives favorable mention to my efforts to bring about nursing home reform highlighting some of the 48 reform bills that I have introduced this session. In other places throughout the article, the Time writers implicitly pay tribute to the work of Senator FRANK CHURCH, chairman of the Committee on Aging, and to other members of the committee.

I know that the staff of the Senate committee worked very closely with the researchers and writers of Time in preparing this important story. I compliment both the committee staff and the personnel at Time who worked on this

story. I understand that Martin Goldman, senior editor of Time, Peter Stoler, assistant editor, and reporters Gayle Eisen and Dave Beckwith are principally responsible for this excellent article. I ask unanimous consent that this story be printed in the RECORD.

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

NEW OUTLOOK FOR THE AGED

Throughout history the aged have occupied a precarious position in society. Some primitive peoples like the Eskimos and other nomads respected the elderly but left them to die when they could no longer care for themselves. Natives of some South Seas islands paddled away from their families—to death—when age overtook them. Nor is the idea of abandoning the elderly unique to primitive societies. Marya Mannes' 1968 novel *They* postulated a world in which everyone over 50 was herded into public institutions and eventually liquidated. A 1966 Rand Corporation study concluded that if the U.S. survived a nuclear war it would be "better off without old and feeble" citizens, and suggested that no provisions be made to care for the surviving elderly.

The U.S. has clearly not taken such advice. Most Americans, whether moved by religion or common decency, still try to follow the Fifth Commandment and "honor" their parents. But despite their concern, and frequently the anguish that marks their hard decisions about the elderly, the position of the aged in the U.S. has grown parlous. A couple of decades ago, most Americans who reached 65, the admittedly arbitrary age for retirement, could look forward to spending their last years in peace and security, respected and cared for by their families and friends. No longer. For an increasing number of Americans, the years after 65 are a time of growing uncertainty and isolation as, cut off from family, beset by illness and impoverished by inflation, they struggle not to enjoy the rest that they have earned but simply to survive.

Their problem is a pervasive, urgent one, both for the old and for their children. America as a society has yet to develop a practical, human policy for dealing with the woes of old age in a modern world. For those elderly Americans who can still manage—both physically and financially—life goes on much as it always has. But for those who cannot manage, the end of life, or at least of life as most people would want to live it, can be an agony. About a million, or 5%, of the nation's elderly already live in nursing homes, too many of which are grim warrens for the unwanted. Tragically, the population of the nursing homes is growing. But so, too, is the public's concern over the plight of the old. Americans have yet to come up with the answers, but more and more at least asking themselves the question that most must face sooner or later: What do we do with our parents?

There is no easy, single answer. In an earlier time, when most Americans lived on farms, the relatively few who reached old age simply stayed at home, inevitably working less and less but expecting and getting as their rightful due more and more care from their families. Industrialization, urbanization and the automobiles have ended that. Most Americans no longer live on farms or in closely knit family groups. Even more mobile, Americans by the tens of millions do not stay rooted in one place all their lives but pull up stakes, move and move again. Of those who hold on in the old home town, few live out their lives in one house. Married couples rarely stay with parents any more; even young singles are encouraged to strike out on their own. Those who leave frequently lose contact with their parents because of distance or because they are too busy to

bother with the old folks, and may even be embarrassed by them. Says Anthropologist Margaret Mead, 73, and a grandmother: "The modern family, in its present form, is not equipped to care for old persons."

The problem is that there are more old people than ever to care for. In 1900 only 3.1 million, or one out of every 25 Americans, were over 65. Now 21.8 million, or one out of every ten, fall into this category. The reason for the rise is twofold. Modern medicine has cut infant mortality rates and increased the average life expectancy from 47 years in 1900 to 71.3 today. Since 1957 the U.S. birth rate has dropped (Time, Sept. 16), increasing the ratio of elderly to young people. If present population trends continue, those over 65 and those under 15 should each account for 20% of the population by the year 2000.

Except for numbers, the two groups have little in common. For one thing, a disproportionate number of the American aged are women, who outnumber men by a ratio of 143 to 100. The reasons are obvious. Women tend to outlive men by an average of seven years; they also tend to marry men several years older than themselves, a fact that accounts for the high proportion of widows among elderly women. Nor is this the only difference between the young and the old. A significant number of today's elderly are, according to University of Chicago Professor Bernice Neugarten, "disproportionately disadvantaged." Many are foreign born, uneducated and unskilled. Far from all the aged are infirm, but 38% do suffer from some kind of chronic condition that limits their activities. Of these, full half have serious problems and 5%, or one out of every 20, are homebound. About a third of all aged Americans are also plagued by poverty. Despite pensions, savings and Social Security, which will disburse \$72 billion to 33.5 million recipients this year, fully 4.75 million of the nation's aged exist on less than \$2,000 a year—well below the Federal Government's poverty line.

Depending on what they can afford and the extent to which they can take care of themselves or count on their families for help, the aged live in a wide variety of arrangements. For most, the accommodations are reassuringly familiar. More than two-thirds of America's elderly remain in the communities that they have known for most of their lives—and in the same homes. Most like the security of the familiar. For many, however, the decision not to pull up roots is economic as well as emotional: nearly 70% of older people own their own homes, humble as they may be. For owners, housing costs—utilities, taxes (often reduced for those over 65) and repairs—have long been relatively low. Now all of those costs are climbing sharply.

Not surprisingly, lots of elderly homeowners live in rural areas (many of them in Kansas, where nearly 12% of the population is over 65, and Nebraska, where the elderly make up as much as 23% of the population of Boyd and Saline counties). Many remain in small towns where they can live cheaply, with good houses going for as little as \$10,000. Others settle in out-of-the-way places that are crime-free and friendly. Most have a simpler reason to them, these hamlets are home.

In Swift Creek Township, near Raleigh, N.C., doctors urged Oscar Mainard, 67, to go to a nursing home after he suffered a stroke several months ago. Maynard refused, saying: "I'll be on my own, and I'll go where I want to go." Where Maynard wanted to go was to the simple brick home that he shares with his wife Essie, 63, on 25 acres of land. Says Maynard: "I'd rather be here than anywhere else in the world."

Many of the elderly with more money prefer plusher living. An estimated 500,000 have bought or leased property in the "adult" or "retirement" communities that have mushroomed round the country, primarily in Florida and the Southwest, where the weather is warm and the cost of living rela-

tively low. Most of these "villages," "cities" and "worlds" follow the lead of Arizona's Sun City (pop. 34,000) and exclude younger people; no one under 50 can buy or lease property there. Some residents like the segregation practiced in the gerontopolises, but the majority are more interested in the amenities. A number of communities boast well-designed cottages or apartments and programs of social activities, such as dancing and crafts; many have swimming pools and offer residents free bus rides to and from shopping centers and entertainment; some even have golf courses. Miami's Park West community bars dogs, for example, and puts a three-week limit on visits by children. Warner Moore, 64, a retired General Motors executive, and his wife, Elizabeth, 65, consider Park West an ideal place to live. It may be, for those who can afford it. The cost of a one-bedroom condominium in Park West begins at \$27,000, a similar home in Sun City costs \$28,000 and one in New York's handsome Heritage Hills \$41,500.

Thousands can afford this expensive *apartheid*; thousands more can bear the costs of living in pleasant apartments in high-rise buildings in New York, Miami or Chicago. But millions of elderly Americans, the majority of them women and widowed, have to do more modestly. Ella Larson, 73, a retired nurse in Santa Monica, Calif., finds apartment living increasingly expensive. She gets \$107.80 a month from Social Security, which goes for food. An additional \$147 from old-age assistance pays her rent and utilities, which leaves her almost nothing for clothes and entertainment. Mrs. Larson worries constantly that her rent will go even higher. "I feel very insecure," she says. "I never know if the landlady is going to raise my rent again or tell me they're going to tear the place down and build one of those new apartment buildings. Then we'd all be homeless."

Some elderly Americans cannot afford even the smallest apartment. For them, what passes for independence is a clammy rented room and a hot plate. An estimated 2,000 oldsters cling to life in \$15-a-week furnished rooms in Boston's shabby South End. A few others find homes in peeling, decrepit residential hotels like the once elegant Miami resort where Mrs. David Yates, 90, gets a suite of rooms, maid service and two meals a day (no lunch) for \$500 a month. People who cannot afford even this much may sometimes find a plain but safe haven in public housing projects specifically designed for the elderly, which offer low-rent living to those who are physically, if not financially, able to go it alone. Chicago shelters 9,250 aged tenants at 41 special sites, including the huge Britton I. Budd complex near Lake Front Park. There Martin Smith, 82, pays \$55 a month for an apartment that he feels is better than his daughter's \$195-a-month place, and complains only about his arthritis.

For some, old age means giving up solitary independence and moving in with their children. Sometimes that works out well. Edna Segar, 74, who plays the piano in a Culver City, Calif., senior citizens' dance band, finds the arrangement fine. So do her son Donald, 54, and his wife Frances, 59. Says Donald: "You wouldn't throw your kids out, so you don't throw your parents out when they need you."

For others, caring for parents is a serious problem. Many urban Americans simply do not have the room to house an elderly father or mother, especially in New York and other cities where an extra room means paying an enormous increase in rent or buying a larger home than they can afford. Others claim that the presence of a parent in the home strains marital relations and puts tremendous pressures on children. Still others just cannot take the tension involved in caring for senile parents.

Many families also cannot handle the

physical aspects of aging. The Jury family, of Clarks Summit, Pa., watched helplessly as "Grandpa" Frank Tugend faded. The Jurys kept the retired coal miner with them, bearing with him as he became confused and forgetful, cleaning up after him as he lost control of his bodily functions. In his lucid moments, the proud 81-year-old Tugend knew what was happening to him. One day he took out his false teeth and refused to eat any more. He had decided to die, and no one—not his doctor, not his family—could do anything to change that. His children and grandchildren cared for him with anguished tenderness until death claimed him three weeks later.

Few children have the devoted patience or endurance of Tugend's family. Each year more and more of them face the problem of deciding what to do when aged parents need more care than they can—or are willing to—give. In some cases, the answer is obvious: put them in a nursing home. The decision is often devastating for parents and children alike, and has ripped many families apart. Whatever happens, guilt hangs in the air like a sulfurous, corrosive fog. Even children who keep their parents at home generally feel remorse about what Paul Kirschner of the University of Southern California calls the "battered senior syndrome," which involves caring for aged parents but excluding them from many family activities. Those who place their parents in nursing homes often feel a still heavier burden of guilt for "abandoning" the old folks.

In many cases, what they have done, for whatever reason, amounts to abandonment. Mary Adelaide Mendelson, of Cleveland, a former community-planning consultant, has spent ten years studying institutions for the aged. Last year, in a book entitled *Tender Loving Greed*, she concluded that U.S. nursing homes are a national scandal. She writes: "There is widespread neglect of patients in nursing homes across the country and evidence that owners are making excessive profits at the expense of patients."

This does not mean that all of the country's 23,000 nursing homes are bad. A number of them scattered throughout the country are, by any standards, excellent. Others provide their patients with at least good, competent care. They come in all sizes, under highly diverse sponsorship. Members of Southern California's Japanese community need have no qualms about placing their parents in Los Angeles' Keiro (which translates as Home for Respected Elders), a 184-bed facility that bespeaks the Oriental tradition that old age should be a time of ease. Keiro's appeal ranges from chaste Japanese décor to good food served from a gleaming stainless-steel kitchen. The home also has a largely bilingual staff that is genuinely interested in the welfare of its patients, and a program that includes everything from physical rehabilitation to concerts on traditional Japanese instruments.

Nor need children feel guilty about putting their parents in some of the smaller, less shiny but equally good homes around the country. Associated with the Christian Missionary Alliance, the Alliance Residence in Minneapolis is a nondescript three-story building minus any lush lobby or manicured grounds. But what it lacks in gilding, it more than makes up for in concern for its patients. Alliance's 100 occupants are in the care of seven nurses and 25 nurse's aides, who work in three shifts so that the home will be staffed round the clock. Most of Alliance's patients are not only healthy but happy. Elvira Axen, 82, still goes out every Wednesday to make coffee for her Bible group. "I'm going to be busy as long as I can do it," says she. So are others. "As long as you can complain and be up and around, you're young," says 91-year-old Mrs. Ellen Wicklander as she stitches on a quilt.

The best nursing homes deprive their

patients of some independence. The worst deprive them of far more: their resources, rights and, ultimately their humanity. They are killer institutions. An investigation still under way in New York has dug out evidence of widespread abuse and exploitation of nursing-home patients. Inspectors who have made surprise visits to homes have found in the worst of them incontinent patients wallowing in their own filth, patients shot full of tranquilizers to keep them docile, others whose requests for help went unanswered and still others who were unfed or given the wrong foods and medication. They have also found many patients—like those at the now closed Towers Nursing Home in New York City—who were unwilling to complain for fear that they would be punished later by the attendants.

The crimes against the weak are not confined to New York. Authorities in Illinois are investigating not only suspected fraud but also the deaths of seven patients in a home in Rockford. California officials have turned up even more disturbing evidence. Los Angeles County investigators reported that a paralyzed woman at the Torrance Medical Convalescent Center, a 212-bed nursing home in Torrance, Calif., died after a nurse tried to feed her orally rather than through a stomach tube, then dismissed her gasping and flailing as an attempt to burn off "excess energy." The victim was not the only patient to die at Torrance, whose license to operate is being challenged. One patient died when he apparently leaped from a second-story window. "He probably jumped because of the conditions inside," said one angry health official.

A few of these substandard homes are public institutions. The majority, however, are private. The reason for the ratio is money—public money, ironically, appropriated to give aid and comfort to the indigent aged. In 1966 the Federal Government began to pay for nursing-home care through Medicaid, a federal-state program that last year spent \$4.4 billion of its \$12.7 billion budget on the elderly. The sudden gush of cash set loose a nursing-home boom as many entrepreneurs, many of them interested only in the bottom line, rushed into the business.

It is not difficult to understand how the homes make money. Medicaid pays them from \$8.50 to \$49.10 per patient per day, but many homes spend far less on care for their patients. Most save money on staffing, hiring only a handful of professionals and then filling their rosters with unskilled, often careless attendants, who are paid rock-bottom minimum wages. Some proprietary homes save by spending next to nothing on their buildings, which may not only be dirty and stink but may also be unsafe. Also, many nursing-home operators save on food. One owner admitted to investigators that he was feeding his patients for 54¢ a day, less than the county jail spent on its prisoners. Given such practices, it is not surprising that some private nursing homes yield an annual return of more than 40% on money invested. Unblinkingly, nursing-home operators defend themselves as performing a necessary service. "The public does not really want to accept the fact that taking care of a sick old person is not a pleasure," says Max Lewko administrator of New York's Mayflower Nursing Home. "If some of these people had their mother at home for four weeks, they would appreciate what we are doing."

That begs the question. Regardless of their condition, the elderly deserve to be treated like human beings. Fortunately, action to guarantee such treatment has already begun. A special commission in New York has submitted an eleven-bill package that would include unannounced inspections of nursing homes, establish a stiff schedule of fines for violations of state standards and give the state the right to sue nursing homes

that failed to provide proper care. The Minnesota state legislature has tightened up certification procedures and passed laws requiring close monitoring of nursing-home operations. Massachusetts authorities have shut down eight substandard homes and plan to close three more unless they are sold to someone who will run them properly.

Congress is also acting. Senator Frank Moss, chairman of a Senate subcommittee on long-term care, has introduced 48 bills that would, among other things, require 24-hr. attendance of a registered nurse, offer financial incentives to nursing-home operators by allowing higher payments for better care, and provide for full disclosure of the identities of all individuals involved in a nursing home's operation.

The enactment of pending legislation—indeed, even the enforcement of existing state and federal regulations—would go a long way toward ending the dehumanization and exploitation of those who can no longer care for themselves. But improving nursing homes will not help 95% of America's elderly. What will help them and those who will one day join their ranks is a realization that the U.S. suffers from what Dr. Robert Butler of Washington, D.C., calls "ageism"—or prejudice against the elderly—and a determination to end this cruel form of discrimination. "The tragedy of old age is not that each of us must grow old and die," writes Butler in his newly published book *Why Survive?* (Harper & Row; \$15), "but that the process of doing so has been made unnecessarily and at times excruciatingly painful, humiliating, debilitating and isolating through insensitivity, ignorance and poverty."

But, says Butler, much of this pain and humiliation can be eliminated. He and his fellow gerontologists urge those who want to help their parents—and other elderly—to help overhaul old policies and develop some new ones, particularly with regard to:

RETIREMENT

Most people assume that to be old is to be finished or "over the hill," and at least half of all American workers are now employed by companies that have institutionalized this assumption by forcing their employees to retire at age 65, if not earlier. The effects of this involuntary idleness can be traumatic. "One day they have life, the next day nothing," says Margaret Mead of unwilling retirees. "One reason women live longer than men is that they can continue to do something they are used to doing, whereas men are abruptly cut off—whether they are admirals or shopkeepers."

Most companies claim that mandatory retirement is necessary to maintain efficiency, preserve profits and clear the way for younger employees. But gerontologists find the arguments unfair. There is no evidence that an individual's efficiency or creativity declines dramatically once he passes his 65th birthday; indeed, many people—from scientists to craftsmen to musicians*—have done their best work during their declining years. Nor can it be assumed that most elderly Americans are too feeble to support themselves. At least half of those now over 65 are physically capable of doing a day's work. Mandatory retirement is, in fact, now under challenge. A former civil servant has filed suit to set aside the Federal Government's retirement policies. The American Medical Association has allied itself with him, insisting in a friend-of-the-court brief that there is no evidence that older workers are any less efficient than younger ones.

*Giuseppe Verdi produced his great opera, the joyously exuberant *Falstaff*, at age 80; Justice Oliver Wendell Holmes Jr. crafted some of his most powerful opinions in his tenth decade.

INCOME

It is pure romanticism, say most gerontologists, to assume that prudent people can provide adequately for their old age. Inflation in the 1970s can erode the value of the most liberal of pensions and shrink the worth of even the fattest savings accounts. Nor does Social Security, upon which most elderly Americans depend for at least a third of their income, enable most to live with any measure of financial security or comfort. A 65-year-old couple entering the plan this year and entitled to the maximum benefits, which they have paid for in taxes, draws only \$474 a month. That inches them above the poverty line but hardly enables them to live beyond the bare-bones level. Besides, the average couple receives only \$310 a month.

To alleviate the financial plight of the elderly, experts recommend placing a reasonable floor, pegged to the actual cost of living, under retirement incomes, either by increasing Social Security benefits or supplementing them from other state or federal funds. They also recommend reforms in both Government and private pension systems, to assure that all workers who contribute to a pension plan will derive at least some benefits from it.

MEDICAL CARE

Most medical plans are designed to care for the elderly once they become ill. Gerontologists believe that the emphasis should be on preventing illness and preserving health and keeping the aged in the community.

To accomplish this, New York's Montefiore Hospital 28 years ago inaugurated home care for the elderly with regular visits to the homebound by doctors, physical therapists and social workers. Since then, about 100 other hospitals across the country have set up similar programs. Three years ago, Montefiore branched out with an aftercare program, under which stroke, arthritis and cancer patients were brought to the hospital for follow-up treatments that doctors hope will eliminate the need for institutional care. Two years ago, the hospital helped set up a day-hospital program. It offers custodial care to those who have no one at home to watch over them during the day.

Dr. Isadore Rossman, who directs the Montefiore programs, hopes that the success of these pilot projects and the acceptance of others like them around the country will lead to the passage of legislation to create and buttress alternatives to institutional care. Such programs would prove an unexpected bargain. Montefiore's home-care costs about \$12 a day, or a maximum of \$4,380 a year. Even with an elderly person's rent and food bills—averaging at least \$2,400 a year—added on, this makes staying out of a nursing home far cheaper than going in. The average cost of a modern New York nursing home is up to \$42 a day, or a whopping \$15,000 a year.

ATTITUDES TOWARD AGING

Americans, says Butler, take an unhealthy and often unrealistic attitude toward aging, assuming that old people have no further contributions to make to society and should be excluded from it. Many of the elderly share this view, occasionally attempting to conceal evidence of their advancing years and withdrawing from an active life. Butler and others believe that attitudes must change if the aged are ever to be treated fairly in the U.S. They urge society to recognize the basic rights of old people to independence and security. Gerontologists also urge society to make better use of the elderly, drawing on their experience and talents and giving them a greater voice in matters that concern them. It is ridiculous, they agree, to have panels of 35-year-olds determining the wishes of

and setting policy for the aged when the aged are better equipped to do the job.

Improvements in these areas are on the way. Congress has moved—albeit not very far—to tap the reservoir of talents the elderly have accumulated during their lives. It has approved \$45 million for a variety of projects, including the Foster Grandparent Program, which pays oldsters for supervising dependent and neglected youngsters; \$17.5 million for the Retired Senior Volunteer Program (RSVP), which pays out-of-pocket expenses to 100,000 involved in such community activities as entertaining the handicapped and visiting homebound patients; and a skimpy \$400,000 for the Senior Corps of Retired Executives (SCORE), which reimburses some 4,500 retired executives for expenses incurred while counseling small businesses and community organizations.

Other programs are under way. One feeds the elderly, who often stretch their skintight budgets by subsisting on peanut butter sandwiches or skipping meals entirely. The nutrition section of the 1965 Older Americans Act, funded for \$125 million this year, now provides 220,000 seniors with a hot meal a day through local nutrition centers or "Meals on Wheels" vans that deliver hot food right to the doors of the homebound aged.

More encouraging are the programs to keep the elderly in the community and out of institutions. Chicago, which set up the nation's first municipal office for the aged in 1956, sponsors some 600 senior citizens' clubs, where they can meet to talk out their problem and organize to get things done. It also operates some 62 nutrition centers, where an estimated 3,800 come for a low-cost hot meal and some companionship.

At present, these programs reach and benefit only a handful of the nation's elderly. But the prospects for their expansion and for the development of other new approaches toward aging are brightening. One reason for this improved outlook is the growing recognition by most Americans that the country has a lot of catching up to do in its treatment of the aged and the new desire to change what more and more agree is an intolerable situation.

This urge to change things has been inspired in large part by the realization that other countries have done so much more than the U.S. in caring for the elderly. Sweden, Denmark and Norway have used part of the mountain of taxes collected from their citizens (as high as 50% of most salaries in Sweden) to ease many of the burdens of aging. In Sweden, city governments run housing developments where the aged can live close to transportation and recreational activities. Denmark, with a population of 5 million, houses many of its more than 600,000 elderly in subsidized houses or apartments and helps those who want to remain in their own homes by providing them with day helpers and meals. Those who need nursing homes find them a considerable cut above most of their American counterparts: with their excellent design, many look like modern hotels.

Another force behind the new impetus for change is the growing political power and militancy of the elderly themselves. Many groups—blacks, young people, women—have realized how much political muscle their numbers provide and organized in recent years to demand and get attention and help from federal, state and local officials. The aged are following their lead. No longer content to pass their days playing checkers or weaving potholders at senior citizens' centers, a growing number of elderly Americans are banding together to make their wishes known. Several thousand of them have joined a five-year-old group known informally as the Gray Panthers, whose leader, a retired Philadelphia social worker named Maggie Kuhn, 69, is dedicated to altering U.S. atti-

tudes toward the aged. The Panthers have agitated for better housing and medical care and more employment opportunities for the elderly. "Most organizations tried to adjust old people to the system," says Miss Kuhn, "and we want none of that. The system is what needs changing."

The system is changing, and it is likely to change even further. Politicians, aware that the elderly are more likely to register and vote than the young, are listening when senior citizens speak. So are younger people. The new interest is encouraging. Americans have for too long turned their backs on their old people. Now many are seeing them for the first time, recognizing their plight and moving to help them. The interest and action are both humane and pragmatic. Today, millions of Americans are wondering what to do about their parents. Tomorrow, their children will be wondering what to do about them.

WHERE TO GET HELP

Americans over 65 face a bewildering set of problems as they try to adjust to old age, retirement, and often, financial shortage. Federal, state and local governments offer a wide variety of programs to help out. Among them:

FINANCIAL ASSISTANCE

Almost every American over 65 and many over 62 can apply for Social Security through some 1,300 local Social Security offices, which are listed under "U.S. Government" in telephone directories. Those not eligible for railroad retirement, civil service or veterans' pensions probably qualify for state-administered Supplemental Security Income (SSI). SSI information is available through local welfare or social service agencies.

HEALTH CARE

Anyone eligible for Social Security benefits also qualifies for Medicare, which is financed through Social Security and covers most of the cost of any hospitalization that may be needed by those who are eligible. The medical portion of the program, which costs beneficiaries \$6.70 a month, covers doctors' bills. Anyone who is eligible for welfare or old-age assistance is also eligible for Medicaid, which covers doctors' and some hospital services, as well as nursing-home care. Local welfare departments administer the program.

NUTRITION

The Federal Government has earmarked \$125 million for nutrition programs for the elderly. These funds enable hundreds of communities to serve the aged one hot meal daily five days a week, mainly at communal eating places, but also at the homes of those unable to get out. Food stamps worth more than their purchase price, can help stretch tight food budgets. Information on eligibility for the stamps and other nutritional aid is available from local commissions on the elderly and from welfare offices or agricultural extension services.

HOUSING

The National Council on the Aging in Washington, D.C., publishes a directory of special housing for the elderly. Other information on publicly sponsored low- and moderate-income housing, tax relief and rent grants is usually available from local housing authorities, tax collectors or agencies for the aged.

LEGAL SERVICES

Old people in need of legal services to protect their rights to housing, Social Security or medical benefits, safeguard their assets and guard against exploitation by the unscrupulous, can usually obtain them through local legal-aid societies, which provide free or low-cost legal guidance. More specialized help is available from the National Council of Senior Citizens, which has its headquarters in Washington, and local Gray Panthers' organizations.

THE DICKEY-LINCOLN HYDROELECTRIC PROJECT

Mr. BROOKE. Mr. President, as Congress continues to grapple with strategies for coping with our energy problems, in New England one project is being strongly suggested as a regional solution. I refer to the Dickey-Lincoln Hydroelectric Project, which comprises the construction of two dams on the St. John River, one a hydropower facility and one a regulating structure.

Supporters of this nearly \$1 billion proposal tell us that the Dickey-Lincoln dams will provide needed growth in generating capacity. They claim that, because it is a public project, electricity can be provided at cheaper rates than those we currently pay. Proponents also say the dams would control the annual spring flooding of the St. John River and that the construction would provide employment for the region.

These goals are excellent. If they could be met at a reasonable cost, by the construction of this massive project, it would be foolish to delay appropriations any longer. Unfortunately, careful study shows the Dickey-Lincoln Hydroelectric Project simply cannot accomplish these goals.

In an enlightening article in the *Sierra Club Bulletin*, October 1975, Stephen Whitney and Paul Swatek punctuate the inflated hopes for this project. Their article is well researched and extremely valuable in any discussion of this project.

Regarding the question of power generating capacity, Whitney and Swatek affirm that of the 830 megawatts capacity, 105 would go to Maine and 725 would be transported to Greater Boston. In Maine the electricity would go to preferred customers—Federal installations and municipal utilities—rather than to household consumers.

The electricity to be transported to Boston is for use during the daily 6-hour period of peak use. But Dickey-Lincoln can only provide 2½ hours of peaking power, overall, so the contribution to Boston's needs is small.

The projected costs of Dickey-Lincoln are astounding and the 1974 costs-benefits study prepared by the Army Corps of Engineers does not even include inflationary increases in materials or labor. Nor does it provide for the profit margin of the construction firms that would build the dams. A study conducted with such lapses of any sense of reality must be viewed most skeptically.

The promise of jobs is even more ephemeral. In Maine, for example, winters create severe unemployment in all major industries. And the dam construction would fall victim to the same seasonal delays, instead of solving Maine's winter unemployment problems. Construction would not begin until 1978 and no significant number of jobs would be available before 1981. The jobs would, of course, be temporary. And many of the jobs are highly technical and will probably be filled by residents of other regions.

The final promise of flood control for the St. John flood plain would not be feasible for at least a decade if at all.

Whitney and Swatek offer some energy-saving alternatives to the Dickey-Lincoln project. Their suggestions include improving the existing rail systems, providing waste-water treatment plants, promoting solid-waste recycling centers, and subsidizing the costs of home insulation and storm windows. These programs would produce more long term jobs, better pollution control, and more efficient energy use than Dickey-Lincoln.

I ask unanimous consent that this article I have referred to be printed in the *RECORD*.

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

DICKEY-LINCOLN—LARGER DAMS, LARGER PROMISES, AND EVEN LARGER DEBTS

(By Stephen Whitney and Paul Swatek)

The St. John River rises in eastern Quebec, flowing into a northern corner of Maine before pushing north and then east in a 400-mile arc to the Bay of Fundy in New Brunswick. Although many miles of lower river are punctuated with small power dams, the water above the town of Dickey, Maine, is free-flowing, a powerful, virgin stretch that is easily among the longest segments of wilderness river in the eastern United States. The river runs through the heart of the most remote section of Maine's famed "North Woods." In the midst of this wild area, the U.S. Army Corps of Engineers, aided and abetted by a host of politicians panicked by the so-called "energy crisis," proposes to construct the mammoth Dickey-Lincoln Hydroelectric Project. The proposal calls for two dams—a 760-megawatts hydropower facility at the town of Dickey, Maine, and a seventy-megawatts regulating structure located eleven miles downstream at the site of the former Lincoln School.

The project is not new. The prospect of building the dams, thereby flooding 90,000 acres of the upper river valley, has loomed over the St. John for more than ten years. The Corps originally proposed the dams in the early sixties as part of a package deal, along with a tidal-power facility for Passamaquoddy Bay, nearly 200 miles southeast on the Maine coast. Ultimately, the tidal generator proved unfeasible, but the St. John River dams were then touted for their own merits, earning congressional authorization, but no funding. Thus the project was stalled until the spring of 1974, when the energy panic of that winter and the public fury at the utility industry for rising electricity prices created a golden opportunity for supporters of the Dickey-Lincoln dams to resurrect the moribund project. They dusted off the ten-year-old plans and peddled them to a receptive press and public as New England's own solution to the Arab oil boycott, an environmentally benign source of endless renewable energy. And as fate would have it, May of 1974 brought record floods on the St. John, which did substantial damage to Fort Kent, the nearest community downstream from the proposed dams. The Dickey-Lincoln Project would solve that problem too.

In June, 1974, despite energetic lobbying by a handful of environmentalists and sportsmen, and residual opposition from fiscal conservatives in Congress, an attempt to delete \$800,000 in preconstruction planning funds from the Public Works Appropriation Bill failed in the House of Representatives by a close 201-185 vote. The money was endorsed by the Senate late that summer.

In 1975, the issue is jobs. Powerful Senate Budget Committee Chairman Edmund Muskie said he wanted the dam, so the Corps received another \$1.46 million allotment from Congress to continue advanced

engineering and planning and to develop an environmental impact statement following guidelines drafted by a private firm under contract to the Corps. The Army claims that the impact statement "will identify all significant environmental, social, and economic impacts induced by the project, and recommend methodology for measuring and evaluating these impacts." Pressure to go ahead with the project is expected from Maine Senators William Hathaway and Edmund Muskie, whose concerns about the state's ailing economy have led them in this case to abandon their normally conscientious environmental positions.

The dam at Dickey would rise 340 feet above the present streambed of the St. John. Sixty-five million cubic yards of material would be used to construct an earthfill dam almost two miles wide at the top. It would be the sixth largest dam in the United States and the eleventh largest in the world, surpassing the Aswan Dam in size. The Lincoln School Dam, by comparison, would be only eighty-seven feet high and 1,900 feet long. Some of the aggregate and facing stone would be quarried from the nearby wild Debouille Mountain region. Additional construction would be needed at five additional sites to build dikes to keep the 80,000 acre Dickey Dam lake from spilling into adjacent watersheds.

The main factor responsible for persuading Congress to proceed with the Dickey-Lincoln Project has been its appeal as a nostrum for the complaints of New England consumers, whose electricity bills have soared over the past few years because of increased fuel costs. But one thing is certain: whatever the magnitude and specific character of what is popularly known as the "energy crisis," it is not going to be met through such expedients as dams. The Dickey-Lincoln Project, for example, would not even begin to provide electricity until 1986, and then not in amounts that would significantly alter the energy picture in New England. Yet Congress seems to favor such projects if only because they give the appearance of decisive action. They are tangible, if dubious, achievements that can be shown to voters in place of more elusive long-range solutions.

The revival of the project in 1974 sparked environmentalists, canoeists, and sportsmen to form a coalition to muster support for what the United States Fish and Wildlife Service has called the Northeast's "only remaining wilderness of its type, by present-day standards." Under the name "Friends of the St. John," the Sierra Club, Appalachian Mountain Club, Maine Natural Resources Council, American Canoe Association, Trout Unlimited, The Wilderness Society, Friends of the Earth, and twenty-five other supporting groups from Maine to Rhode Island have worked to inform congressmen, senators, and citizens throughout the Northeast about the patent disadvantages of the proposed Dickey-Lincoln dams.

Supporters of the project have advanced four arguments to justify their position:

First, that New England needs the additional generating capacity that the Dickey-Lincoln dams would supply;

Second, that the project would provide jobs for the region;

Third, that the dams would control the annual spring flooding of the St. John River, thereby protecting the vulnerable floodplain community of Fort Kent; and

Fourth, that Dickey-Lincoln, as a public power project, would provide cheaper electricity than that generated by private utilities.

As rhetoric, these arguments can be persuasive in the absence of facts. Everybody wants more power for less money; everybody wants more jobs; everybody wants to be protected from floods. Those who oppose the Dickey-Lincoln Project also want these things. The point, however—and the only

point—is that the two dams will not fulfill these functions in any significant way. There are, in fact, better and cheaper alternatives.

PROMISE OF POWER

Of the total 830 megawatts of installed capacity that would be generated from the Dickey-Lincoln dams, only 105 megawatts would go to Maine. This electricity would be sold to the state for use as intermediate (or cycling) power and it would go to Maine's preferred customers—federal installations and municipal utilities—rather than to the private utilities that serve most of the region's households. Since ninety-seven percent of the consumers in the recipient area are already served by private utilities, they would receive no electricity from the dams. Only three percent of the consumers would benefit, and as we shall see later, this benefit would be minimal.

The remaining 725 megawatts of power would be transported more than 450 miles to southern New England in order to provide supplemental electricity during greater Boston's six-hour period of daily peak use. But the Dickey-Lincoln dams would in all provide only two and a half hours of peaking power. If the generators were to operate twenty-four hours a day, the reservoir would virtually go dry within a few months. The St. John's modest flow could not possibly supply turbines for full-time generation in spite of the huge size of the proposed dams. So the project's contribution to Boston's peak-power needs is only fractional; additional generators would have to be constructed in the region to meet the remainder of the city's demand during the daily peak period. Although the total output of the Dickey-Lincoln dams would be nearly 1.1 billion kilowatt-hours per year, demand is growing at a rate that would set consumption in New England at 100 billion kilowatt-hours per year by the mid- to late-1980's. At the very most, the dams could contribute only one percent of that projected requirement.

In other words, the claim that the Dickey-Lincoln Project will in any significant way alleviate New England's energy shortage now or in the future is simply untrue. Its contribution—in Maine, in all of New England—would be marginal.

PROMISE OF JOBS

In a time of recession, make-work projects are big sellers at the legislative box office because of the many jobs they are supposed to provide. Dams, especially, have always been popular with Congress, though it has been estimated that they provide fewer jobs per dollar spent than most alternative ways to spend government money. Of course, unemployment is now high everywhere, and Maine's Aroostook County is also feeling the pinch. In response, supporters of the Dickey-Lincoln Project have represented it as one answer to high unemployment in the area. In fact, it will provide no answer at all.

First, the worst unemployment in the area occurs during the winter months, when the two main industries—logging and potato farming—must cut way back. Dickey-Lincoln will not alleviate this seasonal unemployment because dam construction will also have to virtually cease during Maine's fierce and abiding winters.

Second, since construction would not begin until 1978, the project cannot help unemployment now. A Corps of Engineers' employment scale reveals further that a significant number of jobs would not be provided until 1981. Even then, at the time of maximum employment on the proposed dams, the unemployment rate in Maine would be reduced by only one-half of one percent, and then if, and only if, the anticipated maximum of 1,800 jobs all went to Maine residents, an unlikely possibility judging from experience elsewhere. Many of the jobs, for example, are technical and will probably be filled from out of state. Those

that aren't are more likely to be filled by nearby Canadian labor than by Mainers.

Third, there would be very few permanent jobs. Dam construction would provide jobs for only a few years, so the project offers no long range solution to anybody's unemployment.

PROMISE OF FLOOD CONTROL

The St. John River has overflowed its banks ten times in the past thirty-five years, as it flushed out winter ice each spring, and if anything, the floods, for uncertain reasons, have grown worse. In the spring of 1974, the waters inundated the floodplain town of Fort Kent (population 4,575), the largest community in the upper St. John watershed. Naturally, flood control became a prominent issue. However, in the past when the Corps proposed to build a series of dikes to protect the city, the town fathers were never willing to appropriate Fort Kent's share of the cost. Instead, they heralded the regulatory capability of the Dickey-Lincoln Project as the savior for vulnerable floodplain communities, even though the dams would provide no more protection and would cost the public anywhere from 250 to 500 times as much. Last year's floods broke this resistance, and with conservationists' blessings construction on the dikes is scheduled to begin in 1977, and will be completed eighteen months later. By comparison, the Dickey-Lincoln dams would not begin to provide protection for another decade. The Corps' final environmental impact statement for the dike admits that Dickey-Lincoln is not a practical solution to the floods at Fort Kent because the project "could not possibly be built quickly enough to solve Fort Kent's immediate problem."

PROMISE OF CHEAP POWER

Perhaps the most politically potent argument used by supporters of the Dickey-Lincoln Project is that it would provide cheaper electricity than alternate sources. The Corps' January, 1974, analysis claimed that Dickey-Lincoln's energy would be available for twenty-seven percent less than the private alternative (2.5c per kilowatt-hour versus 3.4c per kilowatt-hour) and that this would save consumers \$11.7 million annually. It also claimed a benefit-cost ratio of 2.6 to 1. Like most of the other claims made for Dickey-Lincoln, however, the economic arguments for the project fall apart under analysis.

Estimates of the total cost of the project vary according to who is making them and what assumptions they are using. The 1965 authorization estimate for the dam alone was \$218.7 million and had grown to \$356 million in 1974. But critics of the project refer to Dickey-Lincoln as a "billion dollar boondoggle." The actual cost is likely to be much closer to \$1 billion because the Corps' estimate conveniently ignores any inflation in the price of materials or labor during the period of construction. It also factors in no profit for the construction firm that would build the dams.

When calculating annual "costs," the Corps assumed a 3.25 percent borrowing rate for the Dickey-Lincoln Project and 8.75 percent for the privately financed alternative. It counted in taxes for the alternative project but not for their publicly subsidized project. It also assumed that it could cut the \$123 million additional cost of transmission lines in half, when the nearest 345 kilovolts transmission line is 150 miles away and is expected to be at capacity by the time Dickey-Lincoln power would be available.

The Corps' benefit-cost calculation completely ignores the loss of annual timber production from the 88,000 acres that would be flooded by the reservoirs. The new lakes would totally disrupt existing logging operations in the area. These have coexisted for many years with other uses and account for a large part of the activity in the local economy.

Although more than ninety-five percent of the claimed "benefits" for Dickey-Lincoln re-

late to its role as a power project, the Corps cannot resist claiming flood control, employment, and recreational benefits as well. How the Corps could figure that Dickey-Lincoln could produce a net recreational "benefit" is hard to believe. According to the Appalachian Mountain Club's *New England Canoeing Guide*, the upper 120 miles of the St. John have "no equal in the Eastern United States in the number and diversity of wilderness canoe trips which can be made." Replacing this unusual recreational opportunity with a large flatwater lake can hardly be termed a "benefit" in a state already blessed with some 3,000 natural lakes. Furthermore, the water level of the lake would necessarily fluctuate over the course of the seasons and there would not be time to rid the bottom of the lake of the stumps of the forest that would have to be cleared. Fishermen who now enjoy one of the finest brook trout fisheries in the United States would have fun catching snags while trolling for lake fish.

In fact, the wildlife impacts from the immense lake would be severe. There would be a loss of 17,600 acres of deer-yard essential to the survival of white-tailed deer in northern Maine's severe winter. The Corps plans to spend \$2.3 million to move wildlife; however, as a Massachusetts wildlife official noted, "One does not 'move' wildlife laundry fashion; there is a little matter of available room." He continued, "Perhaps this is the most telling clause in the entire proposal for it underlines the environmental illiteracy of the people who have allowed Dickey-Lincoln to progress this far."

If all the actual costs and benefits had been figured into the Corps' calculations, it is extremely doubtful that Dickey-Lincoln would even begin to justify itself economically. Accepting all of the Corps' assumptions, the total consumer savings would be only \$11.7 million annually—less than one percent of the \$1.6 billion that New England consumers paid for electricity in 1972. When the Corps' questionable assumptions are knocked out, this modest saving is likely to evaporate completely. There should be no misunderstanding: Dickey-Lincoln power would be expensive power in both dollar costs and environmental costs.

But the most telling economic argument against building the dams is that for the same money, alternate facilities could be built and other programs pursued that would yield greater savings on every New Englander's electricity bill, as well as other tangible benefits. The public money now allotted to the project could be applied more practically and economically to a variety of other public projects that would be of much greater value in both the short and long term—expanding and modernizing the existing rail systems in the region, stimulating construction of waste-water treatment plants, promoting solid-waste recycling centers, and subsidizing the cost of home insulation and storm windows, to name only a few. Indeed, using Oak Ridge National Laboratory figures, it can be estimated that an investment of only \$110-150 million for retrofitting homes with insulation and storm windows would produce energy savings equal to those anticipated for Dickey-Lincoln. Furthermore, this project, along with others mentioned above, would produce far more long term jobs, better pollution control, and more efficient energy use than Dickey-Lincoln.

New England's avowed energy needs can be met in an economical, innovative way by constructing solid-waste-disposal facilities such as the one scheduled to start operation outside Boston in 1975. The Dickey-Lincoln dams would cost thirty times as much as this facility but produce only three times as much power. In other words, neither the American taxpayer nor the New England consumer are getting their money's worth at Dickey-Lincoln, and in the bargain they

are losing one of the finest wild rivers left in the eastern United States.

When a dike shields Fort Kent from spring floods, the St. John should be allowed to continue the course it had cut when Champlain first encountered it on the feast day of St. John the Baptist in 1604. The old clatter of woodsmen's tools and the sounds of wilderness share the majesty found in its uninterrupted length, breadth, and varying moods. One traveler has reflected that "the St. John gradually came to have an ominous presence that grew almost palpable. The mighty river swept inexorably on to the sea as it had done for centuries, a primitive force against which man seemed insignificant."

NUTRITION EDUCATION

Mr. McGOVERN. Mr. President, as Senators know, my concern for the nutritional status of Americans has taken many forms and forums. One area of particular importance is the education of consumers regarding critical choices in the foods which they consume. No level of affluence can guarantee a nutritious diet if the consumer is unaware of what constitutes a healthy meal. This education can be effective only if the concepts are learned at an early age. These concerns and beliefs are reflected in S. 1945, the National Nutrition Education Act of 1975, which I introduced in June.

I have received a letter of support from Helen D. Ullrich, executive director of the Society for Nutrition Education. Ms. Ullrich and the society have my most sincere appreciation for their untiring efforts to improve the nutritional status of our citizens. Their assistance has been invaluable.

On August 21, 1975, the society passed by unanimous vote two important supportive resolutions. The first endorses S. 1945, and the second is in support of H.R. 4222, the National School Lunch Act and Child Nutrition Act Amendments of 1975. On October 7, Congress overrode the President's veto, and H.R. 4222 became Public Law 94-105. I ask unanimous consent that the resolution be printed in the RECORD at this point.

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

SUPPORT OF THE NATIONAL NUTRITION EDUCATION ACT OF 1975—S. 1945, H.R. 8584

Whereas: the Society for Nutrition Education has already overwhelmingly provided endorsement of the National Nutrition Education Act of 1974; and

Whereas: the 1975 Act is substantively the same and continues to be in harmony with the stated goals of the Society;

Be it therefore resolved: That the Society for Nutrition Education strongly support and encourage, through its publications and influence, the passage of S. 1945 and H.R. 8584; and that the Society encourage allied organizations which share the goal of improving nutrition to join in every action support of this legislation.

Supported by unanimous voice at the 8th annual meeting of the Society for Nutrition Education, Berkeley, Calif., on Thursday, August 21, 1975.

SUPPORT OF H.R. 4222, NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

Whereas: The provisions of the National School Lunch and Child Nutrition Act improve the nutritional status of many Americans; and

Whereas: the 1975 Amendments would significantly improve many aspects of the existing legislation, especially in regard to expansion of the summer food and WIC programs and would mark the initiation of a nutrition education component;

Be it therefore resolved: That the Society for Nutrition Education take immediate action to strongly support and encourage the passage of H.R. 4222 through all appropriate legislative channels; and that the Society encourage allied organizations which share the goal of improving nutrition to join in active support of this legislation.

Mr. McGOVERN. Mr. President, I also ask unanimous consent that two articles from the society's Journal of Nutrition Education, be printed in the RECORD to inform my colleagues of the position taken by the members of the Society for Nutrition Education. These dedicated professionals work with food programs and nutrition programs every day throughout our communities, and perform a great service. Because of their in-depth knowledge and daily contact with these areas, their support means a great deal to me, and I would like to share these articles with my colleagues.

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

[From the Journal of Nutrition Education, July-September 1975]

EDITORIAL—S. 1945 AND H.R. 8584

Nutrition education is a political issue. Sen. George McGovern (D-S.D.) has reintroduced his bill for "The National Nutrition Act of 1975" which is now S. 1945 (see p. 13). Rep. George Miller (D-Calif.) has introduced a companion bill (H.R. 8584) in the House of Representatives.

While these bills request funding for only the beginning of an educational program, it is a first step to provide programs by which the population can become knowledgeable about their daily food choices. At a time when the world-wide food supply seems critical, a viable nutrition education program becomes crucial.

The number of the Senate bill—S. 1945—emphasizes that such legislation should have been passed 30 years ago when per capita consumption of fruits, vegetables, and dairy products hit a peak. During World War II, nutrition education and victory gardens were part of a concentrated national effort. Then came the growth of technology to develop and promote socially satisfying convenience and novelty foods. The result is a serious decline of the nutritional makeup of the national diet.

Some may ask why we need legislation to provide Federal funds for the programs in the schools. They may feel it is only necessary to incorporate nutrition education into other ongoing or proposed programs. In fact, there are presently several ways in which there might be more nutrition exposure in the schools.

For example, a greatly strengthened Comprehensive Health Education bill was introduced this year. Nutrition is one of the 11 areas of concentration recommended for inclusion in the bill. The Child Nutrition Act which provides funds for several child feeding programs proposes token appropriations for surveys, training, and nutrition education pilot projects. But nutrition education should be incorporated into a multitude of disciplines and programs within the schools and it must be coordinated. Therefore, a nutrition education bill is vitally needed to provide funds to implement the necessary coordination.

Since nutrition education is a part of many disciplines, it becomes imperative that nutrition educators who are in home economics,

dietetics, health and physical education, consumer and family life education, parent involvements, and child feeding should try to coordinate organizations relating to those special interests. It will take the coordinated effort of all interested groups to ensure passage of these bills.

The ability to adequately educate professionals to carry out programs may concern many nutrition educators. There are unknown quantities. Are there enough career and inservice training facilities for teachers? What are the training curriculum needs? What qualifications should be required for a state nutrition coordinator? Let this journal be your sounding board about ways professional training needs could be met.

Perhaps before any nutrition education legislation can be passed ways must be identified to show education can make a difference in the well-being of the nation's children. Legislators can show their constituents that more children have received food by counting the meals served in the school feeding programs. How do we count numbers and show improved health or social conditions as a result of nutrition education? There have been many base line surveys which show the need. What about evaluation of the results of nutrition education?

All of the above must be convincing in order to create a priority need to pass the nutrition education bills—S. 1945 and H.R. 8584. Your comments and suggestions are needed. Express them to Senator McGovern and Representative Miller, authors of the bills, and to your own legislators in the Congress. Send your thoughts for publication in this journal or the SNE Communicator, the newsletter of the Society for Nutrition Education. Put your thoughts and ideas on paper. Let your legislators hear you; let us hear from you. S. 1945 and H.R. 8584 should have been enacted 30 years ago. Let's work to have them passed in 1975.

HELEN D. ULLRICH.

McGOVERN NUTRITION EDUCATION BILL: S. 1945 IN 1975?

In mid-June, Sen. George McGovern (D-S.D.) reintroduced his nutrition education bill in the U.S. Senate. The bill—S. 1945—the National Nutrition Education Act of 1975—is identical to S. 3864 introduced in the 93rd Congress in 1974 (see J. Nutr. Educ., 6:84, July-September, 1974; 7:6, January-March, 1975; SNE Communicator 5:14, September 1974; 5:6, December 1974).

In introducing the 1975 bill on the floor of the Senate, McGovern coined the phrase "the new malnutrition" to describe the nutritional status of those who have the resources to buy sufficient food but lack the knowledge to choose correctly. "A tax dollar spent to give consumers a sensible, scientific guide to spending their food dollars is an investment as well as an expenditure . . ." argued McGovern.

McGovern said he was reintroducing the bill in hope of starting a discussion leading to some positive changes in the bill. However, he pointed out that an effective program should be passed this session of Congress.

SUMMARY OF BILL PROVISIONS

In order to clarify possible questions or misunderstandings about S. 1945, the following is a summary and interpretation of the bill:

1. Intent of Bill. The bill would encourage the provision of nutrition education programs in school classrooms and lunchrooms by establishing grants for teacher training and pilot and demonstration projects, followed by longterm funding of comprehensive nutrition education programs.

2. Definition of "Nutrition Education Program." S. 1945 defines "nutrition education program" as "a multidisciplinary program by which scientifically sound information about foods and nutrients is imparted in a

manner that individuals receiving such information will understand the principles of nutrition and seek to maximize their well-being through food consumption practices, both in the school lunchroom and in the community at large, consistent with optimum health."

3. Teacher Training. Grants would be available to state agencies, colleges and universities to enable development of programs to train early childhood, elementary and secondary teachers (at both career and inservice training levels) in the science of nutrition, methods and techniques, information, and current issues relating to nutrition education and food-related problems.

4. Pilot and Demonstration Projects. Public or private agencies, institutions, or organizations would be able to apply for funds for pilot and demonstration projects, including curriculum development, demonstration, testing, and evaluation.

5. Technical Assistance. Assistance such as the exchange of information regarding effective nutrition education methods would be offered to public and private nonprofit organizations, colleges, and universities by the Office of Education through created staff positions.

6. State Programs, Nutrition Education Coordinator and Comprehensive Plan. Federal funds would be available to state educational agencies to help meet the cost of developing and implementing nutrition education programs for both public and private schools. In order to obtain these funds, state educational agencies would be required to appoint a state coordinator for nutrition education. The coordinator would have to develop a comprehensive plan for nutrition education within that state. Elements of the comprehensive plan would include systematic training in nutrition education for present and future teachers and establishment of a State Nutrition Education Advisory Council.

7. National Nutrition Education Resource Center. A National Nutrition Education Resource Center would be established by the Office of Education, DHEW. The center would provide facilities and services for training state coordinators, collect and create curriculum materials, and evaluate programs.

8. Funding. The funding for the first year of operation of the 3-year program would be approximately \$75 million, with some additional money contributed by states.

IMPLICATIONS

S. 1945 has several important features in relation to overall nutrition education policies and programs.

First, it could apply to nutrition instruction in any existing curricular area such as health, science, home economics, or math; in connection with school food service programs; or even as a separate course. If the bill's program is implemented, there would not be major disruption of school curricula, and state departments receiving program funding could choose to implement nutrition education in the way that best met their needs.

Second, the bill's provisions would involve a majority of the nutrition education community—not only schools but also state and local educational agencies, Federal agencies, colleges, universities, and public or private nonprofit education and research agencies, institutions and organizations.

Third, the program would be designed to coordinate and supplement—not supplant—existing efforts. For example, the proposed comprehensive state plan would have to coordinate new programs with existing ones such as those administered by USDA or state health education curricula. Pilot and demonstration projects would include the evaluation of exemplary existing curricular materials. The proposed National Nutrition Education Resource Center "may in part be located within the framework of existing backup

facilities in the area of nutrition education."

Fourth and finally, the bill's funding would be influential beyond its 3-year period. It would provide "seed money" to establish permanent, ongoing nutrition education curricula in U.S. schools.

Perhaps the importance of the National Nutrition Education Act of 1975 can be summarized in the words of a slogan used on SNE and JNE publicity materials:

"Nutrition Education: An Investment Today for Better Health Tomorrow."—M.C.P.

VITAMIN/MINERAL REGULATIONS IN THE NEWS AGAIN

The Food and Drug Administration published "tentative amendments" to its proposed regulations on dietary supplements and special dietary foods in the *Federal Register*, May 28, 1975. The regulations, first published in February 1973 after much deliberation and extensive hearings, had never been implemented in final form. They had been held up by an order from the U.S. Court of Appeals for the Second Circuit as a result of several petitions from the "health" food industry.

The major provision of interest in the "tentative amendments" is that nutrient supplements would not be classified as drugs beyond maximum potency limits (150% U.S. RDA in most cases) but would instead be regulated by safety criteria spelled out in other regulations. For example, existing regulations already prescribe maximum levels of safety for vitamins A and D, folic acid, iodine, copper, flourine, and potassium.

A 6-week period was allowed for interested parties to comment on the "tentative amendments." (Closing date was July 14, 1975).

Final, revised regulations will not be issued until the hearing record on dietary supplements (held in 1968-1970) is reopened to permit cross-examination of a representative of the Food and Nutrition Board, National Academy of Sciences-National Research Council. The purpose is to clarify certain points including the derivation and scientific basis of the NAS-NRC Recommended Dietary Allowances (RDAs) and the use to which FDA is putting the U.S. RDAs (which were adapted from the 1968 NAS-NRC RDAs).

Meanwhile a bill to limit FDA's authority over regulating the potency and combinations of vitamins and minerals has gathered wide support in Congress. A bill, sponsored by Senators Proxmire (D-Wis.) and Schweiker (R-Penn.) has been revised several times and—at press time—had been added as an amendment to S. 988, a bill to extend authorization for heart and lung research.

Perhaps a lesson to be learned from the ongoing "vitamin-mineral controversy" (regarding possible restricted availability of these nutrients) is that it means different things to different people. To the "health" food industry, it can mean business. To the consumer, it represents hope for improved health. To the politician, it reflects an infringement of consumer rights. And to the nutrition educator? Maybe we had better incorporate some these meanings into the way nutrient needs are taught.

THE DECLINE OF AMERICAN EDUCATION

Mr. BUCKLEY. Mr. President, a few days ago, the College Entrance Examinations Board announced the formation of a blue ribbon panel to investigate possible reasons for the continuing decline in test scores on the nationally administered scholastic aptitude tests. For the 12th year in a row, the measurable performance of America's high school students in standardized verbal and mathematical tests has fallen. Those tests are

graded on a scale from 200 to 800. The average scores in 1963 in verbal and mathematical tests respectively, were 478 and 502. This year, the average scores were down to 434 and 472. That decline is evidence of deplorable shortcomings in our educational system.

The deterioration of American education is far too serious a matter to be left entirely to investigations by professional educators. It casts a shadow over the future of millions of students. It betrays the hopes of their parents and the trust of the taxpayers who have so generously supported public education. The decline of learning in our country's schools should command the urgent attention of everyone in public office. I was privileged recently to discuss the problems of our public schools with the members of the New York State School Boards Association. Because my comments on that occasion concerned in part the policies which the Federal Government has been following for the last decade in the field of education, I ask unanimous consent that they be printed in the RECORD.

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

REMARKS BY SENATOR JAMES L. BUCKLEY BEFORE THE NEW YORK STATE SCHOOL BOARDS ASSOCIATION

Because I must return to Washington this morning, I have only a half-hour to discuss with you current Federal legislation affecting education, the problems of financing and administering our schools, and the interaction between federal officials and those, like you, who are closest to the people.

Those subjects cannot be covered in the time allotted. Indeed, it would take at least the time I have just to explain why I voted to override the presidential veto of the Education Appropriations Bill and, more recently, to sustain the veto of the School Nutrition Bill. It seems to take almost as much time to explicate a piece of legislation as it does to draft it. Indeed, you who must cope with the practical effects of federal legislation regarding education know all too well its complexities, its vagaries, and its occasionally unfathomable implications.

So today I shall avoid them altogether. For their discussion is not why I wanted to accept your gracious invitation to meet with you. Rather, I was especially eager to attend the convention of the New York State School Boards Association as an expression of my own appreciation for your public service as elected members of the school boards of our state. You hold your offices for one reason: your concern for education. All the textbook lessons in civics and constitutional government mean nothing unless there are men and women willing to take up the demanding, and at times disagreeable, challenges of public administration; and nowhere are those challenges more awesome or more vital than in our schools. In truth, the citizens who set aside their private concerns and personal goals in order to assume the sometimes thankless tasks of running the nation's schools are the shock troops of democracy.

You are expected to secure adequate funding for education without increasing the tax burdens of the public; to champion every worthwhile innovation in learning without abandoning traditions; to take a definite stand in every controversy without slighting any opposing point of view; to preserve local control over education while securing more outside funding for it. You must accurately reflect the popular will, while steadfastly applying to your duties those principles upon which you were elected. You must stimulate greater public participation in the political

process, knowing that you will be the first to experience public discontent with whatever may go amiss in education. And through it all, you must keep smiling.

I know how you feel. Believe me, I know. And so, my first purpose for being here today is to give credit where credit is very much due: to acknowledge your dedication to the best interests of New York's children.

My second purpose is to explain in a general way my own views of those interests and to share with you my concerns as to the direction American education seems to be taking. There is no need for me to catalog for you the problems of American education. Indeed, I hope you will feel free to do that for me in your communications with my office, so that I can benefit from your information and advice. Today I want to look beyond the subjects that make headlines for newspapers and headaches for school board members. In other words, I do not intend to speak to you about such issues as forced busing.

EDUCATION AND SOCIAL POLICY

For the busing controversy—together with the related issues of racial quotas for teachers and students—is only a symptom of a danger at once deeper and broader. That is the Federal government's tendency to use public education as an instrument for the correction of all our social ills. As members of school boards, you well know that America's schools have been called upon to be the cure-all for everything that may or may not be wrong with our society. What the economy does not produce, what the churches do not instill, what the political system does not deliver, the schools are expected to accomplish. The Herculean task expected of our school boards is to correct the defects which, at least for the last several millennia, have been found in every aspect of human life. Prejudice, inequity, delinquency, psychological disturbances, poor health, nutritional deficiencies, all these and more are brought to the classrooms of your schools. And it is somehow considered your responsibility to eliminate those evils from the community. In the process, some students may also learn those fundamentals of reading and writing which they will require in their long journey through life.

In short, our priorities in education are badly confused; but that is certainly not the fault of the school boards. Rather, it is the fault of those who seem to think that the public's schools must compensate for the public's shortcomings, that schools exist primarily to restructure society, rather than to awaken inquisitive young minds and touch tender imaginations.

That is why I find in some ways irrelevant the debate over whether racial gerrymandering in the schools, however it be disguised, will someday foster a society better than the one in which we now live. If the matter were put to a vote, many in this audience would find themselves on opposite sides of that question.

But I propose a more fundamental inquiry: should the shaping of a future society—of whatever merits—be the primary purpose of our schools? If so, does that not imply that any electoral majority, having gained control over the administration of the public schools, should have a free hand to wield them as tools of its own politics? Should we really take so dangerous a notion for granted?

I think not, and I am sure that most school board members would concur in my dissent. It is trite but true that our country has no more precious assets than her school systems. It would be tragic if public support for them were eroded and public respect for them undermined by the politicization of educational policy. You who are here today must remain our best bulwarks against that disturbing possibility.

FEDERAL VERSUS LOCAL CONTROL OF SCHOOLING

If the politicization of education is bad, then its federal politicization is abominable. In New York, as in other states, many school boards are facing, inevitably, controversial decisions concerning the use in the public schools of learning materials developed by private educators supported by federal grants. I am referring to the package known as "Man: A Course of Study," now commonly referred to as "M.A.C.O.S." It has been many years since any single curriculum change stirred up so much antagonism between professional educators and the public. I know that some of you are already dealing with this issue in your own communities, and I need not tell you how emotionally explosive it can become. The reason for the emotionalism on both sides of the issue, I believe, is that M.A.C.O.S. has become a symbol, the focal point of a wider debate. And the question to be decided is: Who will control American education?

I do not intend to evaluate the M.A.C.O.S. materials. That is the responsibility of local officials—in other words, you. That is why I have answered the mail I receive on this subject by urging my correspondents to take their case, whatever it may be, to their local school board. Tempting as the issue is as a political football, I do not think federal officials, myself included, should involve themselves affirmatively or negatively in the selection of classroom materials for America's schools.

And yet, M.A.C.O.S. is itself a startling reminder of interference by the Federal government in the curricula of our schools. Entirely apart from its content, it is its origins which most concern me. There is something ominous about the fact that certain textbooks have been subsidized by the Federal government to the sum of seven million dollars. What will that level of federal intervention do to the marketplace demand for educational materials? Why, the very same things that federal intervention does in any other market. It takes fundamental decisions, including quality control, out of the hands of consumers and puts them in the hands of distant bureaucrats. It gives an unfair advantage to those who develop and who sell federally subsidized materials. And worst of all, it lends the prestige and authority of the Federal government to them. To my mind, that is one more small step toward the engineered evolution of a centralized, unitary, national school system.

FINANCING EDUCATION

There is no denying that federal funding has been helpful to many school districts. But no gift has ever come from Washington without strings. Your annual budgets no longer depend solely upon decisions made by you and your constituents.

The number of teachers you can employ, the facilities you can maintain, even the hours you can keep the schools open increasingly depend upon funding decisions made by the Congress and by Federal agencies.

Many of you have experienced the frustration of having a federal grant in hand which can be spent for one specific purpose: for buying cameras when your school needs blackboards, or for expanding athletic facilities when your pupils need new desks. Those absurdities are the inevitable effect of centralized direction. Indeed, so fixed are we upon federal support for local schools that many boards must employ what are colloquially known as grantsmen, those professional writers of grant packages whose career it is to secure for their employers the largest slice of the federal pie they can obtain.

By the way, I hope our grantsmen in New York are doing a good job. Whatever we might think of the bakery, we have paid for a larger slice of the pie than we are apt to be served. I will be frank to say that I

am highly skeptical of the growing federal role in American education; and while I oppose federal direction of many of the programs now being administered from Washington, I will continue to work to secure for New York as large a share of existing federal grants as possible until that happy day when the federal role in education is slimmed back and a larger degree of state and local direction restored.

The point I want to make is that we have come a long way from the time when the money a school board spent depended directly upon popular approval of its work. To my mind, our movement away from that localism has been unfortunate. I suspect that many of the voters who reject your appeals for increased support do so on the assumption that, somewhere in Washington, there is cash to make up for what they will not give you. And of course, in Washington there is that cash, but it all comes out of the same pockets back home in your district. But I suspect the larger reason is that the voter is no longer satisfied that he is receiving his money's worth in terms of educational results. I suspect that the American parent—this one not excluded—is no longer satisfied that there is a necessary correlation between dollars spent and knowledge and learning skills absorbed.

But one thing is certain: however the public votes on school budgets, and whether or not a vote against local funding is motivated by the assumption that Washington will meet the gap, the facts are that whatever the immediate source of the funds, the New York taxpayer ultimately pays the full cost.

For New Yorkers, it is accurate to say that there is no such thing as federal funding of education. There is only taxpayer funding. Sometimes the tax dollars can go directly from the community to the community's schools. At other times, and all too frequently these days, the dollars will go from New York to Washington and return to New York's schools shrunken both by inflation and by federal administrative costs, and laden with federal directives as to how those dollars are to be spent. That is why I sometimes wish that above every polling place in the country were inscribed the words: "There is no such thing as a free lunch."

We must face the fact that, for the foreseeable future, our schools will have to function on tight budgets. When your President, John Woods, visited my office last month, he mentioned to me that the school boards of our state had already this year suffered more bond defeats at the hands of the voters than in any previous year.

His astute editorial in the last issue of your Association's Journal comments upon possible reasons for that negative record of late, and I would like to add my own thoughts on the same point.

As Mr. Woods observed, it can no longer be said that voters who reject school bonds are either careless of education or unconcerned about children. Least of all is that true in New York, where the public's generous commitment to education has set a proud record. I agree with Mr. Woods' assessment that school board budgets are testing the limits of the public's willingness to spend more money on education.

But I would like to carry that observation one step farther. Is the public's fiscal concern necessarily bad? Heartbreaking as it can be for you to see your projects defeated by a budget-conscious electorate, the voters' refusal to give more money to the schools may not be altogether evil. That statement must sound at least unorthodox and perhaps blasphemous. But it may force us all to pay attention to certain terribly worrisome facts about the quality of education in America.

CONSUMERISM IN EDUCATION

Over the last twenty years, the per capita amount Americans have spent in educating a child in the public schools has grown fantastically, even in terms of constant, rather than inflated, dollars. In part, this was a healthy trend; for many children had had deficient schooling, and the increase in funding did make a dramatic difference to millions of students. But in part, the trend to spend ever more money on education was thoughtless, instinctive—if you will, reactionary. Reacting especially to the shock of Sputnik in 1957, Americans raced to surpass the Soviet Union in everything, especially schooling, although it was doubtful that we were ever really behind. Every school needed a language lab because a few elite Soviet academies had them. Costly laboratory facilities were acquired so that our country would not lack for space scientists and engineers, of whom, within a decade, there was a surplus, many of them jobless. In short, we spent as recklessly on education as we did on some weapons system and some space projects. We thought that the liberal use of money could substitute for student discipline, for long hours of study, and for daily parental supervision of their children's progress.

In our zeal for learning centers and ample libraries, some of us forgot industry, perseverance, respect for learning, and reverence for thought. Above all, we seem to have neglected the fundamentals—an insistence on the mastery of the basic tools of learning, the three "R's" and disciplined habits of thought that were once understood to be essential to the educational process. So now, a generation after Sputnik, America's youth, by and large, attends schools that are superbly equipped, well staffed, and freely financed. But when they prepare to leave the public schools at age 18, when they take their college boards, the results are sorely disappointing. Test scores are falling throughout the country, and there can be no doubt that they reflect a real decline in fundamental learning among this country's student population.

I recognize that certain other factors are related to that phenomenon, as, for example, the larger percentage of high school students who take college boards. But that is insignificant compared to the steady, and ever more ominous, drops in measurable student achievement.

Heretical as it sounds, I submit that today's young Americans may not necessarily be the best educated generation in human history. That judgment might be affirmed by the many college instructors who now complain that their students cannot diagram a sentence or analyze a passage from Shakespeare. I wonder if there is not a correlation between how freely we have funded education and how little we have obtained for the public's taxes. A two year study of that correlation by New York's own Hudson Institute suggests a definite—and negative—relationship between money put into the schools and learning carried from them. I recommend it for your reading.

And so, returning to my original point, I wonder if the voters who keep turning down school bond issues may not be a step ahead of public officials—you and me alike. Perhaps they are already aware that they have not secured a fair return for their taxes invested in education. Indeed, the public which has been rejecting your budgets is the same public which is beginning to demand greater accountability from all institutions, both governmental and private. I welcome this rising tide of consumerism. America needs it. Businesses need consumerism to keep in shape; government needs it to keep budgets lean and bureaucrats responsive. Our schools need it too. Only consumerism in education can make sure the public gets the most for its money. When the manufacturers in Detroit recall large numbers of

cars because of shoddy workmanship, we are rightly scandalized. When large numbers of high school graduates cannot read and interpret the Constitution, should we not all be equally outraged?

FUNDAMENTALS OF LEARNING

It is time to reassess the assumptions we made too carelessly back in 1957. Does more money for schools mean better education for the children in them? Can audiovisual labs substitute for the discipline of prolonged study and heavy reading assignments? Can the contemporary maxims of psychology and sociology substitute, as they have in many schools, for the facts of history, the mechanics of our political system, and the study of the philosophic and moral concepts on which that system has been structured? Before students learn sensitivity, should they not first acquire those fundamental linguistic and mathematical skills without which they will be forever limited in their educational and human capacities?

Perhaps my own value judgments are showing. So be it. As a conservative, I believe in value judgments. And I believe, too, that unless public education is based upon them, it will neglect the most important part of its mission. I believe that schooling must be based on the value judgment that some cultural habits—honesty, industry, patriotism, respect for both persons and property—are better than others. Most of all, our schools must not lead young Americans to think it will be their privilege to make the world over in their own image—especially when our educational system seems to be failing so dismally in giving them any true understanding of their own cultural roots and history, any basis for a perspective with which to judge the present and evaluate the future. In the first place, remaking the world defies the energies of any one generation, even one raised on burgers from MacDonalds and milk from New York's farms. In the second place, a relativism of values in the schools does not inculcate students with idealism but with uncertainty. It breeds a rootless generation, without ties of personal identification to the past and, so, without any bridges to that future which they themselves must make. If that be a severe judgment, let it be measured against the contemporary realities of young America.

I hope I do not appear to be a doomsayer. As the network newsmen say, bad news is news, good news is uninteresting. If I thought you wanted accolades, I would have spent my limited time with you reciting your well-deserved praises. In fact, largely because of the unsung dedication of school board members, I am optimistic that, despite current and future disagreements among educators, public officials, and parents, we can reach a common, unifying version of what American education should be.

THE ROLE OF PARENTS

Let me suggest that, in discussing where our schools go from here, we be guided by two interrelated principles. The first is parental control of education. No system of education, no matter how excellent academically, can compromise the right of parents to guide their children's learning. We dare not say that the state knows best. Experience, both in this country and elsewhere in the world, has taught us that that is not true. We must, therefore, maintain the primacy of the family in schooling, even though that goal seems distant indeed in a society which ever more diminishes the significance and stability of the family unit.

It is, of course, easy to declare that parental control of education must be preserved; but it is quite another matter to implement that noble sentiment. To their credit, many school boards in New York have experimented with plans to broaden community involvement in the schools. Needless to say, not all of them have lived up to initial expectations; but that failure brings us to

what, in my opinion, must be the second fundamental principle of American education. Just as the rearing of children is the right of parents, so too it must ultimately remain their responsibility. The freedom to make decisions affecting a child's learning carries with it the obligation to support those decisions with resources, with interest, and with personal involvement. Many school boards—and many of you, I suppose—have tried to share vital decisions with their community, only to find that some parents have abdicated their role in the supervision of their children's schooling. This seems to be another unhappy manifestation of a general phenomenon of our mass society: the irony that, just when there seems to be more complaints than ever about the institutions of government—including school boards—there appears to be remarkably little willingness on the part of average Americans to mobilize themselves for corrective action. Perhaps it is the complexity of public affairs—including matters of education—which dissuades citizens from involvement in them. Perhaps the alienation from official institutions which increasingly pervades our country has led Americans to abandon attempts to exert their will in government even before they really make the effort. Whatever the reasons, the effects are clear: school board members often find their work draws much criticism from the public, but precious little assistance. That circumstance must be reversed if we are ever to achieve the creative partnership between parents and teachers which underlies our democratic conception of schooling.

DEMOCRACY AND EXCELLENCE IN EDUCATION

But what is democratic schooling? Certainly it must provide equal educational opportunity for all who attend the public schools. But should it be—indeed, can it—secure equal educational results from all students? That is not a far-fetched question. Some educators, having seen how little the schools have been able to do to eliminate inequalities in American society, have concluded that all academic distinctions, whether test scores or grade divisions or class promotions, must be removed so that, by not rewarding excellence, we will not punish the lack of excellence.

Indeed, America's school boards face an assault on the very concept of competitive learning, of striving to do better, see farther, think faster, and accomplish more than one's peers. If that spirit disappears from our public schools, it is only a matter of time before it wastes away in all aspects of American life.

I believe that our society can be both democratic and imbued with an appreciation for excellence, that the American people can meet their obligations to the less fortunate without lowering standards of performance and achievement. Indeed, to do so is an affront to all studies, but most of all to those who are struggling to overcome the handicaps and deficiencies, whether physical or social, in their lives. It is no favor to an athlete to set lower standards for his performance in the expectation that he cannot run as fast or jump as high as his competitors. So too, it is no favor to a slow learner or to a disadvantaged child to imply that his potential for the future will be forever limited by the happenstance of his past.

In other words, our schools must treat children as individuals, rather than as abstractions of race or gender or past performance. And that, I know, is just how school board members would like to treat them, if you were free to do so. Most of you probably know of my own concern about the tendency of federal regulations to require educators to treat youngsters as something other than individuals. Well might your hearts quail when one of H.E.W.'s census takers comes around to count your pupils. In the same room where a dedicated teacher

sees only 25 children, a federal bureaucrat sees 10 boys, 15 girls, 20 whites, 4 blacks, 1 oriental, 3 slow learners, and 1 physical handicap. Pardon my exaggeration, but I am sure you know exactly what I mean.

More than any other audience I could address, you know that learning is too fragile a thing to flourish in a depersonalized atmosphere or under intimidation by government.

You must know, too, that my remarks today have deliberately touched lightly upon sore spots in education, while emphasizing the broad bases of agreement which can unite educators, administrators, and parents in our sometimes rancorous search for the best possible education for America's children. In that search, the members of local school boards are our occasionally beleaguered vanguard. And for that service—if I may presume to speak in the name of the people of New York—I offer you both my own appreciation and their thanks.

SENATOR KENNEDY PROPOSES REFORMS IN THE FDA IN NEW ORLEANS ADDRESS

Mr. LONG. Mr. President, last Sunday evening, the distinguished senior Senator from Massachusetts (Mr. KENNEDY) visited New Orleans to address a symposium on human research and therapeutics. The symposium, which was sponsored jointly by the Tulane University School of Medicine, the American Society for Clinical Pharmacology and Therapeutics, the Federal Food and Drug Administration, and the pharmaceutical industry, was an important occasion in promoting greater understanding of the modern drug research and development in the United States.

In his address to the symposium, Senator KENNEDY provided a thoughtful analysis, based on the continuing hearings by the Senate Health Subcommittee which he chairs, of the vital role of the Federal Food and Drug Administration in this area, together with a series of recommendations for reform in the agency.

I believe that Senator KENNEDY's remarks will be of interest to all of us concerned with these issues and with the quality of health care in America, and I ask unanimous consent that the text of his remarks be printed in the RECORD.

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

ADDRESS OF SENATOR EDWARD M. KENNEDY

It is an honor for me to be here in New Orleans this evening and to have the opportunity to address this distinguished symposium on human research and therapeutics.

Once again, Dr. McMahon has succeeded in bringing together many of the nation's most distinguished scientists to discuss the state of drug research, development and usage in the United States.

I am also pleased that this conference is sponsored jointly by the Tulane University School of Medicine, the American Society for Clinical Pharmacology and Therapeutics, the Federal Food and Drug Administration, and so many members of the pharmaceutical industry.

Tulane University School of Medicine is one of the oldest and most distinguished centers of medical education in the nation. It was founded in 1834 by dedicated physicians striving to conquer diseases endemic to this area, and it has served the people of Louisiana and the nation well.

I also praise the American Society for Clinical Pharmacology and Therapeutics.

You have worked to achieve increased awareness among physicians of the importance of clinical pharmacology and you have succeeded in making your discipline a major new and respected area of academic inquiry.

The cooperation of so many here in sponsoring this symposium is a symbol of the new and broader spirit of cooperation so essential for the future quality of health care in America.

The solutions to the problems we are confronting demand much more effective cooperation than we have had before between government and the private sector, and I look forward to working with you as we try to reach the goals we share.

To a person in public life, nothing is more distressing today than the massive cynicism, hostility and outright distrust that is undermining the people's basic faith and confidence in government and its institutions.

The people are not to blame. The problem is that government has failed too badly and too often, and the country is disillusioned.

But no one wins if fair debate and constructive criticism are replaced by constant harsh antagonism, whether between Congress and the Administration or between government and business.

What the country needs most of all today, as we move into our bicentennial year of 1976, is a robust national debate, capable of generating the greater foresight and wiser judgment we must have if we are to develop adequate policies for the future on the extremely difficult challenges we face.

Too often in recent years, we have allowed debates on major issues to be polarized beyond the point of no return. We cannot afford to let Gresham's Law operate in public life. We cannot afford to let bad debate drive out the good.

Medicare was delayed for a decade while the country argued about socialized medicine and ignored the health of its senior citizens. Responsible programs for crime control have been similarly delayed by the senseless debate over who is tough on crime and who is soft on crime. Today, it is a national disgrace that a great American city is slipping into default because of prejudices that should never have been unleashed.

The challenge of our bicentennial year is to put these divisive and pointless passions behind us, so that we can make a fresh start toward more effective government in America. And when I say effective government, I do not mean bigger government, or broader government, or wider government, or government for the sake of government.

But I also do not mean government in the image of William McKinley or Herbert Hoover, or even the government of Franklin Roosevelt's New Deal. I do not believe that solutions appropriate for those simpler eras of American life are appropriate for the more complex problems facing us today.

A primary source of America's success over the past two hundred years is that in each era of our history, government was able to play a role in tune with the nation's needs. We had the leadership that could lead the nation through the crises of the past.

The challenge today, as we struggle to overcome the frustrations and despair that plague the nation now, is to develop the sort of leadership and contemporary role of government that will be as responsive to our modern life as it was in other years.

As in other critical periods, we are operating off the charts. To avoid the rocks and shoals, we have to steer with caution. But we also have to steer without preconceptions. The basic test is whether we are capable of operating in this way.

Recently, as you know, the Subcommittee on Administrative Practice and Procedure in the Senate conducted an extensive investigation of the Civil Aeronautics Board. In much of this work, to the surprise of the Wall Street Journal and conservatives in

Congress and the Ford Administration, I have favored less government regulations and greater freedom for private industry. For many years, the CAB's regulations on air travel have been interfering with legitimate competition for no useful purpose whatever. Air fares would be lower and the traveling public would be better served without any CAB at all. As a result of our investigations, Congress is already beginning to consider legislation to implement such recommendations.

We are also putting other Federal agencies under the same microscope of oversight by Congress. And I suspect that in many cases, our diagnosis will turn out to be the same—that the actions of well intentioned but misguided regulatory agencies are suffocating private industry and stifling competition in America.

I assure you that I hold no brief for government regulation. Let the chips fall where they may. If government regulation does not serve the country well, then the regulation has to end.

But there are other areas, especially those involving the public health and safety, where effective, and indeed extensive, regulation is not only appropriate but essential.

It is in this context that I would like to share with you this evening some of the basic conclusions I have reached in light of the lengthy study and hearings our Health Subcommittee has conducted in the Senate on the Federal Food and Drug Administration.

Although much of what I have to say this evening will be critical, there is also much that can and should be said in praise of the drug industry and medical research in America.

We can take great pride in our unparalleled record of discovery and achievement. Since 1950, the Nobel Committee in Stockholm has awarded Nobel Prizes to 59 persons in the area of physiology and medicine, and 36 of them have been awarded to Americans. L-Dopa, ACTH and cortisone and isoniazid; streptomycin and terramycin and all the other incredible antibiotics we know; Shick and Enders; the Salk and Sabin vaccines; therapy for cancer and hypertension—these are but a few of the names and great discoveries that have made a legend of American drug research and have brought progress against disease and well deserved honors and rewards to the nation's drug industry.

And every day, on a personal note, I see first hand the benefits that can be achieved, in the fantastic treatments and therapy which my son has received and which have brought so much hope to him and to all the members of my family.

But there is also a darker side. There are fundamental defects in our nation's current regulatory procedures for prescription drugs, and these defects can no longer be ignored.

One of the most serious problems is the lack of any follow-up, once the drugs have reached the market. At the present time, the entire process of regulation takes place during the period before a new drug is approved. Safety and effectiveness must be demonstrated in advance.

But once a drug is cleared for marketing, it is "caveat emptor." No holds are barred. The consumer goes unprotected.

The absurdity of the system is staggering. We clear a drug for a particular use. We are meticulous about requiring proof of effectiveness for that use. We spend millions of dollars and years of time in developing that proof.

But once a drug is finally approved, it is turned loose, free from all controls and follow up. Physicians are free to use it in any way they want—for any purpose, in any dosage, and for any condition. And all these problems are compounded when drugs are approved for chronic diseases involving years of daily use.

The victim of the system is the patient.

Redress can be sought, but only after harm is done. And often, the harm can never be undone.

The FDA has always maintained that physician-prescribing habits, however deficient, do not come within Federal jurisdiction. The AMA insists upon the unalienable right of every doctor to substitute his own judgment for that of the FDA. The patient is on his own because everyone else has washed his hands of responsibility.

The total lack of post-marketing regulation takes its toll in other ways. We do not really know how drugs are used in this country. We have no adequate data on any facet of this problem. By the FDA's own admission, the adverse-drug reaction reporting system of the agency is ineffective.

The lack of follow-up also makes it difficult to discover new uses for existing drugs. Such uses are now uncovered on a purely anecdotal basis. Some of these new uses could be detected sooner, tested, and officially approved if better data were available.

In other cases, premature findings and hidden dangers could be avoided. A doctor may find a promising new use for a drug after treating 100 patients. But adverse consequences may not become apparent until 500 patients have been treated. Yet the original report of the physician creates a false impression of safety. It could lead to widespread use of the drug for the new purpose, with serious consequences for many patients because the harmful true effects are not fully known.

The most serious defects, however, are found in the way the Food and Drug Administration carries out its many existing missions.

The FDA, as currently constituted and supported, is over-extended and unable to do its work responsibly. These problems are serious. They stem from the agency's inadequate budget, its incredible range of unrelated responsibilities, and its insufficient scientific expertise.

These defects in FDA have led in turn to crippling administrative problems. They have forced the agency into an endless series of bitter public debates. It is clear from this debate that the American people are not getting the protection they deserve, and the situation is getting worse.

The current tasks of FDA are overwhelming. It must guarantee the safety and effectiveness of the nation's drugs. It must police a hundred billion dollar group of private industries. It must see that drug production lines meet proper sterilization standards. It must guarantee that the nation's food supply is safe and uncontaminated. It must prevent cancer-causing substances from reaching the dinner table. It must protect the public against dangerous and defective heart valves, pacemakers, respirators and other medical devices.

It must police the cosmetics industry, and carry out a virtually endless list of other major responsibilities.

And in each of these activities, FDA is asked to do its job on a shoestring, with a budget that starves the agency and gives it totally inadequate manpower and resources. When I talk about the problems of FDA, Congress is not immune from blame. The Senate, the House of Representatives, and the Administration are a major part of the problems of FDA. We have been much too quick in imposing new responsibilities, and much too slow in providing the resources to do the job.

In the face of its limited budget and resources, the mushrooming mandates of FDA are sapping the agency and straining the stamina of its leadership. In a typical week, for example, the Commissioner and his staff may be found on Capitol Hill—testifying about chicken soup safety on Monday, IUDs on Tuesday, antibiotics on Wednesday, Cover-Girl Makeup on Thursday, and Department of Defense experiments on Friday.

The strain shows in other ways as well. As Commissioner Schmidt has put it, recommendations for action fall into "mysterious bottomless pits" inside the agency. Discrepancies in applications for new drugs may go unnoticed for lengthy periods of time. Once the discrepancies are found, the investigation can take years. Sometimes the drug is already on the market by the time the discrepancies are discovered.

These strains upon the agency affect the morale of FDA employees. Recently, our Health Subcommittee heard 30 career professionals question the decision-making practices of their agency. Their views are currently being studied by an independent committee of experts chaired by the Dean of the Mt. Sinai School of Medicine, Dr. Thomas Chalmers. The report is due next spring, and I believe it will be a landmark in our efforts to improve the agency.

But the problems with FDA go beyond its broad mandate, its limited appropriations and its administrative difficulties. As part of its duty to protect the American people, FDA is constantly required to make difficult scientific decisions. The health of the American people, and often their very lives, depend upon the quality of these judgments.

It is a fact of life that only top notch scientists can correctly judge the scientific work of other scientists. By and large, although there are many able scientists in FDA, it has failed to attract and keep the top level scientific talent that it needs.

There are a variety of reasons for this problem, which I regard as one of the major shortcomings of the agency. There are no opportunities for FDA employees to do their own research. In addition, civil service salary limits make government service unattractive for many scientists.

The consequences are serious. Too often, FDA yields to the temptation to use caution and delay as substitutes for expertise and scientific judgment. Again, the public pays the price. Badly needed drugs are delayed from joining the fight against disease—not because they are dangerous; not because they are unsafe; but because of the FDA's own well-deserved inferiority complex about its scientific judgment.

In recent years, the agency has tried to widen its scientific base by expanding the advisory committee system. But that approach is not the answer, because advisory committees are not a satisfactory substitute for strengthening the agency's own scientific competence.

Advisory committees permit the use of a scientist's name, but not always his full range of expertise. Meetings are held infrequently, and their duration is too short. They rely too much on summaries. Seldom, if ever, do all participants review the raw data on drugs they must approve.

As a result, advisory committee decisions are too often rubber stamps for agency staff recommendations, rather than independent reviews. The result can be disaster in the future, because we are papering over the fact that potentially dangerous drugs are being marketed with inadequate FDA review.

These then are the four basic reasons why FDA doesn't work. It doesn't work because its budget is too small. It doesn't work because it is spread too thin over too many responsibilities. It doesn't work because it is crippled by administrative problems. And it doesn't work because it lacks the internal expertise to make the scientific judgments the law requires.

I have gone into these problems in detail here, because they demonstrate the need for a major overhaul of FDA if we are serious about helping the agency do its job. Congress and the industry and even the agency itself are beginning to reach a deeper understanding of the problem and the need for major change. We do not have all the an-

swers yet, but we are moving in the right direction.

I shall do my best in the coming months to see that Congress plays an effective role. Next week I shall introduce legislation calling for comprehensive reform of FDA.

In general, the proposals are designed to end the deficiencies I have described, and to end them in a way that does not cause additional delays in the appearance of new drugs on the market. In fact, in many cases, the current clearance time will actually be shortened.

First, the legislation will replace the current agency with two new separate and independent units—Drug and Devices Administration and a Food and Cosmetics Administration.

These two new agencies combined may well be smaller than the existing FDA, because they will have much more manageable responsibilities and much more reasonable mandates. They will certainly be more efficient, because they will not have to deal with the unwieldy range of unrelated subjects within the FDA today.

Congress is already dealing with legislation that Senator Eagleton and I proposed in the areas of food and cosmetics. My major purpose here is to describe to you the outline of the reforms I am considering in the area of prescription drugs and medical devices.

Second, the new Drug and Devices Administration will have two distinct components—a scientific division and an enforcement division.

A significant proportion of the positions in the scientific division will be reserved for career scientists in the agency. Additional positions will be reserved for scientists who are not career employees. My hope is that distinguished experts can be recruited from university campuses, to spend 2-3 year sabbaticals at the agency in positions of real responsibility, with the opportunity to do laboratory work of their own. Correspondingly, permanent agency scientific personnel will have the opportunity to spend sabbaticals in universities and other research environments.

Third, The Drug and Devices Administration will have significant new authority. The major change I am proposing here is a new "fourth" phase of the regulatory process. Phases 1-3 will continue essentially as they are today. But the new Phase 4 will allow broad but carefully controlled distribution of a drug before final approval is granted.

The extent of this distribution will depend on the nature of the drug. A national distribution network will be established on a voluntary basis among all pharmacists and physicians willing to participate. From time to time, perhaps once every two or three years for any individual participant, the participant will be asked to report on his experience with a drug.

In other words, a random, statistical sample of doctors using such drugs will be carried out. The burden will be minimal on the individual physician, but the data collected will be extensive and typical of national prescription patterns.

The new agency will also have the option of limiting Phase 4 distribution to a portion of those participating in the network. For example, one Phase 4 drug trial might be limited to cardiologists, another to hospital-based physicians, and a third to a particular region of the country.

The agency will have three different possible paths to take. It can let a drug follow the current three-phase review with no additional requirements. It can add a Phase 4 trial after the completion of the first three phases. Or, it can use the Phase 4 procedure as a substitute for Phase 3. This latter course could be taken only when safety considerations are satisfied and only when, in the judgment of the commissioner, data on the

effectiveness of the drug can be better achieved by using this new system of testing and distribution.

Fourth, a National Drug Review Board composed of outstanding scientists in the field will be created. The Board will have two full time chairmen and a full time staff. It will have limited membership from FDA and industry, and its outside members will be exempt from civil service salary limits.

The Commissioner and the Board will be responsible for developing the Phase 4 system and analyzing the data, and the Board will have powers of review over the Commissioner's decisions. The Board will also make a periodic state of the nation report to Congress on drug usage in America.

These are only the highlights of the legislation, which will necessarily be complex. In spite of this complexity, however, the proposals have great potential. They will bring new drugs to the American people more quickly and safely. They will improve the way drugs are used. They will help prevent misuse and abuse of many drugs.

Because of the profound changes involved in the proposals, I do not plan to hold hearings on this legislation until next spring. Between now and then, I shall request the Chalmers Committee, the Health Research Group, the American Pharmaceutical Association, the American Society for Clinical Pharmacology and Therapeutics, the American Medical Association, the Pharmaceutical Manufacturers Association, the National Academy of Sciences and other groups and individuals to review the proposals. I shall ask them to report their conclusions and recommendations to the Health Subcommittee by March 30 next year.

Overall, I am confident we can correct the serious flaws of the present regulatory system, without stifling the valuable creativity and initiative of the private sector. There are some who believe that the Federal Government should take over the entire responsibility for all drug research and development. I do not accept that view. But I do believe that basic changes must be made. My hope is that we can work together, by building upon the cooperative spirit of this symposium, and by generating broad public and scientific support for the changes that must come.

In closing, let me emphasize again that although much of my comments about the existing system have been critical, I also recognize its great inherent strength. Industry and scientists can be proud of America's role as druggists to the world. Our pre-eminent drug research and development have been models for every other nation and have brought vast benefits of better health to millions of our own citizens and peoples in other lands. Our pharmaceutical industry deserves great credit for these achievements.

FDA has played a recognized and well-respected role of its own in safeguarding these achievements. It is enough to say that FDA has prevented any American thalidomides, and it deserves our gratitude for that success.

We acknowledge all these strengths. But we cannot be blind to the serious cracks and weaknesses that are beginning to develop. The greatest tragedy would be to undermine the system further by an ill-conceived effort to do nothing or to preserve the status quo.

We need your help and advice in Congress. None of us can do the job alone. But together we can reach our goals of stronger and more effective drug research and development. Together we can provide our people with the safest, most beneficial, and most wisely used drugs in the world.

The challenge is much bigger even than prescription drugs. If we succeed in areas like FDA, our efforts can be a model for reform in other places, too. We can deal with other agencies where government is muscle-

bound and ineffective, shackled to the needs and problems of the past.

In a sense, our task is like that of Michelangelo, who saw his masterpieces as prisoners released from enormous blocks of marble. We need the same sort of attitude and skills and vision now. We can free the captive agencies of government, so that they can do their jobs effectively.

America thrives on change and progress. The answer to the serious worsening crisis of confidence in this land is not to slash massive random chunks from the Federal budget. The answer is not to turn back the tide or ignore the enormous achievements we have made. The answer is not to break up the government or to lull ourselves into accepting simple solutions for complex problems.

Instead, the answer is to make America work. And the way to make America work is to roll up our sleeves and make government itself begin to work responsibly.

That is the real challenge of our bicentennial—the challenge to make America work the way it worked before. If we succeed, if we are faithful to our stewardship, we shall be able to say that we are handing down to our children and future generations the same great nation our fathers handed down to us.

DEDICATION OF THE EARLE E. MORRIS, JR. ALCOHOL AND DRUG ADDICTION CENTER IN COLUMBIA, S.C.

Mr. THURMOND. Mr. President, an impressive ceremony was held in Columbia, S.C., October 27, 1975, to dedicate the Earle E. Morris, Jr. Alcohol and Drug Addiction Center. It was my pleasure to be present at the program for the naming of this outstanding facility for one of South Carolina's eminent citizens.

Earle E. Morris, Jr., although only 47 years old, has served in the South Carolina House of Representatives for 4 years, in the State senate for 16 years, and as Lieutenant Governor for 4 years. Throughout his service in State government, he has had a special interest in mental health and has made great contributions in this field. I want to commend him for his distinguished leadership in the critical area of mental health, including alcohol and drug addiction.

It is entirely fitting that the fine new facility which now bears his name should honor one who has worked so hard and accomplished so much toward improving treatment and care in this field. The new excellent treatment center will provide the latest and finest in care for those who suffer from the abusive use of alcohol and drugs. This will truly be a stellar addition to the overall mental health program in my State which is administered so ably by Dr. William S. Hall, State commissioner of mental health. The professional leadership of Dr. Hall and his staff, combined with the public leadership of such able people as Earle Morris, are bound to further the whole area of mental health.

The completion and dedication of the Earle E. Morris, Jr. Alcohol and Drug Addiction Center was a great day in South Carolina. I congratulate the South Carolina Mental Health Commission for honoring this man and for fostering the policies which have led to such an outstanding program in our state.

The principal speaker at the dedication was the Senator from Maine (Mr.

HATHAWAY), who made an interesting and informative speech. As chairman of the Subcommittee on Alcoholism and Narcotics, he is well qualified to speak on the problems this country faces in treating those persons who are addicted to alcohol or other drugs.

Mr. President, I ask unanimous consent that the program of this dedication ceremony, including biographical information about Mr. Morris and names of the South Carolina Mental Health Commissioners, and Senator HATHAWAY's speech be printed in the RECORD.

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

EARLE E. MORRIS, JR.

This newest facility of the S. C. Department of Mental Health was named the Earle E. Morris, Jr. Alcohol and Drug Addiction Treatment Center by the S. C. Mental Health Commission to honor Mr. Morris' 24 years of service to the cause of mental health. Mr. Morris has been a key force behind the progress made by the Department, especially in the last decade—not only in providing South Carolinians with better facilities, staff and treatment programs but also in lessening the stigma associated with mental illness.

As Chairman of the Legislative-Governor's Committee on Mental Health and Mental Retardation for 12 Years, Mr. Morris coordinated the Committee's work with that of other agencies and committees. He laid the groundwork for the passage of several important pieces of mental health legislation including the act which created the Addictions Center in 1968. He directed the efforts to levy the special tax and funds for the Addictions Center construction.

In 1960 the Legislative-Governor's Committee on Mental Health and Mental Retardation backed by the S. C. Mental Health Commission requested separate bonding authority for major construction projects in the department.

Under Mr. Morris' leadership the committee also successfully sponsored two key pieces of community mental health legislation. The Community Mental Health Services Act of 1961 made available to all S. C. counties grants-in-aid and an administrative framework for the development of community mental health services.

The Community Mental Health Centers Act, passed in 1963, promoted the extension of community mental health services with the community and redirected treatment of the mentally ill away from large state hospitals.

Mr. Morris also headed the committee's efforts which in 1968 established the S. C. Department of Mental Retardation, the first separate mental retardation department in the nation.

A graduate of Clemson University, Mr. Morris was first elected to the S. C. House of Representatives in 1951. He served in the House until 1955 and in the S. C. Senate from 1955 to 1971, when he was elected lieutenant-governor.

DEDICATION PROGRAM

Presiding—C. M. Tucker, Jr., Chairman, S. C. Mental Health Commission.

Invocation—The Rev. Archie C. Reed, Chaplain, Morris Village.

Welcome—William S. Hall, M.D., State Commissioner, S. C. Department of Mental Health.

Remarks by Governor—Carroll A. Campbell, Jr., Governor's Executive Assistant for Public Affairs.

Recognition of Guests—G. Werber Bryan, S. C. Mental Health Commission.

Tribute: Earle E. Morris, Jr.—Mr. Tucker. Response—Mr. Morris.

Introduction of Speaker—Thomas G. Faison, M.D., Deputy Commissioner, Division of Alcohol and Drug Addiction.

Address—Senator W. D. Hathaway, U.S. Senate, Maine.

Benediction—The Rev. George E. Meetz, Chaplain, S. C. Senate.

SPEECH OF SENATOR WILLIAM D. HATHAWAY, CHAIRMAN, SUBCOMMITTEE ON ALCOHOLISM AND NARCOTICS

I am pleased and honored to be here today to help you dedicate this vitally important new center. This is my first public speech, outside my home State of Maine, as Chairman of the Subcommittee on Alcoholism and Narcotics. I am especially gratified to be giving it in South Carolina. Your long history of attention to the problems of the mentally ill, and to the alcoholic and drug addict in particular, have placed you for years in the forefront of this still-developing field. Your leadership is well indicated by the fact that the Education Commission of the States has chosen one of your former Governors, John West, as Chairman of its Task Force for Responsible Decisions about Alcohol.

I did have a chance to talk with Governor West when I addressed the last meeting of that Task Force, up in Boothbay Harbor, Maine. At that time, I told him, I've identified the historical source of your State's long-standing concern about alcoholism. Back in 1733, General James Oglethorpe, who founded the Colony of Georgia, became the first governor in the new world to ban the sale and consumption of alcohol. Two weeks later, my sources tell me, the citizens of South Carolina invented bootlegging.

I can assure you, however, that the rest of us don't hold that against you any more. Because just as you were "first" in that earlier era, more recently you became one of the first states, in the early sixties, to strongly emphasize the treatment of alcoholics and drug addicts as an integral part of your mental health program.

You became one of the first states to specifically target tax revenues from the sale of alcohol for the treatment of alcoholics.

You became one of the first states to recognize and implement new research which tells us that drugs and alcohol are often abused together, and that unified treatment programs can and must be prepared to address all the problems of all substance-dependent individuals.

And you are the only state which enjoys a combination of nearly half a century of service and commitment in two enormously dedicated men like William S. Hall and Earle E. Morris, Jr.

This comprehensive alcohol and addiction center is a genuine tribute to the vision and foresight of these two men. Its unique combination of extensive treatment and rehabilitation services recognizes the true worth of the individual who has been temporarily lost to society through dependency on drugs or alcohol. It recognizes the true value of restoring that individual to the status of self-sufficient, self-respecting, taxpaying citizen. And it recognizes that partial treatment, including treatment which excludes the family, is too often worse for the dependent individual than no treatment at all.

One of the chief virtues of the Earle E. Morris center is its combined treatment program for persons who abuse alcohol, persons who abuse drugs, and those who abuse both. Much of the treatment and rehabilitation of chemically dependent individuals can and must be consolidated, since so many of their problems are similar in origin and solution.

However, I would remind you that this virtue, like all other virtues, can be abused if other truths are not also considered. I

am reminded of the words of the Harvard anthropologist, Henry Murray, who said there are three propositions about men which are equally true:

"Each man is like no other man."

"Each man is like some other men."

and

Just as more of us realize that it makes no sense to say that alcoholics and addicts cannot be treated together, it also makes no sense to say that ALL alcoholics and addicts will benefit by being treated together. From surveying the available research to date, the best conclusion I can make is that there are some alcoholic individuals whose problems are fundamentally different from those of drug addicts—and vice versa. But I also believe that this new center is so well designed and structured that you can and will take those differences into account.

I would like to turn now for a few minutes to a subject which concerns all of us greatly: This Administration's most recent recommendations for drug abuse policy in America. I refer, of course, to the White Paper on Drug Abuse prepared by the White House Domestic Council under the leadership of Vice President Rockefeller—a report which was released to the public just a few days ago.

While there are some high points in this 120 page study, on the whole it is a document that is deeply disturbing to me and to many others who have studied its contents. I tend to think of it as a "Good News"—"Bad News" report.

First, a bit of history may serve to place this White Paper in its proper perspective. Late last Spring, Congress was considering whether to extend the Special Action Office for Drug Abuse Policy, a four year old office with broad powers to formulate and coordinate Federal policy, make grants, and conduct research and evaluation of drug abuse efforts at every level. The legislation creating the office was to expire on June 30, and the Administration expressed adamant opposition to its continued existence.

The Senate passed a bill in June which would have temporarily extended the coordinating and policy-making powers of the Special Action Office, while transferring much of its research and grantmaking authority to the National Institute on Drug Abuse. The purpose of the temporary extension was to enable us to take a closer look at the requirements in this area before the office was dismantled.

However, the House was not yet ready to pass similar legislation, and the Administration allowed the office to expire without regard to the proposed Congressional mandate that it be continued. The House subsequently passed its own bill creating an office similar to the Special Action Office, and we will soon go to conference on our bills to iron out the differences.

Meanwhile, in April, President Ford asked his Domestic Council, under the leadership of Vice President Rockefeller, to develop a quick study of what he called "the nature and extent of drug abuse in America today." Such a study, properly done, is indeed necessary to place these issues in their proper current perspective. But the feeling in Congress in April was that the primary purpose of doing this particular study, in record-breaking time, by a hastily contrived task force, was to create an easier political rationale for doing away with a crucial policy coordinating body like the Special Action Office—without replacing it with any adequate substitute.

The "findings" of this task force, then, are heavy on rhetoric and light on sound policy recommendations. Unfortunately they seem to bear out our early Congressional fears. And while there is "good news" in the White Paper, the "bad news" seems too often to eclipse and outweigh the good.

In the largest sense, the good news in the report is found in its candid recognition of the overwhelming—and continually increasing—scope of the drug abuse problem in our country today.

Only two years ago, President Richard Nixon and others in the bureaucracy were telling us we had “finally turned the corner” on drug abuse in America. But the White Paper repudiates those statements. We had “turned the corner” all right, the task force informs us. But we turned right into a one-way tunnel, and there doesn't seem to be much light at the end.

“Conditions are worsening, and the gains of prior years are being eroded,” says the task force in its preface. And throughout the report, the word is that the signs for the future, as noted in the section concerning heroin, “are ominous.”

So much for the good news . . .

The bad news, also in the largest sense, is that virtually all of the recommendations for attacking this tragic problem are in some way hedged or conditioned with bureaucratic or qualified by this administration's characteristic broad-sword cost-cutting mentality. One is left with the distinct impression that the way to successfully end drug abuse is to talk it to death with rhetorical gobbledygook.

There is clearly not time left today for a full analysis of the deficiencies of this White Paper, but a few brief “good news—bad news” examples should show you what I mean.

There is good news, for example, in the findings that we need to increase our efforts on every front, with treatment, rehabilitation, prevention and research, in addition to enforcement.

The bad news is that the task force seems to expect us to do it all with mirrors. Because for all the importance assigned to upgrading functions like rehabilitation and prevention, and increasing the efforts and sharpening the focus on treatment, there is nowhere the admission that some additional federal dollars are going to have to be committed to the task. The problem is called a “management” problem, and greater efficiency, rather than additional resources, is said to be the answer.

In treatment, the conclusion is that we need more for persons who abuse the three most harmful drugs: heroin, amphetamines and barbiturates. But for the most part those slots are to be “found”, not created, by throwing out of treatment individuals the Task Force says abuse only the “softer” drugs.

Even if you accept this simplified solution, the more comprehensive nature of the new treatment proposed—it is almost entirely residential or inpatient—costs more than twice as much per slot as the treatment that would be eliminated. But no money is proposed. This approach seems to imply that outpatient care would just vanish for all patients. And no mention is made of more complicated problems, like those of the poly-drug abuser or combined alcoholic/drug abuser. Not enough is known about poly-drug abusers, the task force says. And anyone with an alcohol problem should go to an alcohol center, or maybe a community mental health center.

Or take prevention and rehabilitation. We need them, we really do, says the task force. They say this several times. Then they tell us there's plenty of room in already existing programs to add these functions, so the federal government need only provide technical advice, evaluation services, and “seed money”—that's their term—for the development of these comprehensive efforts.

At one point they make a statement so baldly il-considered that I could never adequately paraphrase it, so I'll just quote it in full:

“The Federal government should take the lead in mobilizing the enormous potential resources available in State and local law enforcement agencies, and in State, local and

private prevention, treatment and rehabilitation services.”

I don't know what enormous potential resources you might have available to you in South Carolina—but Maine is so poor it's been trying to borrow money from New York City.

Other inadequacies pervade the Domestic Council report.

For example, it's good news—even great news—that the White Paper finds that “In the long term it is critical that drug abuse treatment services be incorporated into the general health services system,” and that “we must continue to pursue the goal of including drug abuse services in national health insurance and other programs designed to meet the overall health needs of Americans.”

But the kicker is the modifier “long term”. Because the White Paper also states, with no supportive evidence, that “It is impractical to do so at this time.”

Maybe the Task Force should have paid a visit to South Carolina.

Because it is clear that no current health delivery issues were considered by the authors of this report. Not considered by them was the question currently before Congress of whether to include drug abuse treatment under new health planning legislation about to go into effect. Not considered was the question of whether to remove drug and alcohol services from the “package” of services provided by the new Health Maintenance Organizations, as some have recommended.

Not considered, quite simply, was the whole question of what to do about health service questions—and many other drug abuse questions—today and tomorrow, rather than “for fiscal year 1977” or in the “long run”.

In the end, the underlying problem surrounding the recommendations of this Task Force is not what's in it. It's not even what's not in it. It really boils down to who wrote it.

And who wrote it is clear: cabinet officers and line agency administrators and close presidential advisors conceived this report, wrote this report, and recommended that they—to the exclusion of all others—be given the right to carry out its findings.

Who didn't write it is equally clear: the people out here in the field, who live daily with all the manifestations of drug abuse—the administrators, the counselors, the clients, the researchers.

Just look at the White Paper recommendations for “strong coordinative mechanisms.” This Task Force wants to set up more task forces, cabinet committees and subcommittees, in-house “strategy councils,” and special little offices within the Office of Management and Budget. In short, they want to set up more new committees and offices and agencies to do the coordinating than there are institutions that need coordination.

And who will be on these committees? All you need is one guess: It's going to be the same people who brought you this report: The same Secretaries of HEW and DOD and Administrators of DEA and LEAA and the VA and the NIDA, in a typical Washington bureaucratic alphabet soup of an arrangement, where each top bureaucrat is represented at the actual meetings by the second assistant to his deputy under administrator in charge of headache remedies—and where hard policies ultimately get made by low level functionaries in OMB, with red pencils and pocket calculators.

Fortunately, Congress is part of this government too. And while Congress may not always be right, we are always in touch with the people.

As far as alcohol and drug abuse policy is concerned, Congress is going to make sure that those who run the programs have a hand—if possible, a major hand—in how that policy is made.

Because if the creativity you have shown me here today, in unveiling this remarkable new center, is any indication, it is you people—not the Domestic Council—who know what's really going on in this country.

ESTABLISHMENT OF A SOLAR ENERGY RESEARCH INSTITUTE

Mr. DOMENICI. Mr. President, although it is a circumstance of which we cannot be very proud, the feeling of most Americans on learning of the enactment of new legislation is usually indifference, apprehension or even dismay. This is not the case regarding Public Law 93-473 with its provision directing the establishment of a national Solar Energy Research Institute—SERI—by the Energy Research and Development Administration—ERDA.

I have been amazed, pleasantly so, by the widespread, high level of interest and enthusiasm generated by the proposed creation of SERI and the high expectations associated with it. This is a venture, Mr. President, which has stirred the imagination of the full spectrum of Americans everywhere and they are eager to participate in whatever manner would be best calculated to contribute toward our common goal of harnessing and putting to beneficial use, the relatively infinite and inexhaustible energy of the Sun. In most people's minds, this is an undertaking that is long overdue for a nation truly second to none in technological capability and ingenuity.

I am extremely well-impressed by the professional and deliberate manner in which ERDA has set out to launch this important and highly visible venture. I have followed very closely the steps taken under procedures established by ERDA to carry out that agency's difficult responsibilities relating to SERI.

ERDA has now completed its first phase of “study and project initiation,” an activity which produced a report by the National Academy of Sciences entitled “Establishment of a Solar Energy Research Institute.”

This report made certain recommendations relating to site selection for SERI, which I understand will be utilized by ERDA in phase II to determine the criteria for evaluation of proposed sites and in phase III to make the final site selection. Phase II is targeted for completion by November 15 and phase III by next May.

In line with the professional and deliberate overall process established by ERDA, the National Academy of Sciences and its Solar Energy Research Institute Committee, chaired by Dr. Richard L. Garwin, has produced a valuable document, deserving of the importance attached to it. I am, however, concerned about specific site selection criteria and the general tone of the recommendations for site selection, concerns which I shall now explain and urge my colleagues to consider since, as the report itself points out, it is the goal of SERI to “advance the national program of solar energy.”

From my evaluation of the report and from contacts with qualified persons whose judgment I respect in this matter, I am of the opinion that, while the site selection criteria recommended are gen-

erally satisfactory, that portion which downgrades the importance of the natural environment is subject to challenge on practical and economic grounds. By "natural environment" I am, of course, referring to such obvious characteristics as frequency, quantity, and quality of sunlight, the resource which, after all, is the focus of all the attention and effort.

Practically, Mr. President, to choose a location for the center of solar energy research in an area of marginal or poor solar energy availability is analogous to locating a center for tropical environment research in Alaska or an arctic environment research center in Puerto Rico. While it is certainly technically feasible to do either, the practicability would be called into serious and legitimate question, and the economic costs would be much higher than locating such centers at sites with a more favorable natural environment.

To be more specific on these two issues, Mr. President, solar simulators, recommended by the report, are expensive to build and operate and very often fall short of duplicating actual sunlight. In applications where the solar spectrum and scattering effects of the atmosphere are important, simulators can give highly misleading results.

I would note further, Mr. President, that recent insolation studies show that locations which have high values of available annual insolation have sufficient quantities of both direct and indirect sunlight to permit efficient testing of all types of solar application. I have no quarrel with the recommendation of a "single SERI, with a number of small field stations" specializing in research enhanced by natural environmental conditions. In fact, I recognize that the use of field stations will undoubtedly be essential in some very specialized areas of solar energy research. However, reliance upon field stations to support the bulk of research activity involves travel expenses and lost time which would not be the case if the environment at or close to the primary site were satisfactory for most solar energy research and testing.

In other words, it appears to me to be a basic conflict in concept to recognize the importance of a favorable natural environment in the case of field stations, while failing to even mention its relevance in the recommended lists of selection criteria for the central facility.

Mr. President, I do not want to appear to be overly critical of the fine work that produced the report. As I have indicated, the factors which are listed in the criteria list are indeed important and deserve careful consideration. I simply believe, and I am sure many of my colleagues share my belief, that a favorable natural environment is of equal importance and merits equal consideration.

It is just basic logic that persuades me that a location which meets all of the relevant criteria, including favorable solar energy availability conditions, would produce a more useful facility than one which possesses a marginal or poor solar environment. Accordingly, Mr. President, I will today convey my strong

recommendation to ERDA that the quality, quantity, and frequency of sunlight be among the desirable factors contained in the SERI Project Office's final report on site selection criteria. At the very least, the importance of a favorable natural environment should not be minimized for reasons I have mentioned. I invite my colleagues who feel as I do on these matters to join me in communicating with ERDA as quickly as possible.

What I have said to this point relates to the development of selection criteria and the importance attached to that process. I would like now to be more specific about the interest generated in my home State of New Mexico. Our interest and our desire for the location of SERI in New Mexico was demonstrated by the fact that the State of New Mexico was the first to present a formal, scientifically sound proposal to ERDA. This proposal was prepared, is being pursued, and will be modified to accommodate the final selection criteria by a consortium of consumers, industry, academic institutions, and agencies of local, State and Federal governments. The El Paso Natural Economic Region has also submitted a meritorious proposal which would utilize New Mexico facilities.

A recently held Western Governor's Conference on Energy put the spotlight on New Mexico and the future energy needs of the Nation. Just a week earlier, the largest solar-heated and solar-cooled building in the world was dedicated in Las Cruces, N. Mex., giving my State another headstart in this field.

One hopes that impartial evaluation of scientific proposals will be used in the siting of the National Solar Research Institute, including the vital consideration of favorable natural environment I have previously mentioned. I believe that New Mexico, under these kinds of professional and scientific considerations, merits the National Solar Research Institute. As important as New Mexico's natural environment and its dedicated professionals and inventors, is the past experience of New Mexico's many scientists in moving quickly on projects of grave consequence to the Nation, and moving successfully. One must recall that the Manhattan Project, which led to the atomic bomb, was entrusted to New Mexico's Los Alamos community more than three decades ago. We all know that the project was splendidly handled by New Mexico.

I have no doubt that location of the central core of solar energy research and development in New Mexico would be a great step forward in this Nation's efforts to develop alternate sources of energy. This is the consensus, too, of many observers in the press. In this regard, Mr. President, I ask unanimous consent to have printed in the *Record* a column, dated November 1, by the Albuquerque Tribune's noted editor, Ralph Looney, and an article by New Mexico writer Carrol Cagle, published in the October 10, 1975, edition of the *New Mexico Independent*.

There being no objection, the articles were ordered to be printed in the *Record*, as follows:

[From Albuquerque Tribune, Nov. 1, 1975]

(By Carrol W. Cagle)

New Mexico's sun—which has drawn visitors to the Land of Enchantment for centuries, and caused many to stay—is now exercising its magnetic powers on the state's political, scientific and industrial leaders.

They have been drawn together in an unprecedented way by their mutual desire to see Albuquerque selected as the site for the nation's Solar Energy Research Institute, a soon-to-be-built Federal facility which will coordinate U.S. sun-powered research and development efforts. In effect, they seek to secure confirmation from Washington what New Mexicans have known for a long time; that this region is the Sun Capital of America.

The legions who are vying for Federal selection of Albuquerque as the site of the institute—ranking from the governor and the congressional delegation to the state's top scientific and university researchers—agree that New Mexico is the obvious choice for the multi-million dollar project, based purely on geographic and climatic criteria. But they acknowledge that political considerations also are paramount, and are fighting in that arena as well.

I. WHAT IS IT?

Ask the national and state political and scientific people involved with the planning for the institute and you'll get as many answers about what, exactly, the facility should be. Its creation was authorized by Public Law 93-473, passed by Congress in October 1974—the Solar Energy Research and Development Act of 1974.

Section 10 of that act authorized development of a Solar Energy Research Institute, under the Energy Research and Development Administration (ERDA), but otherwise gave little guidance as to its functions. The legislation used the familiar wording of authorizing such activities "as the administrator may direct." Eileen Grevey, a member of the energy staff of Gov. Jerry Apodaca who was on the staff of the U.S. Senate Interior Committee when the Federal legislation was being drafted and enacted, said there was "very little discussion in the committee itself and very little in the legislation" about exactly how the institute would function.

The concept of an institute was originally included in an earlier bill introduced by Sen. Hubert H. Humphrey (D-Minn.), but that measure was referred to the Joint Committee on Atomic Energy (called "Joint" because it is one of the few congressional committees to include both Senate and House members), a group notorious for its advocacy of nuclear power and coolness toward other energy alternatives. After the bill had languished there for some time, Humphrey conferred with Chairman Henry M. Jackson (D-Wash.), of the Senate Interior Committee and got a commitment to get some action on a re-drafted bill.

The measure was re-written, in such a way to get an assignment to Jackson's committee, where it received prompt action. It also cleared the House Aeronautics and Space Committee, and was signed into law last October—just in time to give the delicate assignment of choosing a site to the newly created ERDA.

The various roles of the institute were described this way in the State of New Mexico's site-selection proposal:

"Dedicated to making solar energy commercially viable, the institute would carry on a research and development program the aims of which would include not only the generation of new concepts but also the improvement of materials and fabrication techniques.

"The institute would be a center for the collection, analysis and distribution of data from its own research and engineering systems studies as well as from other sources.

"It would disseminate information at both technical and popular levels. In cooperation with the National Science Foundation, the institute would support training and education in solar energy at all levels from basic technology to post-doctoral research."

II. WHO GETS IT?

Immediately after P.L. 93-473 was signed, the scramble began over who would get the solar plum. The dollar amount for first-year operations is not yet known, nor, in fact, has the Energy Research and Development Administration even decided for certain whether the institute should be a single facility or a series of sub-stations scattered throughout the country. For next year's Federal budget, the Senate proposed \$5 million and the House \$2 million for architectural and start-up expenditures for the institute. A good guess for annual operating figures would be in the \$50 million range, since ERDA is stepping up its overall support of solar activities—from \$45 million last fiscal year to a proposed \$144 million for next.

"Everybody wants the institute," said one source involved in the New Mexico effort. A Washington source added, referring to the job facing ERDA: "There were a whole bunch of applications." According to most of the reports, New Mexico faces its strongest competition from Florida, Texas and Arizona, with Arizona being probably the strongest contender on the political front. "A lot of political pressure could be mounted by Fannin and Goldwater, on the White House, to have it located in Arizona," said one Washington official. The reference was to that state's two U.S. senators, Barry Goldwater and Paul Fannin, both senior Republicans with close ties to President Ford. They and Rep. John Rhodes (R-Ariz.), the House Republican leader, "could go straight to Ford," Ms. Grevey noted.

On the other hand, New Mexico's small delegation is not without some political leverage of its own. Rep. Manuel Lujan, a Republican whose district includes Albuquerque, is a member of both the Joint Committee on Atomic Energy and the House Interior Committee in addition to being a firm ally of Ford. Sen. Pete Domenici is also a Republican and Ford loyalist. And Sen. Joseph Montoya, a Democrat and the senior member of the delegation, is a member of the Joint Committee and chairman of a subcommittee which has jurisdiction over some of ERDA's budget.

Rep. Harold Runnels, the Democratic congressman from the southern district, is carving out a position of political power for himself in the House, but his interests may be somewhat divided in that some of the southern New Mexico business and university leaders have thrown in with nearby El Paso, Texas leaders who are promoting what they call the "El Paso region" of west Texas and southern New Mexico.

ERDA, a new agency still facing bureaucratic organizational chores, reacted in the time-honored way when confronted with the tough job of sorting out the contenders for the institute: it referred the issue to a committee.

ERDA Director Robert Seamans farmed out the job to the National Research Council, made up of representatives from the National Academy of Science and the National Academy of Engineers, as one source said, "to study the problem of what the function and make up of the institute should be." ERDA also began its own in-house study, which included, among other things, sending out questionnaires to state governors asking for their views.

The "interim report" of the National Research Council's committee was issued on May 23, 1975. It sidestepped many of the more difficult issues, but it did say that a single center—rather than multiple field

stations—should be chosen. It did not say, specifically, whether the institute should be located at an existing Federal installation (i.e., in this case, Sandia Laboratories in Albuquerque).

It did make one surprising observation: that the site selection "need not be linked to climate or weather because much of the work . . . will involve the use of analysis and . . . analytical simulation. . . ." This point was rejected by New Mexico lobbyists who asserted that computer-based simulation would be both costly and error-prone—the old "garbage in—garbage out" computer bugaboo. Indeed, the committee itself seemed uncertain on the point and observed: "Still . . . there will have to be outdoor experiments."

The next step by the National Research Council group was to hold a workshop, July 28-Aug. 8, at La Jolla, California to further hone its recommendations. Don Shuster, research director at Sandia Laboratories, reported in a memo on that meeting: "They expect to sift through the recommendations in September and put together a site-visitation group which will visit the major contenders in an attempt to narrow down the competition."

ERDA "hopes to have a site selected by December 1975," said another source. The New Mexico Consortium will meet this week to review the latest political and site-selection processes, and map further strategies. John E. Mock, senior technical advisor in the solar office of ERDA, wrote to Gov. Apodaca on June 10 with this assessment: "It is anticipated that the . . . study will be essentially completed in late August, permitting ERDA to disseminate guidelines and site selection criteria in early September to all those interested in submitting a proposal for the location of the . . . institute."

III. N. MEX. SOLAR POLITICS

The New Mexico Solar Energy Consortium is a formidable organization which is actively leading the fight for Albuquerque's site selection. It is made up of Los Alamos Scientific Laboratory, Sandia Laboratories, the University of New Mexico, New Mexico State University, and the New Mexico Institute of Mining and Technology, all of whom have joined with New Mexico state government in pursuit of the institute.

Gov. Apodaca, who also is chairman of the 10-state Western Governors' Energy Policy Office, has referred to New Mexico as the "ideal location" for the institute. "Our state has a nucleus of scientific personnel and Federally-owned facilities and land that would enable us to get started quickly and economically," he said earlier this year. "New Mexico already has the largest solar furnace in the United States. We have an abundance of sunshine and the scientific expertise to do the job better than any other location."

The consortium has prepared a handsomely-done report on New Mexico's proposal, supplemented by a 67-page appendix entitled, "capabilities of the consortium," which lists the solar-related activities being carried out by the member installations. "It is of the utmost importance," the report says, "to establish solar energy as rapidly and efficiently as possible as a major source of energy in our long-term future."

"The proposal basically promotes New Mexico as an ideal site for the institute on several grounds," said Ms. Grevey—including amount of sunshine, location of existing laboratories, and the high degree of private and governmental solar activity here. "You would have at least part of a core staff available immediately," she said. "Better to do it in a place where you already have the expertise, the buildings, and an immediate start-up time." She said another theme being pursued by the New Mexico group is the state's 49th per capita income rating, which

means the institute's activities could help "raise our own economic base."

The consortium report cites several reasons for a New Mexico selection.

One is the active support of state government, including a high level of financial backing for university research, the creation of a \$2 million energy research and development fund in February 1974, one of the first state-level positions of energy and science advisor to the governor, and the creation of a centralized state energy agency.

Another plus factor, the report says, is New Mexico's climate:

"The climatic conditions of Albuquerque and nearby areas are highly favorable to solar energy research. This includes total available sunlight, number of cloud-free days, and of particular importance, the freedom from atmospheric haze which is essential to high temperature solar research."

It also quoted the University of New Mexico's Iven Bennett, whose book, "The Climate of New Mexico", notes that "few parts of the world receive more energy from the sun in a year than New Mexico. The only areas of such large size with higher average annual insolation totals are the Sahara Desert, Central Arabia, Southwestern Iran and Central Australia. None of these surpasses New Mexico by more than 10 percent in the amount of energy received."

And the consortium took note—somewhat unusually so for government researchers who tend to look with disfavor on independent tinkers—on the wide array of private, backyard solar developers in New Mexico, and specifically mentioned the thriving New Mexico Solar Energy Association. It quoted, as well, an article in the August 1974 Journal of the American Institute of Architects, which said, "The largest collection of amateurs and professionals actively involved in the application of solar energy probably can be found in the northern half in New Mexico have built ideas—much in the 1950s and 60s, before the current excitement about solar energy."

[From the New Mexico Independent,
Oct. 10, 1975]

NEW MEXICO NOTEBOOK: NEW MEXICO—
SUNPOWER AND BRAINPOWER

(By Ralph Looney)

New Mexico, which already has a corner on sunshine, is rapidly getting an edge on the rest of the country on developing the wonderful stuff as a source of energy.

If you have any doubts, you ought to drive down to Las Cruces and take a look at the big new Agriculture Building at New Mexico State.

Clara and I did that last week and were impressed with its architectural simplicity and beauty as well as its evident energy efficiency.

The pueblo-style structure contains 25,000 square feet and is the first building of its size ever heated and cooled by the sun. It cost \$1.5 million.

Actually, at first glance, you'd never know there was anything unusual about the building. The only giveaway is the rows of glass "collectors" designed to trap the heat of the sun.

Facing south, to get the maximum solar heat in the winter months, the collectors contain coils of copper tubing. The sun's rays, through the glass, create temperatures of up to 210 degrees and heat liquid that is pumped from the coil into two 15,000 gallon storage tanks underground.

In winter, the hot water circulates through a heat exchange device which warms air and heats the building. In summer, the liquid goes through an absorption refrigeration system to cool the air.

Designers hope the sun will provide 50 per cent of the heating and cooling of the building.

But that's not all.

In the desert just east of I-25, not far from the Aggie campus, we saw an experimental solar energy house still under construction. This 1960-square foot, three-bedroom house will be heated and cooled basically the same way as the Ag building.

But these aren't the only going projects in New Mexico today.

Out at Sandia Labs, Robert Stromberg heads a project to provide a central collection point for solar energy that could be located in the midst of a residential or commercial complex for about 5,000 persons.

Under this plan, the solar power will be partly converted to electricity by a conventional turbine-generator, the rest to heat or cool homes or businesses.

This project, which employs about 20 persons, first will heat and air condition the lab building housing the group. It will be done by solar energy.

Sandia also will soon be the location of the nation's first solar powered electric plant. And up at Los Alamos, scientists plan to solar heat and cool a three-story, 70,000-square foot building to be completed late next year.

On a more down-to-earth plane, a sharp young Albuquerque engineer, Stephen Baer, is already in the solar energy business.

Baer operates an unusual business on North Edith called the "Zomeworks." He has devised all kinds of ingenious creations to capture and utilize solar power.

Baer built his own home in Corrales that is 90 per cent solar heated.

The solar heating unit consists mainly of a south wall to the house made entirely of 55-gallon oil drums, laid on their sides with one end facing the sun. That end is painted black to absorb heat.

A pane of glass fences off the oil drums from the outdoors. An insulated metal cover, hinged at the bottom, is lowered in the morning so the cans of water can absorb the sun's heat. At dark, the outside cover is closed to keep the heat inside.

Supplementing the solar "wall" are three great skylights, invented by Baer, which contain insulated louvers that open automatically in the morning to let in sunlight and close in the evening to keep the heat inside.

Baer says he can keep the interior of his 2000-square foot home at between 80 and 85 degrees in the winter.

He also uses the sun to heat the water used in the home by means of a glass "collector" on the roof.

The solar energy expertise developed by New Mexico scientists should be a big argument in our favor in the competition for the giant Solar Energy Institute.

New Mexico not only has the sun—it's also got the brains.

FLOOD INSURANCE

Mr. EAGLETON. Mr. President, the Housing Subcommittee of the Senate Committee on Banking, Housing, and Urban Development will hold hearings November 12 and 13 to consider amendments to the Federal Flood Insurance Act. Floor action on some kind of bill is expected shortly thereafter.

Mr. President, Federal flood insurance is only now coming to be recognized for what it is, a major Federal land use program sanctioned by denial of all forms of construction credit—Government and private alike—and most forms of disaster assistance.

Some 22,000 communities representing 10 percent of the Nation's homes and businesses are subject to these penalties unless they agree to adopt HUD-dictated

land use standards and building codes in their flood plain areas. Once a HUD official or paid consultant circles a region on a map and designates it as having as little as one chance in 100 years of being flooded, every homeowner and businessman living in the area must buy flood insurance within 1 year or suffer the confiscatory penalties provided by the act.

It makes no difference to HUD that a community may lack legal authority to adopt the land use standards and cannot persuade the State legislature or voters to grant it. The penalties apply all the same.

It makes no difference to HUD that a community designated as flood prone by some HUD consultant has never had a flood in its recorded history or ever received a dollar in Federal flood disaster assistance. The land use standards and the penalties apply all the same.

It makes no difference to HUD that a community may have no practical choice about where it is located and can adopt the restrictive HUD zoning and building codes only at the cost of forfeiting its economic future. The land use standards and penalties still apply.

It makes no difference to HUD that a homeowner may have his life savings invested in his home and be anxious to protect that investment with flood insurance. Unless he is also able to persuade the community or State to adopt HUD land use standards, he is not permitted to buy the insurance and, because he has not bought it, he is forced to pay the penalties.

Mr. President, for thousands of homeowners and businessmen around this country, the Federal flood insurance program amounts to virtual confiscation of private property without compensation, without due process, without purpose and without reason.

Mr. President, as of September 30, areas in some 5,400 communities which have been designated flood prone have not yet met the HUD land use standards and are thus liable to the sanctions described within a year of their designation. I ask that a State-by-State breakdown of that list be printed in the RECORD, as well as a second list of the 247 Missouri communities involved.

Mr. President, I ask unanimous consent that two excellent articles and an editorial from the November 1975 issue of Progressive Farmer be printed following the aforementioned lists.

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

U.S. Department of Housing and Urban Development Federal Insurance Administration areas which have had special flood areas identified

State:	No. of Communities
Alabama	81
Alaska	1
Arizona	8
Arkansas	141
California	35
Colorado	57
Connecticut	25
Delaware	5
District of Columbia	1
Florida	25
Georgia	129
Idaho	49

Illinois	201
Indiana	135
Iowa	225
Kansas	182
Kentucky	91
Louisiana	72
Maine	172
Maryland	11
Massachusetts	61
Michigan	121
Minnesota	207
Mississippi	35
Missouri	247
Montana	51
Nebraska	155
Nevada	2
New Hampshire	131
New Jersey	34
New Mexico	25
New York	499
North Carolina	54
North Dakota	114
Ohio	245
Oklahoma	103
Oregon	21
Pennsylvania	849
Rhode Island	4
South Carolina	53
South Dakota	69
Tennessee	64
Texas	225
Utah	35
Vermont	107
Virginia	20
Washington	49
West Virginia	52
Wisconsin	93
Wyoming	29
Total	5,400

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL INSURANCE ADMINISTRATION, AREAS WHICH HAVE HAD SPECIAL FLOOD AREAS IDENTIFIED

MISSOURI

Name and date of designation:	
Adrian, City (Bates Co.), January 24, 1975.	
Airport Drive, Village of (Jasper), February 14, 1975.	
Amazonia, Town of (Andrew Co.), August 16, 1974.	
Amoret, City of (Bates Co.), February 21, 1975.	
Anderson, City of (McDonald Co.), May 17, 1974.	
Annada, Village of (Pike Co.), February 7, 1975.	
Annapolis, City (Iron Co.), April 18, 1975.	
Anniston, Town of (Mississippi Co.), May 3, 1974.	
Appleton, City of (St. Clair Co.), February 7, 1975.	
Archie, Town of (Cass Co.), June 7, 1974.	
Armstrong, City (Howard Co.), April 25, 1975.	
Asbury, City of (Jasper Co.), February 21, 1975.	
Ash Grove, City (Greene Co.), April 25, 1975.	
Augusta, Village of (St. Charles Co.), December 6, 1974.	
Ava, City of (Douglas Co.), May 17, 1974.	
Bakersfield, Village (Ozark Co.), April 25, 1975.	
Barnard, City (Nodaway Co.), July 11, 1975.	
Bates, Village of (Lafayette Co.), August 8, 1975.	
Bel Nor, Village of (St. Louis Co.), April 5, 1974.	
Bell City, City of (Stoddard Co.), October 18, 1974.	
Bella Villa, Town of (St. Louis Co.), June 28, 1974.	
Berger, City of (Franklin Co.), August 30, 1974.	
Bevier, City of (Macon), February 14, 1975.	
Bigelow, Village (Holt Co.), July 18, 1975.	
Billings, City (Christian Co.), June 27, 1975.	

- Bismarck, City of (St. Francis Co.), February 7, 1975.
- Blackwater, City of (Cooper Co.), April 25, 1975.
- Bland, City of (Gasconade Co.), May 17, 1974.
- Blodgett, Village (Scott Co.), April 25, 1975.
- Bloomsdale, City (Ste. Genevieve Co.), July 11, 1975.
- Bosworth, City (Carroll Co.), January 17, 1975.
- Bragg City, City of (Pemiscot Co.), February 7, 1975.
- Brashear, City of (Adair), February 14, 1975.
- Braymer, City (Caldwell Co.), April 25, 1975.
- Breckenridge, City of (Caldwell Co.), February 7, 1975.
- Brunswick, Town of (Charlton Co.), March 29, 1974.
- Buckner, Town of (Jackson Co.), December 28, 1973.
- Buffalo, City (Dalla Co.), May 2, 1975.
- Bunceton, City of (Cooper Co.), April 25, 1975.
- Bunker, Town of (Reynolds Co.), September 6, 1974.
- Burlington Junction, City (Nodaway Co.), July 11, 1975.
- Cainsville, City (Harrison Co.), April 25, 1975.
- Calhoun, City of (Henery), February 14, 1975.
- California, City of (Moniteau Co.), April 5, 1974.
- Callao, City of (Macon), February 14, 1975.
- Campbell, City of (Dunklin Co.), March 29, 1974.
- Carl Junction, City of (Jasper Co.), February 8, 1974.
- Cartersville, Town of (Jasper Co.), December 28, 1973.
- Centertown, Village (Cole Co.), May 2, 1975.
- Centerville, City (Johnson Co.), April 25, 1975.
- Centerville, Village of (Reynolds Co.), November 22, 1974.
- Center, Town of (Ralls Co.), July 26, 1973.
- Chilhowe, City of (Johnson Co.), April 25, 1975.
- Chula, City (Livingston Co.), May 2, 1975.
- Clarksdale, City of (De Kalb Co.), February 21, 1975.
- Clark, City of (Rudolph Co.), February 21, 1975.
- Clearmont, City (Nodaway Co.), July 18, 1975.
- Clever, City (Christian Co.), July 18, 1975.
- Conception Junction, City (Nodaway Co.), April 25, 1975.
- Concordia, City of (Lafayette Co.), February 7, 1975.
- Conway, Town of (Laclede Co.), May 10, 1974.
- Cooter, Village (Pemiscot Co.), July 25, 1975.
- Country Club Village, Town (Andrew), August 22, 1975.
- Cowgill, Town (Caldwell Co.), April 18, 1975.
- Craig, Town of (Holt Co.), December 6, 1974.
- Crane, City of (Stone Co.), June 7, 1974.
- Cross Timbers, Village of (Hickory Co.), February 21, 1975.
- Dalton, Village of (Charlton Co.), December 13, 1974.
- Darlington, Village of (Gentry Co.), December 13, 1974.
- Deepwater, City (Henry Co.), September 26, 1975.
- Delta, City of (Cape Girardeau Co.), December 6, 1974.
- Denver, Village of (Worth Co.), November 22, 1974.
- Des Arc, Village (Iron Co.), April 18, 1975.
- Dewitt, City of (Carroll Co.), September 6, 1974.
- Doolittle, City of (PHELPS), February 14, 1975.
- Duenweg, City of (Jaspeh Co.), May 3, 1974.
- Eagleville, Village (Harrison Co.), April 18, 1975.
- Ellsinore, City of (Carter Co.), October 18, 1974.
- Elmer, City of (Macon Co.), December 6, 1974.
- Emma, City (Lafayette Co.), April 18, 1975.
- Essex, Town of (Reynolds Co.), September 6, 1974.
- Esther, City of (St. Francois Co.), February 21, 1975.
- Everton, City (Dade Co.), April 18, 1975.
- Exeter, City (Barry Co.), June 27, 1975.
- Fair Grove, City (Green Co.), June 27, 1975.
- Farber, City of (Audrain Co.), November 1, 1974.
- Farley, Town (Platte Co.), January 24, 1975.
- Forest City, City of (Holt Co.), October 18, 1974.
- Forsyth, City of (Taney Co.), February 7, 1975.
- Freeman, City of (Cass Co.), November 8, 1974.
- Fremont, Village of (Carter Co.), February 21, 1975.
- Fulton, City of (Callaway Co.), May 17, 1974.
- Galena, City of (Stone Co.), August 30, 1974.
- Gallatin, City of (Davless), February 14, 1975.
- Galt, City of (Grundy Co.), October 18, 1974.
- Golden City, City of (Barton Co.), February 21, 1975.
- Goodman, City of (McDonald Co.), February 21, 1975.
- Graham, City (Nodaway Co.), August 15, 1975.
- Grandin, City of (Carter Co.) November 8, 1974.
- Grant City, City (Worth Co.), July 11, 1975.
- Greenfield, City (Dade Co.), April 25, 1975.
- Greentop, City of (Schuyler Co.), February 21, 1975.
- Greenville, City of (Wayne Co.), October 18, 1974.
- Hale, City of (Carroll Co.), February 21, 1975.
- Hallsville, City of (Boone), February 14, 1975.
- Hanley Hills, Town of (St. Louis Co.), August 2, 1974.
- Hardin, City of (Ray Co.), June 7, 1974.
- Hartsburg, Village of (Boone Co.), December 27, 1974.
- Henrietta, City of (Ray Co.), October 18, 1974.
- Hermitage, City (Hickory Co.), April 25, 1975.
- Holland, City (Pemiscot Co.), June 27, 1975.
- Houstonia, City (Pettis Co.), September 19, 1975.
- Humansville, City (Polk Co.), July 11, 1975.
- Hume, City of (Bates Co.), February 21, 1975.
- Hunnewell, City of (Shelby Co.), February 21, 1975.
- Huntsville, City (Randolph Co.), April 18, 1975.
- Iron Gates, Village (Jasper Co.), February 14, 1975.
- Jamesport, City of (Davless Co.), February 7, 1975.
- Jamestown, City (Moniteau Co.), January 24, 1975.
- Jasper, City of (Jasper Co.), February 21, 1975.
- Knob Noster, City (Johnson Co.), June 27, 1975.
- Koshkonong, City of (Oregon Co.), September 6, 1974.
- La Belf, City of (Lewis), February 14, 1975.
- La Monte, City (Pettis Co.), May 2, 1975.
- La Palta, City of (Macon), February 14, 1975.
- Lamar, Town of (Barton Co.), December 28, 1973.
- Lancaster, City (Schuyler Co.), May 2, 1975.
- Laredo, City of (Grundy Co.), October 18, 1974.
- Lathrop, City of (Clinton Co.), February 7, 1975.
- Leadington, Village (St. Francois Co.), April 18, 1975.
- Leasburg, Village of (Crawford Co.), January 31, 1975.
- Lexington, City of (Lafayette Co.), July 25, 1975.
- Lincoln, Town of (Benton Co.), May 31, 1974.
- Linn Creek, City of (Camden Co.), October 25, 1974.
- Linwood, Village of (Butler Co.), October 25, 1974.
- Lock Springs, Town (Davless Co.), July 11, 1975.
- Luray, Village of (Clark Co.), October 18, 1974.
- Lutesville, City of (Bollinger Co.), May 10, 1974.
- Madison, City of (Monroe), February 14, 1975.
- Malta Bend, City of (Saline Co.), October 18, 1974.
- Marble Hill, City of (Bollinger Co.), May 10, 1974.
- Marceline, City of (Linn Co.), March 29, 1974.
- Marionville, City of (Lawrence Co.), May 17, 1974.
- Marlborough, Village of (St. Louis Co.), May 31, 1974.
- Marquand, City (Madison Co.), April 18, 1975.
- Marthasville, Village of (Warren Co.), September 13, 1974.
- Mary Ridge, Village of (St. Louis Co.), April 5, 1974.
- Maysville, city (De Kalb Co.), July 25, 1975.
- Meadville, city (Linn Co.) April 25, 1975.
- Mercer, city (Mercer Co.), April 4, 1975.
- Meta, town of (Osage Co.), September 13, 1974.
- Miami, city of (Saline Co.), October 18, 1974.
- Mill Spring, village of (Wayne Co.), December 13, 1974.
- Mindenmines, city (Barton Co.) April 18, 1975.
- Mineral Point, village (Washington Co.), August 8, 1975.
- Missouri City, village of (Clay Co.), August 16, 1974.
- Mokane, village of (Callaway Co.), October 18, 1974.
- Monroe City, city of (Marion & Monroe Cos.), February 21, 1975.
- Monticello, village of (Lewis Co.), December 27, 1974.
- Montrose, city (Henry Co.), April 18, 1975.
- Mound City, city (Holt Co.), July 25, 1975.
- Naylor, city of (Ripley Co.), March 1, 1974.
- Nelson, city of (Saline Co.), October 18, 1974.
- New Bloomfield, city (Callaway Co.), May 2, 1975.
- New Cambria, city (Macon Co.), July 25, 1975.
- New Franklin, town of (Howard Co.), November 22, 1974.
- New Hampton, city (Harrison Co.), August 8, 1975.
- Nixa, city of (Christian Co.), June 28, 1974.
- Noel, town of (McDonald Co.), May 24, 1974.
- Norborne, city of (Carroll Co.), April 5, 1974.
- Northmoor, town of (Platte Co.), July 19, 1974.
- Oak Grove, city (Jackson Co.), July 11, 1975.
- Odessa, city (Lafayette Co.), May 2, 1975.
- Oregon, city (Holt Co.), July 18, 1975.
- Osborn, city (Clinton Co.), July 18, 1975.
- Otterville, city (Cooper Co.), April 25, 1975.
- Ozark, city of (Christian Co.), December 28, 1973.

Palmyra, city of (Marion Co.), March 29, 1974 and July 18, 1975.
 Parnell, city (Nodaway Co.), May 2, 1975.
 Pasadena Hills, village (St. Louis Co.), July 11, 1975.
 Perry, city of (Ralls Co.), February 14, 1975.
 Pineville, City (McDonald Co.), April 18, 1975.
 Puxico, town of (Stoddard Co.), March 8, 1974.
 Ravenwood, city (Nodaway Co.), June 27, 1975.
 Raymondville, village of (Texas Co.), February 14, 1975.
 Raymore, city of (Cass Co.), December 27, 1974.
 Reeds Spring, city of (Stone Co.), October 18, 1974.
 Revere, town (Clark Co.), January 10, 1975.
 Rich Hall, city of (Bates Co.), February 14, 1975.
 Richland, city of, January 31, 1975.
 Ridgeway, city (Harrison Co.), April 18, 1975.
 Ritchey, town (Newton Co.), January 10, 1975.
 Riverview, city of (St. Louis Co.), June 28, 1974.
 Rochepoint, city of (Boone and Howard Cos.), October 25, 1974.
 Rockaway Beach, town (Taney Co.), January 10, 1975.
 Rockville, City of (Bates Co.), Feb. 21, 1975.
 Rogersville, City (Webster Co.), Aug. 29, 1975.
 Rosendale, City of (Andrew), Feb. 14, 1975.
 Rush Hill, Village of (Audrain Co.), Dec. 6, 1974.
 Rushville, Village of (Cruchanan Co.), Oct. 18, 1974.
 Salisbury, City of (Chariton Co.), Feb. 7, 1975.
 Schell City, City (Vernon Co.), April 18, 1975.
 Scott City, City of (Scott Co.), Apr. 12, 1974.
 Seligman, City (Barry Co.), Apr. 25, 1975.
 Sherina, City (Shelby Co.), Apr. 25, 1975.
 Shelayville, City (Shelby Co.), Apr. 18, 1975.
 Sheldon, City of (Vernon Co.), Jan. 31, 1975.
 Shoal Creek Drive, Town ow (Newton Co.), Aug. 16, 1974.
 Sibley, Village of (Jackson Co.), Aug. 30, 1974.
 Sillex, Village of (Lincoln Co.), Nov. 22, 1974.
 Skidmore, City (Nodaway Co.), July 18, 1975.
 Smithton, City (Pettis Co.), Apr. 25, 1975.
 Spickard, City of (Grundey Co.), Feb. 7, 1975.
 Stella, City of (Newton Co.), Feb. 21, 1975.
 Stewartville, City of (DeKalb Co.), Aug. 20, 1974.
 Strasburg, City of (Cass Co.), Aug. 16, 1974.
 St. Clair, Town of (Franklin Co.), Apr. 12, 1974.
 St. James, City of (Pheips Co.), Feb. 21, 1975.
 St. Robert, City of (Pulaski Co.), Feb. 7, 1975.
 Summersville, City of (Shannon & Texas Co.), Jan. 31, 1975.
 Sumner, Town (Chariton Co.), Jan. 10, 1975.
 Tipton, City (Moniteau Co.), Jan. 17, 1975.
 Trimle, City of (Clinton Co.), Feb. 7, 1975.
 Tuscumria, Village of (Miller Co.), Oct. 25, 1974.
 Union Star, City of (De Kalb Co.), Feb. 21, 1975.
 Urrana, Village (Dallas Co.), June 27, 1975.
 Vanduser, Village (Scott Co.), Apr. 25, 1975.
 Velda Village Hills, Village (St. Louis Co.), July 11, 1975.

Versailles, City of (Morgan Co.), Apr. 5, 1974.
 Virurnum, City of (Iron Co.), Feb. 21, 1975.
 Vienna, City of (Maries Co.), Feb. 7, 1975.
 Walker, City (Vernon Co.), Apr. 18, 1975.
 Wardsville, City (Cole Co.), July 11, 1975.
 Warrenton, City of (Warren Co.), Feb. 7, 1975.
 Washburn, Town (Barry Co.), Jan. 19, 1975.
 Watson, Village of (Atchison Co.), Nov. 29, 1974.
 Weaurieau, City of (Hickory Co.), Jan. 31, 1975.
 Wellington, City (Lafayette Co.), Sept. 19, 1975.
 Wentworth, Town (Newton Co.), Jan. 10, 1975.
 Westboro, Village (Atchison Co.), July 11, 1975.
 Westphallia, City of (Osage Co.), Oct. 18, 1974.
 Williamsville, City of (Wayne Co.), Oct. 18, 1974.
 Windsor, City of (Henry Co.), Apr. 25, 1975.
 Wooldridge, Village of (Cooper Co.), Apr. 25, 1975.
 Wright, City of (Warren Co.), Feb. 7, 1975.
 Wyaconda, City of (Clark Co.), Oct. 18, 1974.
 Zalma, Village of (Rollinger Co.), Oct. 25, 1974.
 Total in the State, 247.

SURPRISE LAND USE LAW RAISES FLOOD OF FEARS

(By Del Deterling)

Landowners have been patting themselves on the back for repeatedly beating back attempts at federal land use planning. Imagine their shock to find out there's been a law on the books for two years that allows the Government virtually to dictate use of millions of acres of the most desirable land in the country.

Consider a law with these features:

If you own land in an area that might flood even once in 100 years, you need a permit to build any type of structure, including a home, barn, or grain bins, or to remodel or enlarge an existing building.

Unless you build the first floor of the structure above the 100-year flood level or flood-proof the building, you can't get a permit. If you build without permit, you can be fined.

Even if you comply with building regulations, you still must buy flood insurance—immediately on new construction, and on other buildings at the time you request additional federal assistance of any kind.

If the community or county in which you operate doesn't enforce the federal regulations, you won't be able to borrow money against your property from any federally regulated lending institution. That takes in most banks and savings and loan associations. Also, you can't get emergency aid for damage from floods, tornadoes, earthquakes, hail, wind, or drought.

Let's repeat. This isn't proposed legislation. This is a law already on the books. It already has hit some 20,000 communities.

"This law, despite its title, has very little to do with flood protection," maintains Terry Keeling, a Houston realtor, landowner and steering committee chairman for Texas Association of Citizens for Local Land Control, which is trying to get the law repealed. "It is instead a federal land use control law."

"When fully implemented, the Federal Government, acting through HUD (Department of Housing and Urban Development) and FIA (Federal Insurance Administration), will have authority to determine the use to which every parcel of land in virtually every community in the United States may be put," Keeling concludes.

"You can call it land use control, if you

prefer, but only in a very restrictive sense," contends Dell Greer, FIA regional administrator of Dallas. "We think flood plain management more nearly defines it. There is no land use control of any kind outside of designated flood areas."

Impact of the law appears greatest in low-lying areas near the coast and along rivers that are developed for residential construction. But it could rock rural areas and farmland too. Some examples:

1. Reduced land values. In those communities where federal agencies already have designated flood hazards, land values reportedly are in a tailspin. That includes farmland.

2. Higher property taxes. If your land is not in a flood hazard zone, your taxes may be raised to pick up slack of reduced land values in the flood plain.

3. Restricted agricultural operation. You can't build or substantially remodel or expand barns or storage facilities in the flood plain unless you build the foundation above the 100-year flood level. Even corrals and fences may be prohibited if they interfere with waterflow during a flood.

4. Higher production costs. Even if you have no extra expense in building construction you'll have to buy flood insurance on buildings in the flood hazard area. And it'll cost more tax dollars to hire the federal and local officials to administer the program—more than the money they will save on flood disaster prevention, critics claim.

5. Inability to sell your farm. If either you or your community fails to participate in the program, you won't be able to buy flood insurance and you'll have difficulty getting any type of loan on your home or farm. You may not find a buyer if you try to sell.

U.S. Senator Thomas Eagleton of Missouri, calls the HUD plan "one of the most stringent land use programs that could possibly have been devised."

He points out that many older people in his state have their entire life savings wrapped up in their land. Now they can't even borrow money against their homes and farms to pay hospital bills or send their children to college.

You're probably wondering how a regulation with this much potential for harm became law. Actually these restrictions have been on the books for seven years as part of the National Flood Insurance Act of 1968. That legislation made federally subsidized flood insurance available to communities that wanted it. However, to get it, they had to enforce land use control measures so restrictive that few chose to participate.

Then late in December 1973, as weary Senators and Representatives longed to get home for Christmas, they passed a little-heralded amendment to the earlier bill that made participation virtually mandatory.

Still there wasn't much uproar because the intent of Congress appeared pure: to reduce the need for massive Government emergency relief funds by regulating construction in areas historically prone to flooding. Property flood damage annually averages \$1.25 billion, according to FIA estimates.

What blew the cork out of the bottle was the way federal officials interpreted the legislation. HUD and FIA adopted the controversial 100-year flood plain as the standard for identifying flood-prone areas.

"We are seeing entire cities declared flood prone," says Keeling. "Fort Bend County (Tex.) apparently will be 38% in the flood plain. In Brazoria County, the figure is 70%; in Wharton County, 90%."

"If this law had been passed in 1873 instead of 1973, the city of Houston, as we know it, simply wouldn't exist. In fact, most of the Texas Gulf Coast would be an uninhabited wasteland."

Particularly ranking was the way flood-prone areas were identified. City and county officials contend that FIA relied heavily on

outdated Army Corps of Engineers' data on previous floods. They complain that no one has visited their areas and asked for information on flood control dams, topography, and other features.

However, Greer, FIA regional administrator, says that FIA wants to work closely with local officials in establishing maps that accurately define flood hazard areas. Furthermore, he adds, "We will look at and make appropriate revisions to flood hazard boundary maps at any time, if we get information as to an error or better information as to what that map should show."

Communities have one year from the time they receive their maps to decide whether or not to participate in the flood insurance program.

If the community decides not to participate, it faces the severe economic sanctions, dealing with mortgage money, insurance, federal grants, and disaster relief.

The worst thing, in the minds of many landowners, is that HUD can change the rules of the game at any time.

"The law plainly instructs the Secretary of HUD to take whatever steps may be necessary to guide growth and development away from flood-prone areas," Keeling says.

Eagleton and Representative Bob Casey of Texas are pushing separate but similar bills that would remove the mandatory participation requirements of the regulation, prohibit withholding of federal mortgage funds to force communities into the program, and permit property owners in the affected areas to buy Government-subsidized flood insurance even if their community isn't in the program. Administrative aides for both lawmakers admit chances for passing either bill are slim. They are banking on compromises to put more flexibility into the program.

"If this fails," Keeling says, "our only recourse is a legal suit to test the constitutionality of the law."

"It's a sad note," he adds, "when Government agencies seem determined to protect us whether we want their protection or not."

LET'S SAVE THE PATIENT

No one would deny that floods cause untold misery and millions of dollars in damage to property owners and taxpayers every year. Nearly everyone would agree, too, that some action should be taken to curb this annual tragedy. It seems, however, that the Federal Government's approach to solving the problem is like feeding the patient arsenic to cure his cancer.

The program implemented by the Department of Housing and Urban Development (HUD) undoubtedly would reduce the costs of flood damage. But it is questionable whether or not the expense of administering the program will exceed the savings. The loss in individual rights and community freedom would be awesome.

Briefly, any land that has a likelihood of being flooded even once every 100 years is tagged as a flood hazard area. A community has one year to decide whether or not to participate in the National Flood Insurance Program.

It's the old "carrot-and-stick" technique. The carrot, in this case, is availability of low-cost federally subsidized flood insurance.

But the stick is more like a crushing machine. If the community fails to enforce rigid construction controls on buildings in the flood hazard area, it faces severe economic sanctions. It forfeits right to most federal grants, subsidies, and loans. It couldn't collect federal emergency relief aid (even for nonflood disasters).

Worst of all, neither the community nor any of its property owners could obtain mortgage loans on buildings in the 100-year flood plain from any federally regulated lending institution. Name one that isn't!!!

In other words, any community that

chooses not to march to HUD's drumbeat will be disinherited—left high and dry with no sources of mortgage funds and completely helpless in the event of a natural disaster.

A growing chorus of congressional voices denies that these sledge hammer tactics were the aim and intent of the bill they passed.

It's once again the case of a power-hungry bureaucracy using a well intentioned but loosely constructed bill to force its own standards on the helpless public.

Admittedly, some regulation is necessary to control helter-skelter development in areas subject to frequent flooding. Taxpayers shouldn't be required financially to bail out those builders and developers who disregard common sense in flood hazard areas. Bills have been introduced in both Houses of Congress that would put participation in the National Flood Insurance Program on a voluntary basis and would remove the severe economic sanctions that HUD now threatens. Hearings are to be held shortly.

A better approach to HUD's "bone crusher," Congressman Bob Casey of Texas suggests, is to make flood insurance benefits so attractive that people will want to participate in the program rather than being forced into it.

We agree. We urge you to become familiar with these bills and let your Senators and Congressmen know how you feel. There's still time—but precious little—to cure the disease without killing the patient.

MAYOR BEAME: THE CASE FOR NEW YORK CITY GUARANTEE

Mr. PROXMIRE. Mr. President, today in a speech before the National Press Club, the mayor of New York City set the record straight on the city's fiscal crisis.

Contrary to popular belief, the city is not asking for a bailout; it is not asking for a bailout; it is not asking for a single penny from the Federal Government.

Instead, the city is asking for a guarantee of its debt while it balances its budget and regains investor confidence.

The bill reported by the Banking Committee would provide such a guarantee, but only if it agrees to the most rigorous and stringent conditions.

The city must balance its budget in 20 months.

It must end bookkeeping gimmickry.

It must surrender its fiscal powers to the State and a three-man board headed by Secretary Simon.

The State must raise taxes to help close the city's deficit.

Mr. President, as Mayor Beame has said, the city does not want a bailout—it wants a chance to pay all its bills; that is what our legislation would do.

Mr. President, I ask unanimous consent that Mayor Beame's speech be printed in the RECORD.

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

ADDRESS BY MAYOR ABRAHAM D. BEAME

I want to thank you for this opportunity today to place the matter of the City of New York in proper perspective.

Let me put to rest one major misunderstanding that persists here and elsewhere. The City of New York is asking nothing of the American taxpayers except the opportunity to set its own house in order.

I repeat: The City of New York is not asking the Federal government or the pub-

lic for one cent. On the other hand, default will cost America billions. Stripped of rhetoric, it is that simple and that compelling.

The eight million Americans who live in New York merely ask of the Congress and the President—their Congress and their President—the simple act of guarantee to permit us to continue the reforms and the economies now underway in our City.

There are ample precedents. The Federal budget this year reflects more than \$200 billion in guarantees covering everything from the Washington Metro to the construction of a chemical plant in Yugoslavia.

We seek the time that a guarantee offers, so that we can complete the program for recovery that has already been launched.

Last week, the President of the United States stood before you and quoted a great New York State Governor, Al Smith. He said, "Let's look at the record." Well, let's look at the record that the President largely ignored:

Since January 1st of this year, the City has cut the municipal payroll by 31,211 full-time employees including 7,000 police officers, firemen and sanitation workers, and double that number in education and social services. This added another 1 percent to the City's unemployment rate, which is running more than 11 percent.

I have imposed a hiring freeze to reduce the payroll further by attrition.

We have either deferred or frozen wage increases for all City employees.

We have halted all new City construction projects, and suspended others that are now underway.

We have raised the transit fare to 50 cents, making it the highest in the nation—and this, in a City where 70 percent of the workforce uses mass transit.

In the last four months, we have closed eight fire houses, seven schools and a municipal hospital.

We have increased real estate taxes in the last year by 10 percent and imposed new taxes totalling \$350 million.

We are committed to a three-year financial plan that will balance the budget in fiscal 1977-78 by cutting \$724 million between now and then.

As an integral part of the financial plan, I submitted City policy guidelines which address themselves to the very problems which the President cited. In his talk, however, he failed to tell the public that the City and State not only recognize these problems, but that we were doing something about them.

These policies embody the following commitments:

First, the City cannot afford to underwrite an expansive university system. A basic change in the scope and financing of this institution is essential, if it is to survive.

Second, the City cannot afford to pay for a large and underutilized hospital system. Other municipal hospitals will be closed.

Third, at a time when private housing development is at a virtual standstill, the City can no longer finance new housing construction and has ended this program.

Fourth, we can no longer afford to provide present levels of social service funding. This means further closings of day care and senior citizens centers and cutbacks in family planning, manpower training, addiction treatment, and anti-poverty programs.

Fifth, we will increase employee productivity and eliminate wasteful and costly contract provisions.

These commitments and these economies will exact a toll in human hardships. Nonetheless, these steps are required regardless of any Congressional action.

Yet, the American public was told by the President that we plan to operate on a "politics as usual" basis.

The President, blaming all of New York's woes on past mismanagement, said New York's problems were not unique. However,

no other city in the nation is required by law to support the scope of services borne by New York City with its local tax dollars. Mandated welfare and Medicaid payments alone will drain about one billion City tax dollars this year. If this burden were rightfully to be assumed by the Federal government, we could balance our budget this year and be well on our way to fiscal recovery.

While New York has some very special problems it is not alone. As is often the case, New York feels the effects first and with greater impact than elsewhere.

The way to contain New York's ills is not to drive the city into default. The only way to ensure that New York's trauma will not be repeated is to find the answers—through new local measures and Federal initiatives—to the chronic problems common to our older metropolitan areas.

As a complement to the loan guarantee legislation now before Congress, I ask the President to name an independent Commission on America's Urban Future. In the interest of the nation and all its people, we urgently need to redefine the roles of our urban centers, whose economic and social functions have changed dramatically in the postwar years.

How should local, state and federal governments divide the responsibilities for meeting urban needs? How can cities assure adequate financing without undermining their tax bases? Are regional structures—such as those now being applied in Nashville, Miami and elsewhere—effective in coping with the metropolitan problems that have outgrown central-city boundaries?

Whatever fate awaits New York, our country's tragedy would be greatly compounded if our national leadership deludes itself into thinking that sacrificing our City will somehow exorcise the demons plaguing all of urban America.

The real problems and economic pressures affecting New York should be the subject of constructive concern—and not derision. Subjecting America's largest city to humiliation and impoverishment does not enhance either the economy or the moral fiber of our nation. It is unimaginable to me that any other head of state in the world would abandon the premier city of his nation or punish its people as an object lesson.

Default is not a solution. It is the consequence of the failure of all other efforts. Americans must not and cannot be the advocates of this bankrupt doctrine. The President's prescription for an economic and spiritual purge is a 17th Century remedy. In 20th Century parlance, it's a cop-out, not a cure.

The best medicine for New York City and other parts of the nation as well, would be full employment and economic prosperity. And, the best cure for our financial ills is to have an opportunity to recuperate under a strictly supervised regimen of reform and retrenchment. A guarantee would permit that.

Why are we in New York so anxious to avert default? Because default is an irrevocable act.

To New Yorkers, default means services designed only to sustain survival and little else. In a city as complex as ours, even essential services must be redefined. Police and fire and nurses are not enough. We must maintain our water supply and sanitary systems; avoid health problems and epidemics; place food on the tables of the indigent, and the aged; and keep mass transit moving.

Although the White House has stated that it does not consider education an essential service, how long can we keep one million children out of school and not face dire consequences?

There will be nothing abstract about the impact of a New York City default on the nation. According to a report to the Joint Economic Committee of Congress, it is estimated that Federal tax receipts would be

reduced by \$3.5 billion and expenditures for unemployment compensation, food stamps and other related programs would rise by \$500 million.

In addition, metropolitan area firms which depend on the reliable workings of the region's core city would be affected immediately.

A default by the City would jeopardize payment on the more than \$1 billion in goods and services contracted for by the City with firms in all parts of the nation. Heavy equipment from Chicago, Fort Wayne and Springfield, Ohio; blankets from Alabama; moving stairs from Indiana; electronic gear from Florida and Illinois; sanitary equipment from Virginia and Wisconsin; construction machinery from Baton Rouge; and chemicals from Maryland, Idaho, and Delaware—all these areas would be affected.

In addition, fully 30 percent of the pension checks for retired City employees are mailed to addresses outside New York City. They represent an annual contribution of \$180 million to the economy of communities beyond the City limits. Florida residents alone receive \$23 million annually in New York City pension checks.

Contrary to the President's assertion that New York officials and banks stand to lose the most from a default, the Bank of America cited a survey which estimated that two-thirds of the City's securities are held by 160,000 individual investors around the country who could be financially crippled by a default.

A look at the record of public discussion on this issue shows that the great weight of expert opinion is opposed to the Administration's casual analysis of the local, national, and even international impacts of a New York City default.

The President's assertion that major New York banks would be the prime beneficiaries of Federal action to avert a default comes somewhat as a surprise, since Federal Reserve Board Chairman Arthur Burns has already indicated that the Federal government would act to help banks threatened in the event of a City default.

The Administration's concerns seem to begin and end with the banks and the credit markets. However, default—like all other economic disasters—will most affect the innocent, the powerless and the least resilient members of our society.

Accordingly, every possible avenue to avoid default is under scrutiny. The officers of the Municipal Assistance Corporation have been exploring all valid financing proposals to insure that no opportunity is overlooked.

To date, none of these proposals has offered the answer. It would appear that funding through other sources—even if they do prove to be legal or practicable—will fall short of the City's total needs. One way or another, I am convinced that some form of Federal guarantee will be required before the City is able to get back into the credit market.

In the current debate over the City's crisis, New York has become the victim of a distorted view which paints us as an alien city.

While it is hard to believe that the President has purposely set out to divide urban residents against rural Americans, or Easterners against Midwesterners, or to excite prejudices against New York and its people, that is exactly what is happening. And, it is difficult for us to understand.

New York is truly an American city. It is a town which had a stake in the American Dream 150 years before the United States was born. Our men and women have fought courageously in defense of their country. With less than 4 percent of the nation's population, we can claim more than 10 percent of the nation's Congressional Medal of Honor winners.

New York remains America's induction center—the first home for millions of immi-

grants and newcomers to urban life who sometimes stay in the City and sometimes move away to raise families, work farms, start businesses and contribute to communities in every part of this Nation. It is estimated that 60 percent of all Americans trace their roots to New York City—as a port of entry and temporary or permanent home.

New York is also a city of a million elderly—one-fifth of them indigent. It is a city in which one out of seven people fall below the poverty level. It is a polyglot city in which hundreds of thousands are trapped within ethnic enclaves, often unable to break out to new jobs and opportunities.

Yet, the City of New York is not a supplicant—it is a provider. It is a valuable national economic resource, and we want to remain that way. For more than three centuries, New York has been a generator of wealth for the United States—wealth measured not only in dollars, but in human resources and human enterprise.

Last year, Federal taxes generated by New York City totalled \$19 billion, according to data from the Bureau of Labor Statistics.

The White House indicated recently that all forms of Federal aid and assistance to New York totalled \$3.6 billion. If we add to that White House estimate every dollar in Federal monies spent in New York, such as Federal employees' salaries, the total Federal cash outlay of every kind in the City is approximately \$8 billion. This means that last year, the City of New York gave to the rest of that Nation more than \$11 billion.

We want to continue to initiate these revenues. We want to remain a "giver"—not a "getter." Only a prosperous and vigorous economy can afford to give—and we want the chance to remain a prosperous and vigorous city.

We want to continue to provide New York City tax dollars to help our nation feed the hungry in Appalachia, irrigate the Southwest, protect our national forests, build homes in the South, and maintain our national defenses here and abroad.

We want to continue to give freely to the rest of the country and the world the benefits of our museums, our theatres, our symphonies, our dance and opera companies, and our advancements in education, literature, medicine and the sciences.

Thus, the question the President should ask himself is not "Who benefits from a New York default?"—but "Who loses?" Clearly there will be no winners.

Economically and culturally the City and the nation will be poorer—and, in the eyes of the world, it will be looked upon as a failure of our American free enterprise system.

Morally, we see a corrosive effect, which is already taking hold.

Just six months ago, the President told a joint session of Congress, as he told you last week, that "It is time for straight talk."

Only that time, on the night of April 11th, he prefaced his statement by saying:

"Our purpose is not to point the finger of blame; but to build upon our many successes; to repair damage where we find it; to recover our balance; to move ahead as a united people."

That generous statement was made when Saigon—not New York—was threatened with collapse, and the President was seeking a billion dollars from Congress in emergency aid. How can he explain to millions of Americans who live in New York why he will not raise his voice with equal concern for their city?

The President expressed compassion and concern to avoid national divisiveness on the agonies of the Indochina War and the shame of Watergate. In contrast, the President's response to New York City reflects a kind of bumper sticker philosophy. He has used the city of New York as a foil for political slogans from Belgrade to San Francisco and

back. This has triggered hatred, disunity and confusion.

We must heal this wound before it begins to fester.

The crisis of New York today is the crisis of urban America tomorrow. Our nation's survival depends upon answers to the questions that plague our cities—answers which this administration has yet to provide.

We have heard nothing from the White House on coping with crime in our cities.

We have heard nothing on bringing jobs and economic development back to our urban centers.

We have heard nothing about programs to rebuild and maintain blighted neighborhoods.

We have heard nothing on the critical problems of racial and ethnic inequalities.

We have heard nothing about providing for the poor or the elderly who are immobilized in the inner cities.

It is a disturbing and evasive silence. We cannot avoid our national responsibilities by branding our greatest city a pariah.

If we embrace the past and fail to face the future;

If we fuel the forces which divide us;

If we allow our cities to decay and die;

Who will, when the day of reckoning comes, bail out America?

THE CRISIS OF NEW YORK CITY: A NATIONAL CHALLENGE

Mr. McGOVERN. Mr. President, on October 10, Senator HUMPHREY and I held a joint press conference at which we commented on President Ford's irresponsible and narrow attitude toward the agony of New York City.

At the press conference, I pointed out that New York City's problems are more a result of Federal policies than of local mismanagement. It is true that New York's financial affairs have not always been well handled. But it is also true that the city has a better record on spending pensions and deficits than does the Federal Government in the Nixon-Ford years.

New York City does not seem to be a part of Mr. Ford's America. A President who wanted a billion dollars last spring to make a last gasp effort to prop up the Thieu regime in Saigon now compares the greatest city in America to a junkie. His language is profoundly insulting. It appeals to the worst kinds of prejudice. It demeans the President himself and it cheapens his office.

The President seems to believe that he can defeat the political challenge he faces from the right wing of his own party by running against the people of New York. To please the hard liners, he is willing, as a New York Daily News headline put it, to tell the city to "drop dead." He offers us Government geared to the rigid ideology of a minority of a minority party.

In his pursuit of partisan advantage, the President has gone to great lengths to convince the American people that collapse in New York does not really matter to the rest of us. His certainty in this regard is incomprehensible. It is based on a combination of wishful thinking and the Alice-in-Wonderland economics we have come to expect from this administration.

The harsh fact is that the President does not really know what effect a New

York City default would have on the rest of us. The President and Secretary Simon have no evidence to back their bland assurance that it would have virtually none. Indeed, the early signs suggest that despite what the President says, we cannot rule out the most disastrous implications for the country as a whole.

Failure in New York could endanger financial institutions all across the country. This will be particularly true if, as is quite possible, the city pulls New York State into the abyss. Banks hold \$3 billion in New York City and New York State obligations. Individuals and non-banking financial institutions like insurance companies and pension funds hold another \$17 billion. The banks have made loans on what used to be assets. The insurance companies and pension funds have on-going obligations to provide benefits. Some of them may not be able to tolerate losses on this scale. Major institutions could crumble, taking others with them.

Failure in New York will also endanger every unit of local government. Already, cities have had to offer higher interest rates to float bond issues. In the near future, it is entirely possible that some localities will not be able to obtain funds at all. Others will be forced to cancel or sharply reduce planned capital improvements. Hundreds of thousands of jobs hang in the balance.

And there is good reason to believe that if disaster strikes the bond market, it could carry over into business investment. Investor flight from the capital markets could be general, quite possibly reinforced by foreign flight from the dollar.

Admittedly, this is a doomsday scenario. It may or may not come to pass. But the possibility that it could is in some ways greater than the likelihood that the crisis will go by, as the President says it will, with no lasting damage to our economy. It is very odd that the President can agonize over dominoes in an obscure corner of Southeast Asia, but ignore them when they are so obviously in line in our own country.

In these circumstances, I believe that President Ford is playing a reckless game with New York. He may consider it important to his political future to offer up the city as a blood sacrifice to placate his party's trolls and troglodytes. But I think that the Nation has had enough in recent years of politicians who confuse their own interests with those of the Nation.

Mr. President, it is easy to blame the problems of New York City solely on that city's government. Too many mayors, we are told, gave too many benefits at too high a cost to too many employee unions and pressure groups. No doubt some criticism of the city government is justified, but the problems of New York City have originated to a considerable extent in national policies and conditions. In a very real sense, New York City has been impoverished because it has been powerless to change the decisions of Washington. The primary cause of the crisis is a generation of misguided national priorities. The Federal Government adopted programs and policies which have been

ruthlessly effective in bringing a great city to the brink of bankruptcy. Other great American cities are also nearing the crisis point.

First, Washington permitted and even subsidized a Southern economy of low-wage labor. It also imposed a welfare system which allowed localities to provide painfully varying benefits. This local option was exercised in some of the poorest States to establish starvation-level payments. Millions of citizens who were too weak to work or who believed too much in the work ethic to settle for sweat labor moved to urban and industrial centers; hundreds of thousands came to New York City.

Second, as Federal policies increased New York's burdens, they also eroded its tax base. Post-war housing assistance for the middle class emphasized detached, single-family dwellings, which made it attractive to live in the newly developing suburbs even as it became more expensive to rehabilitate existing housing in the central city, for which there was no Federal help. The Federal highway program paved the countryside and provided a high-speed way to drive between the city and the suburbs, but mass transit within the cities was left to deteriorate on its own.

Urban America, and especially New York, thus ended with fewer resources to meet worsening problems. New York became a service center for the metropolitan region, but its revenue potential declined while its tax effort increased. Middle class workers and then business itself fled to the suburbs, leaving the city with relatively more poor families to sustain, relatively more disadvantaged students to educate, and relatively fewer citizens who could afford health care. This was no random visitation of fate; it was not the result of some invisible economic hand; it was the predictable outcome of Federal suburban and urban policies.

The predictions were there to be read. The previous Mayor of this city, John Lindsay, wrote a book in 1970 in which he sounded an alarm that if national policies continued unchanged, New York soon would reach precisely the crisis it is now experiencing. The Kerner Commission in 1969 issued a similar grim warning and called for a massive Federal effort to save the cities.

Instead three successive national administrations chose to invest our resources in war. The first of those administrations protested that it wished to do more for urban America, indeed it promised a Great Society, but it could not persuade the Congress or the people to pay for both guns and butter—which may have been impossible in any event. The next administration under Richard Nixon did not even protest its good intentions; rather it proclaimed a benign neglect. The current administration has moved beyond even that to an obscene celebration of New York's crisis. The Secretary of the Treasury, who used to live in the suburbs and work on Wall Street—sounds like an Old Testament prophet calling down rightful retribution on the city. But retribution for what? Was it a sin for New York to at-

tempt desperately to compensate partially for anti-urban Federal policies?

So the third cause of the crisis of New York and the coming crisis of all our great cities is an explicitly chosen national priority for military overkill and mindless foreign intervention. The Federal Government spent \$175 billion to sustain the Vietnamese dictatorships of President Diem, Marshal Ky, and General Thieu. If it had sent a fraction of that money to Mayor Wagner, Mayor Lindsay, and Mayor Beame, we would not be threatened with the collapse of New York City. The imminent fall of Saigon drove the Ford Administration to demand another billion dollars of aid; the imminent fall of New York finds that Administration resistant even to a bond guarantee. Perhaps we can better comprehend this priority if we remember that this President was picked, not by the people, but the predecessor he then pardoned—who once put a moratorium on public housing construction in New York to help finance the destruction of Asian villages.

The priority of militarism has prevented the most essential social measures and forced the cities to make up the difference. The military budget has doubled in the last 10 years—not by inadvertence, but by deliberate choice. If instead the Federal Government had adopted National Health Insurance, New York City would not have to spend \$1.2 billion for health and hospitals this year. And we have the opposite of national welfare reform: Benefit levels remain inhumanly low in some places, so more of the poor continue to migrate to urban centers like New York. For its part, New York City will be forced by Federal and State laws to allocate nearly \$600 million of its own revenues for welfare payments. The city does not have a free choice, contrary to the propaganda which purveys an image of New York as giveaway city—propaganda which in many instances has the same authors as the regulations which legally compel the current level of welfare spending.

Of course the answer is not to repeal welfare and forget the poor, but welfare reform to make reasonable and uniform income maintenance a national responsibility. That step, along with National Health Insurance, would save New York City \$1.8 billion and convert a fiscal crisis almost into a financial surplus.

Finally, the Federal Government administered an exquisitely effective coup de grace to an enfeebled city. In order to control inflation, it planned higher unemployment. Since Washington largely monopolizes income tax revenue, New York like other cities has only limited access to that revenue source. As inflation raises municipal expenses it does not raise municipal tax collections at nearly the same rate. This shortfall was bad enough—but even worse, the Nixon-Ford planned recession then reduced the yield of other local taxes, particularly sales taxes, which depend on consumer purchases and economic growth. Unfortunately, there is no unemployment compensation for New York—even though unemployment has taken its revenues as much as the wages

of the millions of workers who have been handed lay-off slips. The economy has been fine-tuned into recession; New York has been fine-tuned toward bankruptcy.

Now I do not argue that all this has happened because of an irrational hatred of New York or urban America in general, though there is some evidence of that in our history. Thomas Jefferson wrote of cities as a "pestilence and a plague"—and the reaction against foreign immigration, like the campaign for prohibition, invoked a contrast between inherently corrupt cities and the cleaner, purer life of the small town and the farm. But I believe that the antiurban impact of current policy is primarily due not to mythology or accident, but to an intentional choice of specific purposes.

Highways have been favored over mass transit specifically to benefit the automobile industry. Suburbs have been favored over cities specifically to benefit the housing industry, the military waste has been favored over welfare reform specifically to benefit the arms industry and to serve an interventionist ideology. National health insurance has been resisted specifically to benefit the medical profession and to prevent the tax reform which would be required to pay the bill.

These choices have not been made in ignorance of their consequences; as I have noted already, there have been many warnings. Nor have they been made because we lack the capacity to change them. Rather change has been rejected explicitly and repeatedly. For example, 12 years ago, I introduced the first legislation to plan a transition from the weapons economy to a more balanced economy. Yet none of the planning has been started; instead we have continued on the opposite course. Every proposed reduction of military excess still raises the specter of jobless defense workers. And just this week, after vetoing an increase of \$200 million for child nutrition, Mr. Ford announced that he wanted \$9 billion more for the military budget.

These are the purposes for which they plan—and such plans are a central cause of New York City's agony. But I suspect that even if they admitted this, the perpetrators of the policy would still blame the city itself. They would say that fiscal restraint—which they preach, even if they do not practice it themselves—could have saved the situation; that New York has been spending too generously, too long. Surely some different decisions could have been made, though here as always it is easier to pass judgment in retrospect. But those in Washington who on a percentage as well as a dollar basis have outspent, outperformed, and outborrowed New York have the least right to judge this city harshly. A comparison of New York's fiscal performance with the Federal Government's during the Nixon-Ford years is instructive as well as surprising.

New York is charged with an incredible rise in spending. Its budget has increased approximately \$6.4 billion or 108 percent in the last 7 years. In those Nixon-Ford years, the Federal budget will have

increased approximately \$190 billion, or slightly more than 108 percent, according to current estimates.

New York is charged with profligate deficit financing. Its deficit has increased approximately \$2.4 billion, or 340 percent, in the last 7 years. During those Nixon-Ford years, the Federal budget changed from a surplus of \$3 billion dollars to a deficit of approximately \$75 billion, according to the latest estimate. That change is impossible to express as a meaningful percentage figure—but if we assumed that this Administration started with a \$1 billion deficit instead of a \$3 billion surplus, the Federal deficit would have increased 7,400 percent, under Mr. Nixon and Mr. Ford.

New York is attacked for lavish pension benefits. Its pension payments increased approximately \$350 million, or 94 percent, in the last 7 years. During those Nixon-Ford years, Federal payments increased nearly \$10 billion, or 200 percent.

I wish Mr. Ford and Mr. Simon would read their own balance books. Then they could adapt the advice of Scripture and first look to the beam in their own eye before pointing to the mote in New York's eye. There is an unseemly hypocrisy in the Administration's self-righteous indictments of this city.

The President now tells us that the Administration may help New York, but only when the city collapses into default. Characteristically Administration officials seem to consider assistance not so much because the quality of urban life is at stake, but because the stability of the bond market is strained. Arthur Burns who supported the Lockheed loan, but opposed a bond guarantee for New York, now says he may have changed his mind about both. Of course Lockheed already has the money; all New York has now is no help and a frail hope.

The President has campaigned against a "ball-out" of New York City, and has threatened to veto congressional assistance for New York. But Federal emergency assistance for the city should not come as condescending charity. The evidence is too clear, too undeniable, that a Federal "ball-out" would be reparations for Federal policies which "bailed" the city in.

Emergency assistance can provide a reprieve. But unless this agony is to be inflicted again and again, the Nation must return to more basic questions of planning and national priorities. Despite any restructuring of municipal government, New York and other cities will not be viable without comprehensive national planning with very different goals from those of the status quo. Welfare reform and national health insurance, for example, depend upon tax reform and a military cutback—which in turn depends upon a phased reconversion of the arms industry.

If we will invest as much energy and resources in revitalizing the cities of America, as we devoted to ravaging the cities of Indochina in the past decade, New York and other great urban centers can be made whole in the next decade.

A wide range of thoughtful observers have noted that the New York crisis

could lead to economic disaster and social chaos. In the November 10 issue of *Business Week*, for example, editor-in-chief, Lewis H. Young, points out that the administration simply does not understand the economics of the situation.

Prof. Seymour Melman of Columbia University, writing in the November 2 *New York Times*, argues persuasively that Federal policy has exploited New York and other centers of civilian industry to build up the areas where military bases and industry are concentrated. New York City, he points out, has borne the costs of rural-urban migration while massively subsidizing other regions of the country.

The lead editorial in the October 31 *Washington Post* offers a point-by-point refutation of Mr. Ford's public statements on the New York issue.

Mr. Arthur Schlesinger, Jr. offers an incisive historical discussion of the New York problem in the *Wall Street Journal* of October 29, 1975.

Today's *New York Times* contains two excellent editorials on the New York crisis and a guest column by our distinguished colleague Senator STEVENSON.

I ask unanimous consent that these articles be printed in the *RECORD*.

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

FORD'S MISCALCULATIONS ON NEW YORK CITY

(By Lewis H. Young)

President Ford's plan to help New York City after it defaults was drawn up by the same economic advisers who a year ago drafted a bill to increase taxes just as the economy was heading into the worst recession since the 1930s. Fortunately, Congress was wise enough to give that proposal a quiet burial, but the plan for New York stems from the same kind of error.

Under Ford's proposal, a federal court would make sure—after the city defaulted—that essential public services would continue. Payrolls of police, fire, sanitation, and health workers would take priority over the interests of holders of city bonds and notes. Presumably, any shortfall in wages would be met through short-term debt the court would authorize the city to issue. But the terms of aid are still vague.

In the past, Ford's advisers have repeatedly insisted that the city has enough money if it would take stern measures to restructure its debt. They have been asking the city to default but to call it something else: a moratorium on interest payments, a stretchout of maturities, and a voluntary—or involuntary—rollover of notes. Now Ford is forcing default, but his program rests on false assumptions.

The President does not understand that even if the city pays no interest or debt service, it will be at least \$1 billion short of meeting its payroll and welfare payments in December, January, and February. And once it has defaulted, it is questionable whether anyone will buy New York City issues, including the court's authorized notes, because the city has no way to repay them. New York State's fiscal condition is at least as bad as the city's.

LACK OF FACTS

In any case, the city's cash projections are not very good because it still lacks modern management and accounting systems. It will not even be able to tell for sure how many people are on its payroll until after a new system is installed in July, 1976. Over and over again since the city's crisis started, anticipated receipts have been overstated and expenses understated.

Furthermore, the President and his advisers seem to think that a few banks hold most of the city's debt and that a restructuring is possible simply by sitting down with them. Actually, the banks hold less than one-third of the debt. The rest is in the hands of small investors who need the money.

Finally, the city's pension funds are protected by the state constitution, which prohibits reducing the benefits. But the full extent of the city's pension liability is unknown: The actuarial assumptions have not been revised since 1908. Since then, average life expectancy has increased about 16 years and rendered the city's calculations hopelessly out of date.

WEAK ECONOMICS

There is a long tradition that American Presidents are weak on economics. But even in that tradition Gerald Ford makes some of the others look like savants. Aside from his own lack of grounding in the subject, many of his key economic advisers misread the data, and the White House staff is inept in a field that is increasingly crucial to policymaking.

In a private interview two weeks ago, Treasury Secretary William E. Simon claimed that New York City's cash flow for the current fiscal year was not so bad. Challenged for details, he confessed that he had not studied the month-to-month figures; he was too busy testifying before Congress to read anything but the briefing sheets prepared by his staff. Another key adviser pointed out that the issue was less economics than politics. Any rescue effort, he said, would benefit the banks and give the Democrats an election-year issue that the White House would prefer to avoid. Still another adviser complained that the public was not hearing about all the careful study the New York problem was getting in Washington because the White House staff was unable to articulate it, and power struggles among advisers prompted some to leak misleading information.

REPERCUSSIONS

Perhaps worst of all for the future, default will almost certainly lead to a flood of litigation. First to sue might be the investors who were persuaded by banks and Wall Street houses to buy the last notes issued by the city on its own last spring. There might also be suits by the city and state pension funds that have bought Municipal Assistance Corp. bonds. Such litigation could persuade a federal appeals court to invalidate the President's whole program, and serious social upheaval could ensue in the city.

Citicorp Chairman Walter Wriston, for example, worries that if sanitation workers in Bedford-Stuyvesant do not get paid, they will drive their trucks right into the Citibank branch in that deteriorated neighborhood. And the police, without paychecks themselves, would not stop them.

[From the *New York Times*, Nov. 2, 1975]

THE FEDERAL CONNECTION

(By Seymour Melman)

Something is missing from the discussion on New York's financial crisis. The wages of policemen, schoolteachers, and the productivity of sanitationmen and of city employees generally, do not explain the debacle. The missing factor is the Federal connection by which New York City and the state are drained of tax dollars while forced to bear extraordinary burdens as a result of Federal policies.

Each year from 1965 to 1967 (the last reported years) the Federal Government extracted from New York State \$7.4 billion more than it spent there for all purposes. By contrast, California received \$2 billion a year more than it paid to the Government; Virginia got \$1.3 billion, net; and Texas received \$1 billion net each year.

The Federal Government has been milking

the economy of New York State (and Illinois, Michigan, Pennsylvania, Ohio, Indiana, Wisconsin—all of them centers of civilian industry) and transferring capital and purchasing power to the states that are concentrations of military industry and bases.

Of all the states with over \$1 billion net drain to the Federal Government, New York State suffered the biggest loss, with Illinois next at \$4.4 billion.

Paralleling the direct exploitation of New York State, the Federal Government's policies imposed a set of heavy costs on the city and state. Federal subsidies spurred the mechanization of agriculture in the American South after World War II, producing a cast-off-labor force of poor tenant farmers. The former tenant farmers drifted to the great cities of the North, as did a wave of migrants from Puerto Rico, also seeking opportunity.

The Federal Government did virtually nothing to support economic development that would retrain, educate and re-employ these people. The "Great Society" program was never implemented, as the needed resources were funneled off for the war in Vietnam. The city school systems and social services gave modest support for people whose traditional lives had been shattered. As a consequence there grew up in New York and other cities a substantial population of jobless and unemployable people constituting a *lumpenproletariat*. Their depressed condition is accentuated by the racial discrimination toward which the Federal Government practices benign neglect.

A permanently impoverished population is costly to a surrounding community. The very poor use more police and fire services, more courts, more jails, more emergency medical care, more social work, and more welfare resources of all kinds than any similar employed population.

The social cost of a *lumpenproletariat* also appears in the unproduced goods and services lost to the whole society owing to their unemployment and underemployment.

The city government was left to care for the mass of elderly poor who cannot live on the Federal Social Security stipend, owing to the inflation induced by the Federal priority to a permanent war economy.

The Federal Government is responsible for enforcing the laws against importation of hard drugs. The Federal failure to enforce them contributes to the formation of a large addicted population, about half of it collected in New York City. The social havoc that it generates is a Federal responsibility, until now denied and dumped onto the New York cities of the United States.

For thirty years the Federal Government has subsidized the development of suburban communities: by the tax deduction allowed on home mortgage interest; by the Federal highway network that linked the suburbs of the country and gave easy access to central cities. Meanwhile, urban renewal was neglected. So the New York cities developed blighted areas, and city transit was left to decay, deemed unworthy of Federal largesse.

These Federal connections apply to all the major metropolitan centers. Therefore the troubles of New York City are prudently read as an early warning of what awaits the rest. The Federal Government compounds the damage to the New York cities of this country by preempting the cities' tax bases while lavishing our tax dollars on foreign power plays and military adventures.

Consider that the Federal Government's net take from New York State averaged \$412 per person for the late 1960's. For the 7.8 million residents of New York City this was a loss of \$3.2-billion per year—more than enough to preclude any deficits in the city budget and to support some of the economic development for our own people that successive Federal Administrations have avoided in order to finance their own military economy.

Therefore, the abuse and contempt that

the Gerald Fords now heap on New York City serves a serious strategy: to mobilize every sort of prejudice that can divide a large and diverse people; to divert attention from the actual causes of many economic problems; to divide and rule.

[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 for 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 a 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 Wall Street Journal, Oct. 29, 1975]

MAIN STREET'S REVENGE

(By Arthur Schlesinger Jr.)

For an historian there is something at once professionally fascinating and civically scandalous about the current rage against New York City.

A student of the past inevitably finds a sort of delight when he encounters historical themes in a contemporary context. The mistrust of cities is almost the oldest, for a long time one of the most cherished and evidently one of the most tenacious of American traditions. Jefferson thought that the American people would remain virtuous as long as they lived on the countryside; but "when they get piled up upon one another in large cities as in Europe, they will become corrupt as in Europe." "I always seem to suffer some loss of faith on entering cities," Emerson wrote Carlyle. "They are great conspiracies. . . . You can scarce drive any craft here that does not seem a subornation of the treason." Morton and Lucia White in their illuminating book "The Intellectual Versus the City" show how deeply hostility to the city entered into the 19th-Century American mind.

This hostility sprang initially from political philosophy. The Jeffersonians were con-

vinced that a democratic republic required a wide distribution of property, and that this in turn implied a nation of small freeholds in a predominantly agricultural society. Cities meant commerce, finance and industry—militant and acquisitive wealth versus a propertyless and consequently demoralized working class. "The mobs of great cities," said Jefferson, "add just so much to the support of pure government, as sores do to the strength of the human body."

A 'SIMIAN' RAGE

The hostility was nourished by the romance of the wilderness and the frontier. It was nourished by the increase of immigration, bringing alien peoples to the American shore. It was nourished too, one cannot doubt, by rural and small-town envy of the illicit pleasures and excitements supposedly rampant in the city. Mencken spoke of "the yokel's congenital and incurable hatred of the city man—his simian rage against everyone that, as he sees it, is having a better time than he is." This Mencken argued without undue exaggeration, lay behind Prohibition, the Mann Act, the Comstock laws, the anti-evolution laws and other statutes imposed by the countryside on the city.

In due course the depravity alleged to be innate in all large cities was presumed to be concentrated in New York. William Jennings Bryan, speaking for the farmers, the fundamentalists, the prohibitionists and the other powers of rural and small-town America, called New York "the enemy's country." American cities, and New York most of all, as Morton and Lucia White summed up the national indictment, were deemed "too big, too noisy, too dusky, too dirty, too smelly, too commercial, too crowded, too full of immigrants, to full of Jews, too full of Irishmen, Italians, Poles, too industrial, too pushing, too mobile, too fast, too artificial, destructive of conversation, destructive of communication, too greedy, too capitalistic, too full of automobiles, too full of smog, too full of dust, too heartless, too intellectual, too scientific, insufficiently poetic, too lacking in manners, too mechanical, destructive of family, tribal and patriotic feeling."

Since 1920 more Americans have lived in cities than on the countryside. One supposed that the ancient hatred might have diminished. Of course a certain amount of *Schadenfreude* was to be anticipated over the troubles of New York City. New York has been full of itself too long, has drained too much talent and money from the hinterlands, has been too proud and patronizing, too careless and contemptuous, not to expect that the rest of the country would derive a certain pleasure when it fell into difficulties—much as the rest of the world derives a certain pleasure from the humiliations of the United States.

But *Schadenfreude* is hardly a rational basis for public policy. Yet a President of the United States, who has displaced such solicitude for South Vietnam and Zaire, such compassion for Lockheed and Penn Central, now denounces the idea of aid to New York City and raises cheap cheers around the country by plucking the old anti-big-city nerve at every opportunity. "The imminent fall of Saigon," as Senator McGovern said the other day, "drove the Ford administration to demand another billion dollars of aid, but the imminent fall of New York finds that administration resistant even to a bond guarantee."

That is why this historian finds President Ford's calculated effort to rekindle the archaic American hatred of the cities, however fascinating professionally, sad and weird from the viewpoint of the national interest. This writer, who was born in the Middle West and grew up in New England, has no great commitment to New York. I have lived here pleasantly enough for nine years but, though I vote and pay taxes in New York,

I do not quite regard myself as a New Yorker. If I still lived in Ohio or Massachusetts, I would feel just as astonished by this extraordinary display of presidential atavism.

Jefferson, as he conceded in later years, lost his argument in his own lifetime. Cities are here to stay, banks, industries, mobs, immigrants and all. The United States must stand or fall as an urban society. Our cities are of course imperfectly governed. This was true long before Lord Bryce wrote in 1888 that "the government of cities is the one conspicuous failure of the United States." American cities—New York preeminently so—are far better governed today than they were a century ago. No doubt New York has been living beyond its income in recent years, and no doubt this is reprehensible. It does seem, however, to be a peculiar charge to be made with such Pecksniffian self-righteousness by the President who is running up the largest peace-time deficit in American history and is piling the national debt to a size that would have seemed unimaginable a short time ago.

New York City is in trouble in part because of the errors of its elected officials—errors abetted, it must be said, by the great newspapers and banks of this city, which have had ample time over the last generation to compel a succession of mayors to understand the folly of their ways. But New York City is more fundamentally in trouble because it has played a national role and assumed burdens for the whole country. For more than a century, for example, it has assumed the primary burden of welcoming immigrants to this land, finding them jobs, teaching them English, assimilating them to American life. In recent years it has assumed the additional burden of receiving poor and dispossessed American citizens, thereby reducing tensions and taxes in the South and in Puerto Rico. These are national burdens. They are not the product of the individual fecklessness or wickedness of a single city. Herblock made the point effectively in his cartoon showing a figure representing New York City, the Statue of Liberty ("Give me your tired, your poor . . .") in his hand, saying to the Secretary of the Treasury: "Maybe you'd like to stand this in front of some other city."

Beyond this, New York has played a role of national leadership in vital areas of culture and communications. In communities across the Republic, music, painting, the dance, writing, publishing, the theater, television, design, museums, libraries, philanthropy are stimulated by and considerably dependent on what happens in New York. These are national, not local, services. If Main Street sets out to punish New York by forming a ring and cheering on its discomfiture, as Gerald Ford would have us do, the result will be to punish not New York alone but the nation as a whole.

A NATIONAL ASSET

New York City has made indispensable contributions to the national well-being. It is a national asset. Its difficulties have, to a substantial degree, national causes. If Bill Simon himself had been in Gracie Mansion for the last decade, New York would still be in trouble today. Its misfortunes are national misfortunes. Its rescue is surely a national responsibility—rather more, one would think, than the rescue of South Vietnam and Zaire.

And New York's misfortunes are national misfortunes in another sense. For what is happening in New York City, as the U.S. Conference of Mayors has done its best to make clear to the Ford administration, is part of a general urban crisis. New York is only the most visible and (because it has assumed so many national burdens) the most vulnerable of our cities. If New York goes, the chain reaction will affect not just the municipal bond market but the morale and future of cities across the land. Nor will

the fall-out be confined to the United States, as Helmut Schmidt of West Germany endeavored in vain to point out to the Ford administration a little while ago. Now is the time perhaps for our President to start talking about the domino theory.

The crisis of New York City is not, as our President seems to think, an isolated matter, locally manufactured, locally sustained and local in its consequences. It is not to be solved by resuscitating small-town bigotry about big cities. That attitude died in policies with Bryan. Gerald Ford's campaign to bring it to life is a disgrace to the presidency.

BANKING ON A CAPITOL BALLAST

(By Adlai E. Stevenson 3d)

WASHINGTON.—The crisis of New York is more than financial: It is a crisis of leadership. Regardless of who is to blame—and there are many—we cannot walk away from New York. New York is a national responsibility.

This is not to excuse New York City. For years it has knowingly and inexcusably been living beyond its means. Fiscal management fell victim to politicians' promises. Payrolls exploded. Benefits ballooned to unheard-of levels. Lucrative pension plans, which hid the true cost of public employment, forced people into retirement before middle age. Services that the rest of the country pays for were provided free.

Because the resources were not there to back up its misguided generosity, New York turned to borrowing to meet every conceivable need, regardless of whether there were revenues to back up those borrowings.

These practices are, and should be, condemned. Politicians, aided and abetted by banks and other sophisticated investors, are responsible for perhaps the greatest swindle in our history. The nation at large is, therefore, understandably skeptical about coming to the city's assistance now.

But a bailout is not the real issue. Despite Presidential rhetoric, no one is proposing a bailout for New York except the President. The fact is that once the city goes into bankruptcy, as the President proposes, Federal assistance is inevitable, as he recognizes. So the real question is whether assistance should come before default in order to avoid bankruptcy, or after.

New York is insolvent and only a major restructuring of its debt and fundamental reform of its fiscal policies can restore its health. The question is how to achieve that objective quickly, with fairness, with the least disruption of essential services, and at the least cost to the country.

It may be that there is no alternative to bankruptcy. And in that event, revisions of the bankruptcy laws are in order. But default for a city like New York is so fraught with dangers and uncertainties that to refuse to consider alternatives betrays a bankruptcy of leadership more profound by far than New York's plight.

Efforts to stave off default might not succeed, but if they did, they would eliminate the risks that a default by the nation's largest city entails. And it would cost nothing. While the risks of default are difficult to estimate, it can be safely said that the collapse of New York City, accompanied by the collapse of the nation's second largest state, could have serious political as well as economic implications both at home and abroad.

A bill that the Banking Committee has reported to the Senate offers an opportunity to avoid bankruptcy and to achieve fundamental reforms without cost if New York is unable to work out its problems on its own.

The mechanism is a maximum of \$4-billion in Federal guarantees of one-year securities issued to meet current borrowing needs while New York puts its financial house in order. Such guarantees would be secured by a first lien on city revenues. Thus, if the Federal

Government had to make good on any guaranteed security, repayment would be made in full.

Before any such guarantee could be issued, the city would be required to meet stringent conditions, including Federal approval of a detailed financial plan providing for a balanced budget within two years. In addition, holders of large numbers of maturing New York securities would be effectively required to swap those securities for lower-interest long-term securities.

The burden for debt restructuring would be placed where it should be—on the sophisticated moneylenders who, by meeting New York's insatiable credit demands long after the brink of disaster had been reached, perpetuated the fiction that New York City was sound. In addition, city pension costs, which have skyrocketed to unsupportable levels, would have to be reduced.

All of these are minimum conditions. A three-member Federal board established by the bill, headed by the Secretary of the Treasury, could impose such additional conditions as are necessary to put the city on a sound financial footing. If voluntary reorganization failed to stave off default, then the bill would make assistance available to finance the delivery of essential city services on an emergency basis.

New York offers a lesson for us all. The crisis provides an opportunity for other cities and states to reexamine their own behavior, it provides an opportunity for the Federal Government to re-examine policies of its own that may have led New York down this path.

The President's plan is a bailout—and a cop-out. It shifts responsibility for the hard decisions needed for reform to a judge with limited power, who would in effect assume many of the responsibilities of mayor.

By putting the complex issues facing New York into the legal thicket of bankruptcy proceedings, the President's plan masks the political nature of the issues involved. It raises the specter of prolonged uncertainty and social disintegration. In the long run, New York could end up a semipermanent ward of the Federal Government.

It is ironic that an Administration that now seeks more than \$4 billion in new foreign aid and that has billions in Government-guaranteed foreign loans outstanding through the Export-Import Bank and otherwise, cannot take it upon itself to explore humane, rational and costless solutions for New York. It is ironic, too, that an Administration that opposes judicial meddling in matters of education would turn over this pressing social and economic problem to a Federal district judge. Such ironies are lost on those who play politics with human lives.

[From the New York Times, Nov. 5, 1975]

THE FORD STRATEGY

When President Ford took office, it seemed that for the first time since the Eisenhower era the Republican Party had a leader interested in rebuilding its broad base. Mr. Ford himself personified the conservative but not reactionary orthodoxy of what was once the G.O.P.'s Ohio-to-Iowa heartland.

In choosing Nelson A. Rockefeller as Vice President, he reached out toward the moderate Republicanism of the urban East. In tacitly endorsing Representative Pete McCloskey of California, he flashed a signal that unlike his predecessor, he would tolerate and even encourage liberal dissent. By his appointment of distinguished nonpolitical figures to his Cabinet such as Attorney General Edward Levi and Secretary of Transportation William Coleman, he seemed to be bidding for the independent voters, vitally necessary to a party that commands the active loyalty of barely one-quarter of the electorate.

But after this promising start in which he reopened blocked lines of communication and encouraged diverse viewpoints, President

Ford began to retreat toward a fortress mentality. He has increasingly resorted to old Nixon strategies and campaign themes. Drawing the line with Congress in a series of sterile veto battles, he encouraged his party to turn its back on urban problems.

As the candidacy of Ronald Reagan has gathered strength, the retreat has become a rout. The White House is now trumpeting all the old cries against forced busing, welfare cheaters, and budget busters. The President's decision not only to oppose financial aid to New York City but also to use the city as the butt of political ridicule in his speeches around the country (and even abroad) irreparably compromised Vice President Rockefeller's political position and stultified progressive Republicans. Mr. Rockefeller's withdrawal confirms the destruction of any prospects for progressive Republicanism in a Ford-led party.

The new Ford strategy is based on the conviction that the President can successfully compete with Mr. Reagan for the votes of conservative Republicans in the South and Southwest. This is a high-risk strategy because Mr. Ford will be competing on Mr. Reagan's own turf.

Assuming that the President is successful, he then faces the even more difficult problem of winning re-election by using the "Southern strategy" that Richard M. Nixon followed in 1968. This strategy is vulnerable to a third-party candidacy by Gov. George C. Wallace. Mr. Nixon, it will be recalled, barely squeezed through to victory in 1968 because he lost almost all of the Northeast and had to divide the South with Mr. Wallace. Mr. Nixon, moreover, was shrewd and skillful enough to play upon Wallacite themes and yet appear respectable. It is doubtful that Mr. Ford can tread that narrow line with such finesse.

As Mr. Ford veers even further toward the far right, what course lies open for progressive Republicans? In a forceful address last week in Washington, Senator Charles Mathias Jr., Maryland Republican, gave his answer. He indicted both parties for their failure to cope with crime, unemployment, welfare, tax inequities, deficiencies in health care, and deteriorating race relations. Senator Mathias warned that his own party could follow the Whigs into oblivion if President Ford offers nothing more than an echo of Ronald Reagan.

It used to be the Republican habit to suppress internal disagreements and to deny the reality of personal rivalries. But since Mr. Reagan and his zealous supporters have breached that tradition, there is no reason why moderate Republicans should remain silent. A party that cannot withstand an honest and vigorous controversy is a party already doomed to dwindle into inconsequence. Now that Senator Mathias has shown the way, other progressive Republicans would do well to give voice to their authentic convictions. In this way, moderate and responsible Republicans could face up to their party's crisis and their nation's needs.

ENOUGH SELF-HELP?

"I believe that New York City can avoid default," President Ford asserted once more Monday night. "They can take stronger action than they have taken."

No informed person who has seriously examined New York's fiscal predicament can accept the President's first conclusion. The accumulation of deficits and debts is far too great to be absorbed by this city—or state—in one "cold turkey" dose of austerity.

New York must have some kind of outside aid in order to remain viable during a prolonged and painful period of readjustment. The only question is whether that aid should take the form of loan guarantees to help the city help itself, as provided in legislation that is advancing in both houses of Congress, or whether the Federal Government should wait to pick up the pieces of a bankrupt city

at untold cost to the American taxpayer, as advocated by the President. We reiterate our belief that the former choice is clearly the better one, in the interests of the nation as well as state and city.

The fact remains that New York has not yet done all it could—and must—do to help itself. Consider the revised budget for the current fiscal year.

Proposed expense budget spending totals \$12.1 billion—\$200 million more than last year's spending and \$1 billion more than was originally budgeted for the last fiscal year.

Revenue estimates for the current year total \$11.1 billion, leaving a \$1-billion book deficit—substantially more than the \$724-million deficit that was supposed to have been reduced by a vaunted \$200 million in new budget cuts.

Included in the revenue totals is \$104 million in "surplus" interest from pension funds that are notably underfunded. This is a repetition of the kind of gimmickry that, as we have often noted, helped reduce the city to its current condition. It cannot be accepted as responsible accounting by a city that claims to be working toward an honest budget balance.

Also included in this year's anticipated revenues is approximately \$800 million in state aid advances and \$200 million in prepaid taxes which were received and spent last year. It is by no means certain that these advanced payments totaling \$1 billion will be repeated.

Spending estimates do not include \$700 million in expense items that have been misplaced for years in the capital budget. Since the city cannot sell its bonds, there are no capital funds available for these items—nor for roughly \$1 billion in true capital spending which is still going forward.

Thus the city is in fact spending at a rate of approximately \$13.8 billion (\$12.1 plus \$.7, plus \$1.) for the current year against revenues that could be more realistically—if conservatively—estimated at \$10 billion (\$11.1 minus \$1 minus \$.104). The net addition to New York's already crushing burden of debt this year thus could run as high as \$3.8 billion.

The reforms and reductions that have been achieved so far have been dramatic and painful, as every New Yorker knows. But the city's actions still fall short of the demands imposed by its crisis. The prospects for aid, or for survival if aid is not forthcoming, could be significantly improved if City Hall and Albany moved at once to tailor the budget more realistically to meet contingencies that could worsen the city's already parlous condition.

CABINET OFFICERS PRESENT POLICY STATEMENTS

Mr. SPARKMAN, Mr. President, on October 22, the Foreign Relations Committee held another in our series of hearings "Foreign Policy Choices for the 1970's and 1980's." At that time the committee heard from Secretary of the Treasury William Simon, Secretary of Commerce Rogers C. B. Morton, and Secretary of Agriculture Earl Butz.

Each Cabinet officer offered what was, in effect, a policy statement outlining rather comprehensive views on the use of our Nation's vast resources in our future relations with other nations.

Their points of view, which might be summarized as a clear, ringing defense of the free enterprise system and traditional American values, should be of interest to many Members of Congress.

Next Monday, November 10, at 10 a.m. in room 4221, the Foreign Relations Committee will discuss similar topics with Dr. Richard Leshner, president of the Cham-

ber of Commerce of the United States of America, Tony Dechant, president of the National Farmers Union, and John Datt of the American Farm Bureau Federation.

I ask unanimous consent that the testimony of Secretaries Simon, Morton, and Butz be printed in the RECORD.

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

STATEMENT OF THE HONORABLE WILLIAM E. SIMON, SECRETARY OF THE TREASURY

Mr. Chairman and Members of the Committee, you have requested, Mr. Chairman, that these hearings cover the broad range of challenges likely to be encountered in the conduct of U.S. foreign policy during the remaining years of this decade and into the 1980's. I welcome this opportunity to step back for a while from the day-to-day pressures, and to join with this Committee in a longer-run look at our international relations. The United States faces serious challenges in foreign policy, including inextricably related challenges in the area of international economic policy, to which I will address my attention today.

The abrupt economic changes of the past several years give us all grounds for caution in stating what the challenges of the next decade will be. Nevertheless, I believe this is a useful—indeed necessary—exercise, in order that some future problems may be anticipated and that we may be placed somewhat less in the position of reacting to crisis events.

The United States must have, and does have, an international economic policy. No nation is more intimately involved in shaping a cooperative international economic order. But we must not confuse policy with technical arrangements and procedural mechanisms which are only the instruments of policy. The core of our international economic policy is dedication to certain fundamental principles, the most important of which is our commitment to a liberal, cooperative and open order for world trade and investment. Let me further preface my remarks by reminding you of those principles:

To support the liberalization of world trade and investment;

To avoid beggar-thy-neighbor policies;

To maintain a strong U.S. economy and a sound U.S. dollar; this is a prerequisite.

To assist the developing world to grow and become economically self-sufficient;

To respond promptly and effectively to structural changes in the world economy, such as the changed energy balance;

To participate responsibly with other nations in ensuring that international economic arrangements evolve to meet changing conditions.

Following these principles, the United States has worked with other nations to develop viable and realistic solutions to the very serious problems we face. There has not been a great sounding of trumpets, but there has been quiet, meaningful progress. And it is by adherence to the principles which have served us so well that we should approach the major economic challenges that lie ahead.

Broadly speaking, I see them as threefold:

To define and follow a path of durable non-inflationary growth for the world economy;

To maximize the benefits to be derived from the world's natural resources; and

To find effective means of working with developing nations in support of their development aspirations.

NONINFLATIONARY GROWTH

The most enduring challenge to the Free World economy is to find and follow the path toward sustainable non-inflationary growth. The greatest responsibility of the United

States to a healthy world economy is to restore sound economic policies at home to promote non-inflationary growth and to ensure durable prosperity. In meeting this challenge, we not only provide an environment in which the aspirations of our own people can be fulfilled equitably, but we will enable the U.S. economy to provide a sound foundation for economic progress and stability in other countries.

As we each develop our own policies and programs, we must keep in mind that we live in an interdependent world, where the actions of each country bear upon the welfare of others. It is of particular importance in such a world that we continue to progress toward a more open and liberal world economy. Continued movement toward greater reduction of barriers to trade and investment offers not only the prospect that international transactions will serve as an engine of growth but also assistance in dealing with inflation, for a more efficient world economy will be a less inflationary one. It will not be enough merely to resist protectionist pressures at a time of economic stress; we must also push ahead with our efforts to liberalize existing restrictions. In this connection, the Multilateral Trade Negotiations are of particular importance, both symbolically and practically.

The stance of the United States in this area is crucial. This country stands as an outspoken and vigorous advocate of a free and open international trading community, and our voice carries a special weight. Whether we continue to demonstrate leadership will affect not only our own prosperity but even more importantly the shape of the world in which we live.

We need also to learn better how to live in interdependent world—how to balance economic interdependence and national independence. All nations are linked together economically. When our policies are mutually supportive we are all much better off. When they are mutually incompatible we all suffer. Yet we are not ready for one world politically and we may never be. We wish to retain our sovereignty. For example, although monetary policy in the U.S. affects the economies of the European countries, and vice versa, neither they nor we can allow our domestic monetary policies to be determined by the other.

Recognition of the interdependence of nations, and of the problems that are faced in common, has resulted in the development of an extensive framework of international economic and financial cooperation, in the International Monetary Fund, in the Organization for Economic Cooperation and Development, and in other forums. It has not been a matter of "coordinating" policies, in the sense of ensuring that all countries follow identical policies. Our customs, traditions and institutions vary, and economic conditions also vary. But the basis for close and fruitful cooperation among nations exists. The U.S. is an active participant in this extensive international network of economic cooperation, and we will continue to assure that our cooperative efforts are adapted to meet new and changing problems as they emerge.

The Financial Support Fund recently negotiated among the members of the Organization for Economic Cooperation and Development, and now before the Congress for its approval, represents an important advance in the sphere of international cooperation. Designed to assist in dealing with current external financing problems, this temporary fund constitutes a major element in the response of the developed oil importing countries to one of our most pressing problems.

Our efforts to restore a healthy and vibrant world economy have been, and I believe will continue to be, helped by more flexible exchange rate practices. Had the world attempted to maintain par values in the face of

the dramatic upheavals of the last two years, we would have had chaos, crisis, trade and capital controls and a far more severe world inflation. In a period of wrenching and unpredictable change, the world has been spared the massive speculation and recurrent crisis so typical of the par value era.

And, with more flexible exchange rate practices, world trade has held up remarkably well in a dangerous period of recession. With few exceptions, restrictions on trade have been avoided. And nations have been subject to a more immediate and direct "discipline" than before, in that they have been compelled to face rather quickly the external consequences of any unsound domestic policies.

We have all been able to see evidence in recent years of less stable conditions in our international economy than we would have liked. More stable conditions, however, are not the product of any exchange rate regime: they depend upon underlying economic forces. Thus, whatever the exchange rate regime nations choose, we will have the stability we all seek only when we control the inflation none of us wants.

MAXIMIZING THE BENEFITS TO BE DERIVED FROM THE WORLD'S NATURAL RESOURCES

At a time when the difficulties of achieving stable growth have increased, a high premium must be attached to the most efficient use of the world's natural resources.

Our consciousness of the limits on the world's supply of natural resources has been considerably raised in recent years. As a result, we have begun to devote greater attention to the problems of utilizing these resources in the most effective possible manner; and in the decade ahead we must intensify our efforts in this direction.

The challenges are twofold: The first is to assure a stable supply of natural resources at reasonable prices, so that these resources are utilized most efficiently in the production process. The second is to draw upon those resources in the most efficient manner.

As these questions have become public issues, all too often the headlines are dominated by two schools of thought:

The chronic pessimists who argue that we are running out of raw materials and are at the mercy of current producers. They would have us cut back on our standard of living and reconcile ourselves to paying the economic and political prices demanded by producers.

Those who believe that there should be a prompt government solution to every problem. They would create a complex system of indexed prices, commodity agreements, government trading companies and government run or controlled corporations to produce raw materials.

The trouble with these schools of thought is that they are based on a static conception of the world, not recognizing that we live in a dynamic world. This is particularly true in the case of raw materials. As technology changes rapidly, and real incomes rise, new demands are created for some materials, while others are no longer needed in the same quantities.

The pessimists have a point. But it is not that we are in danger of running out of raw materials in a physical sense. Rather it is that the poor investment climate in many less developed countries, particularly in extractive industries, has meant investment has often gone to developed countries even though the potential for production was lower than LDC alternatives. We must work toward finding means to insure that capital can be invested where it can be most efficiently used.

In this respect, a few developing countries do an immense amount of harm to development in all developing countries by disrupting the investment climate through expropriations and similar actions. The developing countries need the capital, technology

and management which is available only from private firms in developed countries. Some developing countries believe that capital and technology available through foreign aid and from the international development banks can substitute for such private investment. This is not the case. In fact, bilateral and multilateral public assistance should not be used to compensate for a country's unwillingness to establish an investment climate to take advantage of the resources that will flow through the private market if the climate is conducive to such flows.

Some developing countries seem to feel that our firms are so eager to invest in their countries that they will invest regardless of the actions these countries take against existing investment, or regardless of the resolutions these countries push through international organizations such as the UN. I can tell you that this is not so. The losers from such action are the people of the developing countries who are denied the jobs, higher national incomes, and more rapid overall economic development that comes with private investment.

The interventionist school is attuned to an economically and technologically stagnant world. Indexation schemes attempt to freeze price relationships, which quickly leads to the necessity of controlling production and even substitutes. The producer becomes more and more detached from real market forces, and thus becomes dependent for his welfare on the artificial system which controls the indexation scheme, rather than on the consumer of his product. In some cases, commodity agreements can have salutary effects such as moderating price swings and assuring adequate supplies of a raw material over time, but we need to examine closely such possibilities on a case-by-case basis. The objective of commodity agreements should be to combat excess price instability, not an increase in the level of prices. Otherwise, such agreements risk interfering with long-term price trends and incentives, hindering the entrance to the market of new and more efficient producers, and stimulating alternative sources of production elsewhere.

The challenge for us in the years ahead is to find ways to maintain and improve the basic market mechanisms while alleviating any adverse side effects. In a dynamic world with shifting technologies, demand, and relative efficiencies, sources and volume of demand and supply will shift. This is as it should be. These shifts, however, can have human costs as adjustments are necessary. What we need to do is to find ways of alleviating the human costs of the adjustment process, rather than place obstacles in the way of change.

There has been too much critical deviation from reliance on the market mechanism than in the field of petroleum. There, market manipulation by the OPEC countries has served to increase artificially the price of oil far in excess of its costs of production or relative scarcity. As a result, oil importing nations have been forced to allocate scarce resources for the development and production of alternative sources of energy, while a very cheap and efficient resource remains locked in the ground. The world is paying dearly in terms of economic welfare.

The hopes of the developing countries, ill-equipped to meet the costs of expensive oil, have in particular been devastated by the series of oil price increases.

ASSISTING THE DEVELOPING WORLD

The United States does not have to pretend an interest in the development aspirations of the developing nations. Our interest in their progress is politically, economically, and commercially genuine. Throughout the postwar period, the United States has been in the forefront of those assisting in the economic and social progress of the developing world.

Much of what we have done has been governmental—such as the Point 4 program and other early substantial aid efforts, PL-480, and initiation and support for the World Bank and the regional banks, including their soft loan windows. Recently, Secretary Kissinger and I have put forward additional positive and constructive proposals for governmental assistance to the developing countries, including a Trust Fund to make concessional funds available to the poorest countries; a new IMF Development Security Facility to provide compensatory financing in case of export shortfalls; and a major expansion of the IFC.

Yet our partnership with the developing countries depends even more heavily on the activities of our private sector—our manufacturers, our banks, and all our other entrepreneurs who have accepted the challenge of doing business in the developing countries. Our effort to assist the developing world is one in which private capital flows, trade, and technology transfers play a major role. We recognize the continuing needs of the poorer developing countries for official assistance, but at the same time the more successful developing countries should move away from dependence on foreign assistance to greater reliance upon private capital flows to supplement their own efforts. As they became able to do so, developing countries should "graduate" from concessional aid, such as provided by the International Development Association, to ordinary capital assistance, such as World Bank loans at near commercial interest rates. And then, when still higher income levels are achieved, developing countries must "graduate" from ordinary capital assistance to private markets.

In the trade area, developing countries should gradually accept obligations that other countries undertake to grant reciprocity and to promote more open trading arrangements. While we recognize the need for differential treatment of the developing countries in the Multilateral Trade Negotiations, there also should be agreed upon provisions for phasing out such special treatment as circumstances improve.

As the basis for cooperation between developed and developing countries evolves, we must preserve the fundamental principles—such as reliance upon market forces and the private sector—on which our common prosperity depends. Solutions must be dynamic and expansionary, so that all parties will benefit. Thus, we must seek increased production and improved efficiency, not just transfer of wealth.

Development assistance should be thought of not as an international welfare program to redistribute the world's wealth but as an important element of an international investment program to increase the rate of economic growth in developing nations and to provide higher living standards for people of every nation.

More specifically, in considering how the present system might be improved to the mutual benefit of all nations, we should be guided by the following principles:

Development by its nature is a long-term process; increasing productivity is the basis of development, not increased transfers of wealth which are one-time in nature. Foreign aid can help, but what others do will be marginal; what developing countries do for themselves will be decisive. The effectiveness of assistance depends ultimately upon the ability of developing countries themselves to assure the best use of all the resources available to them.

The role of the private sector is critical. There is no substitute for a vigorous private sector mobilizing the resources and energies of the peoples of the developing countries. The technology and management expertise that the private sector commands in the industrial countries is badly needed by the LDC's and private markets can provide es-

sential capital resources they need for investments.

A free market is not perfect but it is better than any alternative system. In general the effort should be to improve conditions for the LDC's—both internally and externally—by removing unnecessary and burdensome government controls, not by imposing additional barriers to market forces.

The basic focus must be on increasing investment and making the institutional and policy improvements which will maximize growth.

Because of the major differences among LDCs and limits on available resources, programs must be targeted on specific conditions and needs.

Improvement in our relations with the developing nations must be based on approaches which both are responsive to their needs and consistent with the preservation of the principles and practices which make our common prosperity possible.

In making my remarks today, I am well aware of the pressures that have been generated for a so-called "New International Economic Order." And certainly there are areas where the old ways of doing things are not necessarily the best ways. We are actively engaged in discussions and negotiations seeking to improve existing arrangements, and we are confident that much progress can be made in the months and years ahead. But to the degree elements of the New International Economic Order conflict with the basic principles of free markets and free enterprise, we must decisively reject them.

These principles remain of fundamental importance to us—they are, after all, what we stand for. It is little appreciated that our free enterprise system is at the heart of our political and social freedoms. If we fail to speak out in its defense, no one else will be able to. Many responsible leaders in developing countries share our confidence in such a system. They must have the encouragement of our support, not the discouragement of our apparent abandonment of principles they expect us to maintain.

I believe we must also reject the proposition that the economic problems of the developing countries can be resolved simply by correcting alleged deficiencies and inadequacies of the present international economic system. The devastating economic impact on the oil importing developing countries of the increases in world oil prices and the impact of recession have obscured the fact that developing countries in general prospered during the last worldwide expansion, and in my judgment will do so in the next.

Moreover, some will not only prosper but flourish. There is no more damaging illusion than that the aid policies of the industrial nations hold the key to the economic future of the developing world. What is true is that our economic performance can create the environment in which their efforts can thrive. We can assist them in their efforts, but we cannot substitute for those efforts. It remains as true today as ever that the economic fortunes of individual nations will reflect primarily their own efforts, imagination, and determination. And I believe that to be not only appropriate but desirable, because the incentives and rewards in such a world lead to performance and progress that benefits all.

CONCLUSION

Mr. Chairman, in the next decade as in the past, our foreign policy will reflect the soundness of our domestic economic policies. If we have a strong economy at home, we will be strong abroad. If our domestic economy is weak, so will be our foreign position.

It is my firm conviction that the required direction of our domestic economic policies is already clear for many years ahead. Throughout much of the post World War

II period, the entire world was at least primarily concerned, and perhaps obsessed, with the virtues of rapid economic growth. Gradually, we became aware that growth at any cost could indeed be costly. Ultimately, our obsession with growth led us into an inflation which not only created great inequities but sowed the seeds of the deepest recession in a generation.

I therefore find it almost obvious that we must revise our objectives, and work toward policies which simultaneously promote maximum sustainable growth without renewing inflation. Clearly, this means less expansionary policies than we have followed in the past. Equally clear to me is the need to give explicit and major weight in our decisions to the dangers of inflation.

In this, we have no choice. But, as we approach our problems in the years ahead, we will have one overriding choice: between a market oriented economic system, and a system which is dominated by government decision making. For this country, Mr. Chairman, I believe that the market system is the only system compatible with our form of government. Internationally, I believe our guiding principle should be to preserve and widen the freedom of the private sector to conduct international transactions, with the minimal distortion in the allocation of resources by public authorities, national or international. Following these principles, we may not change the world overnight, but at least we will be changing it in the right direction.

TESTIMONY OF THE SECRETARY OF COMMERCE ROGERS C. B. MORTON

Mr. Chairman, Members of the Committee, I welcome this opportunity to meet with you today to discuss my view of economic goals and policies that the United States should actively pursue within the overall framework of our foreign policy objectives.

I. INTRODUCTION

1. Recent economic developments have precipitated complex international issues

Attention should rightfully be focused today on the significance and course of U.S. international economic policy as it interacts with our foreign policy, national security, and domestic interests and objectives. This is particularly true in light of the unprecedented economic developments which have precipitated new and complex international issues in the past few years. These events are the manifestation of a new and pressing reality: accelerating international economic interdependence. Consequently, the United States must be prepared to respond positively to the changes that will continue to affect the global economy, and to lead the quest for international cooperative arrangements which will benefit the developing nations as well as satisfy the needs of our traditional trading partners.

2. The basic goal of the United States in the next decade must be to adopt a policy of international cooperation recognizing the emerging aspirations of other nations, as well as our own needs and priorities

A basic goal of our foreign policy should be the attainment of an open world economy resting on an equitable and efficient trading system, responsive both to our own needs and the needs of all nations.

Our success will depend heavily on the United States' exercising its responsibility as an economic leader among nations in a spirit of constructive cooperation, particularly with the developing countries, and will require an unprecedented harmony between our Nation's domestic and international policies. In addition, efforts must be made to avoid the expediency of short-term gain and political advantage in either domestic or foreign pursuits to the detriment of our long-term goals of growth within the community of nations.

3. Now is the time to turn global instability into opportunities for the United States

Key issues that currently divide nations must be turned into positive opportunities and actions, both at national and international levels, designed to:

Lessen the pressures that are straining the world economy, particularly in the area of trade and monetary issues;

Channel the growth of economic nationalism into constructive and long-term programs of cooperation and dialogue; and

Improve economic relations with centrally managed economies on the basis of mutual advantage and security.

4. Our foreign policy must accommodate our economic interest

I suggest that two main economic issues related to the central objectives of U.S. foreign policy merit high priority at this time. The first is the coordination of economic relations with and among all countries, to include economic, monetary and tax policy coordination; trade; tourism; agriculture; energy; investment and such other issues that involve multinational enterprises.

The second economic area deals with commodity trade policy and the problem of assuring reliable access to a supply of raw materials and other commodities at a reasonable price, in support of the economic well-being and expansion of both industrialized and developing countries.

Many complex policy issues are inherent in these priority areas of foreign affairs. I shall limit my statement to those for which the Department of Commerce has primary responsibility within its statutory mission "to foster, promote and develop the foreign commerce, of the United States."

I would like to review with you today key challenges and the policy options we should consider for the achievement of our national objectives in the areas of international trade, export expansion policy, commodity and raw material policy, energy, technology transfer, oceans and maritime policy, and tourism.

II. MULTINATIONALS AND INTERNATIONAL CAPITAL FLOWS

1. Rapid growth of multinational corporations has been one of the significant economic developments of the post-war era

One of the major developments of the post-World War II international, economic and political scene has been the rapid growth of economic power and influence of multinational corporations. U.S.-based multinational firms have been a major factor in the growth of exports of this country and have ensured the creation and maintenance of millions of jobs throughout the United States. However, their very success has sometimes resulted in attempts by foreign governments to gain varying degrees of influence over multinationals. Because most of these companies are U.S. firms, the United States will have to continue to take a positive approach in responding to increased pressure from foreign governments for intervention in the operations of multinational firms.

In my view, the United States should support the development of an internationally agreed upon Code of Conduct, which would delineate the rights and responsibilities of multinational corporations and host governments. However, it may be difficult to obtain the agreement of developing countries to include as an integral part of any such Code, specified rights of multinational firms, since this will imply converse obligations on the part of foreign governments.

2. Proposed changes in the tax code would decrease the international competitiveness of U.S. firms

Provisions of the U.S. tax code covering the foreign operations of U.S. firms should have a neutral effect on business decisions regarding where to locate production facilities. This concept is based on long established and con-

sistent tax principles which are now, however, being challenged. Changes in U.S. tax laws are being proposed which will substantially increase the tax burden of U.S. firms doing business abroad.

Any changes in the tax laws should be fully and carefully evaluated in light of their effect on U.S. firms facing competition from numerous foreign multinationals which are frequently government owned or controlled and which operate under considerably less stringent tax rules. Our efforts should be focused on sustaining a climate of tax neutrality in which multinationals will not be subject to confiscatory taxation.

The position of the Commerce Department, in which I firmly concur, is that the elimination of the foreign tax credit for U.S. corporations will unavoidably curtail the ability of our industry to compete in international markets.

3. The market-oriented movement of capital has been and should continue to be the foundation of U.S. policy

The market-determined movement of capital historically has been the keystone of United States policy with regard to both the inward and outward flow of international investment. This policy should be continued, unless it can be shown that by doing so there are real dangers to the Nation and the economy. Temporary controls on the outward flow of capital have been imposed only when required by severe prolonged U.S. balance of payments deficits, and were phased out as conditions permitted. There are very few restrictions limiting inward investment, and these restrictions generally apply to areas recognized internationally as important to national security.

Since World War II, the United States has sought the elimination of barriers to the free movement of capital through bilateral negotiations and international organizations. However, questions have been raised as to whether this investment policy is now appropriate in view of recent developments in the international economy and the accumulation by OPEC countries of large dollar reserves which could be invested in this country.

4. Foreign investments in the United States are a growing concern

Although U.S. direct investment abroad is almost six times that of foreign investment in the United States, there is growing concern on the part of some of our citizens as to the economic and political implications of increased foreign participation in the U.S. economy. Bills currently pending in Congress would impose registration, screening and restrictions on such investment. After a recent thorough going review of our foreign investment policy, the Administration has concluded that such measures are unnecessary and that the U.S. should continue its traditional open door policy toward foreign investment, reaffirmed by President Ford on signing the Foreign Investment Study Act in October 1974.

However, the Administration review concluded that some strengthening of our data collection and monitoring activities is warranted and this has been undertaken. For example, the President recently established the Committee on Foreign Investment to coordinate government policy and data gathering programs on foreign investment and monitoring functions with regard to inward investment. In addition, the Committee reviews foreign investment which in the Committee judgment might have major implications for U.S. national interests.

A new Office of Foreign Investment has been established in the Department of Commerce to assist the Committee and to improve the information on foreign investment in the U.S. In addition, the studies of direct and portfolio investment presently

being conducted by the Departments of Commerce and Treasury under the Foreign Investment Study Act will give us improved data on foreign investment and provide an evaluation of our current information-gathering programs and of the means whereby they can be kept current.

III. EXPORT EXPANSION POLICY

The ability of the United States to carry out its foreign policy in an effective way is closely related to its ability to maintain a strong position in the world economy. This, in turn, will depend on a strong external trade and balance of payments position.

The basic policy issue is to recognize that without the vigorous promotion and expansion of our export potential, we may not achieve our international economic goals. We must continue to promote the expansion of U.S. exports through the provision of adequate export financing, and a conducive legislative climate, as is the continuing practice of virtually all our trading partners.

Such programs as the Domestic International Sales Corporations (DISC) have proved to be effective vehicles for encouraging and achieving greater exports and domestic creation of jobs. We must support our exporters through positive direct action programs, consistent with our international obligations and the principles of comparative advantage.

1. Increased exports help pay for our imports, foreign aid obligations, and national defense

President Ford stated the economic arguments for export expansion in his April 5th Proclamation in connection with World Trade Week 1975:

"In the face of economic stress at home, more exports mean more jobs for Americans, more purchasing power for America's consumers and more business for our manufacturers. Exports help us meet the swiftly rising cost of the energy we consume."

"World trade joins nations in peace and creative partnership. It has greater significance today than ever before."

Increased exports also help pay for our imports, our foreign aid obligations and our national defense expenditures overseas. In FY 1975, the Department of Commerce's export promotion efforts yielded about \$3.2 billion in additional export sales, exclusive of sales indirectly generated by information-type programs. Were it not for these additional exports, we would have doubled the \$5.5 billion U.S. merchandise trade deficit in 1974.

Increased exports strengthen the national economy, create more jobs for Americans, and increase our standard of living. Available macroeconomic data indicate that each additional billion dollars of U.S. exports adds at least \$2 billion to the GNP, and increases Federal tax receipts by \$400 million. On the basis of even the most conservative of these estimates, the \$3.2 billion in additional exports from Department of Commerce programs in FY 1975 added over \$6 billion to the GNP, and nearly \$1.3 billion to Federal tax receipts.

In this connection, it is significant that these exports have been a major source of strength to our economy at a time when most other sectors have been adversely affected by the recession. Since 1972, exports have risen as a percent of GNP from only 6.4 percent to over 10 percent of total in the first quarter of this year. In the third quarter, this figure declined slightly to 9.4 percent which reflects the renewed growth in our domestic economy, a healthy and welcome sign.

Furthermore, according to the Bureau of Labor Statistics, approximately 50,000 jobs were associated with each billion dollars of U.S. exports in 1973. These are jobs required to produce the exported product itself as well as jobs involved in the production of materials and components incorporated in the ex-

ported products. Additional jobs are, of course, also created by the multiplier effects of this activity as wages and profits are spent on consumption and investment. Currently, U.S. export industries in the manufacturing and agricultural sectors support about 3.8 million jobs directly and an additional 3½ to 4 million indirectly as a result of the multiplier effects.

2. Our major trading partners have pursued export expansion as a priority goal

Given our current economic problems and the export expansion activities of our major competitors, a strong ongoing U.S. export promotion program is needed to help U.S. firms realize their full export potential. Our major competitors have recently intensified their own export expansion activities in the face of serious balance of payments and recessionary problems in their economies. Foreign export programs generally form an integral part of the overall economic and foreign policy posture of these nations.

Other countries also typically provide more generous financing and tax relief for export activities than is currently permitted in the United States. They are more tolerant of export associations or arrangements of the type not allowed under U.S. laws. They make conscious efforts to avoid or minimize other regulatory controls on export operations. And, some countries provide insurance to protect exporters against rising production costs when filling large fixed price foreign orders.

United States policy should aim at creating an international climate in which American firms compete with foreign enterprises without the disadvantages I have outlined. Therefore, I believe it is essential to maintain a strong and vigorous export promotion effort of our own, and to remain alert to the need for Federal policies which are conducive to export activity.

3. U.S. policy favors liberalized world trade

U.S. policy, notably expressed in the passage of the Trade Act of 1974, clearly mandates a continuation of the effort to liberalize world trade. There are, however, isolated pressures to halt or even reverse the process. This reflects concern over current economic difficulties, availability of essential supplies from abroad, and the increasing interdependence of countries.

Certain labor factions which have supported to continuing liberalization of trade, now are fearful of what they consider to be the adverse employment and wage effects that might occur under current economic conditions. Some have been pressing strongly for measures which add up to a reversal of the present policy. A strong effort should be made to develop the support of organized labor for expanded exports, and to restrain wage demands so that our products remain economically competitive.

4. U.S. policy towards trade with certain nations has been modified

There is now a virtual embargo on U.S. exports to North and South Vietnam, North Korea, Cambodia, Southern Rhodesia and Cuba. With regard to Cuba, the Organization of American States adopted a resolution on July 29, 1975, which allows each member state to determine for itself the nature of its economic and diplomatic relations with the Government of Cuba. In keeping with this action by the OAS, the United States on August 21 announced modifications to aspects of our Cuban denial policy that affect other countries, but no change was made with regard to direct U.S. trade with Cuba.

5. The Department of Commerce expects pressure to restrict exports of certain commodities in tight supply

When the Export Administration Act was extended in 1974, there was considerable sentiment in Congress for the Department of Commerce to assume a more active role

in monitoring commodities. Since the export of commodities may contribute to a domestic shortage or to price increases, the Department must consider restricting exports of those commodities in actual short supply or whose prices are subject to serious export-induced inflationary pressures. Various amendments were adopted that reflect these concerns.

In response to this evident Congressional interest, the Department has begun the publication of regular reports of its monitoring activities under the Act, and has greatly expanded its discussion of short supply activities in the Semi-Annual Report to the Congress on operations under the Act.

The worldwide recession following the Arab oil embargo and subsequent petroleum price rise appears to have eased worldwide demand for materials that are in tight supply. Currently, only crude oil and energy petroleum products are under export control for short supply reasons, while the formal monitoring of exports is restricted to fertilizers.

The termination of the price control program has also been a significant factor in the easing of pressures for export controls. When in full force, the control program tended to artificially encourage exports which were free of price controls to the detriment of goods destined to the domestic market.

However, as the economy continues its recovery, there may be increased pressure from various segments of the economy on the Department of Commerce to restrict exports of certain commodities and thereby mitigate upward price trends. Such restrictions on exports will be opposed by those nations which rely upon the U.S. as a supplier, the domestic export-oriented producers of these commodities, and by interests concerned with the adverse effect of export limitations on our balance of payments.

I believe that the U.S. should continue its policy of avoidance of export controls which, by undermining the reliability of the United States as a supplier, would have long-term adverse effects on our export trade. Export curtailment, particularly of our agricultural products, will subject the United States to much international criticism.

6. It is the policy of the United States to oppose restrictive trade practices

In the last four decades, U.S. international trade policy has been centered on reciprocal reduction or removal of barriers to trade through negotiations with other countries. Since 1948, this policy has been actively advanced through a series of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade which was established that year.

It is the policy of the United States to oppose restrictive trade practices or boycotts fostered by foreign countries against countries friendly to the United States. Domestic concerns are encouraged to refuse to take action that would have the effect of furthering or supporting such practice or boycott. The Export Administration Act requires U.S. exporters to report receipt of requests to participate in such restrictive trade practices or boycotts. Bills have been introduced in Congress that would have the effect of prohibiting U.S. firms from complying with boycott requests.

7. Multilateral trade negotiations will be affected by our national attitude toward imports

With passage of the Trade Act of 1974, the criteria by which import-injured industries can qualify for remedial action have been relaxed substantially. A number of American industries have taken advantage of the new law to apply for relief from import competition. It can be expected that many more industries will attempt to qualify for such remedies under the new law, seeking import quotas, higher tariffs and/or negotiated orderly marketing arrangements.

If imports are to be more restricted as a result of proceedings under the new trade law, we can anticipate some delicate problems in our trade relations with other countries at a time when we are embarking on a new, more complex session of multilateral negotiations to remove or reduce tariff and nontariff trade barriers. Nevertheless, we must also recognize the equally important difficulties faced by domestic industries with production and jobs at stake. Great skill will be required to balance these domestic and international interests and to find acceptable ways of dealing with these problems.

IV. WORLD TRADE IN NONFUEL PRIMARY COMMODITIES

1. International policy toward trade in non-fuel primary commodities will be one of the principal problems of foreign trade in the next decade

The issue of international public policy toward world trade in non-fuel primary commodities and raw materials constitutes one of the principal economic foreign policy problems with which the U.S. will be dealing in the coming years. The question of U.S. policy on international commodity agreements is also one of the most persistent and controversial aspects. Commodity issues are closely linked to the international oil problem and, in fact, have been elevated by the less developed countries to a major role in the ongoing producer-consumer dialogue on oil. The importance of commodity policy in U.S. foreign economic relations arises from a number of considerations.

First, non-fuel raw materials and other primary commodities as a class continue to be the biggest source of export earnings of the non-oil exporting less developed countries. These countries account for over 40 percent of the world's population, and as a group rely on primary commodities for some two-thirds of their total export earnings.

Second, non-fuel primary commodities from all sources, including developed countries, comprise a significant portion of U.S. merchandise imports: \$20 billion in 1974, or about 20 percent of total U.S. imports, one-half of which consisted of industrial raw materials. Moreover, the U.S. is dependent to a large degree on developing countries for imports of some critical industrial raw materials.

A third consideration is that the U.S. is among the more richly endowed countries of the world in natural resources. This is a great source of strength for this Nation. Generally, imports have been looked to as an alternative when domestic supplies were inadequate or when foreign costs of production were lower. This in turn has helped keep down the cost of final products, thus contributing to the competitive position of U.S. manufactured products in the world market.

2. There is a growing tendency to substitute government intervention for the marketplace without regard to economic costs

Economic nationalism involving commodity trade among developing countries has recently increased dramatically. Since the energy crisis and the formation of the oil cartel, many countries are attracted to the idea of government intervention, both domestically and internationally, to achieve goals which they feel they cannot attain through the operation of the open market. Among their prime objectives are higher and more stable prices for their primary product exports and a greater degree of value added before exporting their commodities. Unfortunately, economic costs and distortions of widespread government intervention are widely ignored or recognized as problems only after the fact.

U.S. policy should continue to press for the preservation of an open marketplace as the most efficient means of achieving an expanding world economy. This should include the development and diversification of the economies of the less developed nations so

that they will become less dependent on primary commodity exports. We are faced now with rising demands from these countries for international intervention in commodity markets.

In addition, several of these countries, emboldened by the success of the oil cartel and the widespread material shortages that developed during the industrial boom of 1973, have resorted to the formation of exclusive exporting-country associations as a means of applying pressure on importing countries to regulate commodity prices in the international market.

3. The U.S. should be willing to examine commodity proposals pragmatically on a case-by-case basis

In recent years, there have been increased demands from developing countries that the developed world help them with their financial problems through international agreements to artificially support, or further raise prices of primary commodity exports by price indexation, multi-commodity agreements, or specific commodity arrangements involving production or export controls, buffer stocks and fixation of commodity price levels.

To the extent that these demands involve shifting to a policy of increased government intervention in the pursuit of market or export income stabilization, the U.S. response to this will be of far-reaching importance, both domestically and in its external commercial and political relations with other countries.

Both consumers and producers have an interest in moderating instability in supplies and earnings. Commodity arrangements which rely on price setting mechanisms and frequent or prolonged use of export quotas or similar forms of government intervention have the inherent danger of inducing inefficiency and waste of resources, and instability in the longer term.

On the other hand, price stabilization to the extent that it improves the investment climate and provides orderly price expectations could result in improved allocation of resources.

The United States must, however, be prepared to consider requests from other countries for individual commodity arrangements and not exclude them outright. We have in the past entered into commodity arrangements for selected agricultural products and we have recently announced an intention, subject to Senate ratification, to sign the Fifth International Tin Agreement. Yet, if the basis for entering into international commodity agreements is to rest on economic criteria beneficial to the U.S. economy, we should frankly recognize there is but limited scope in such agreements.

4. Expanded international consultations can help achieve efficient production and resource allocations

There are alternative means to help developing countries meet their aspirations for greater economic security. Our policy should be to resist commodity agreements which distort the market and instead explore ways to maximize efficient production and resource allocation. One potential solution lies in an expanded international consultation on a commodity-by-commodity basis.

This would include the regular exchange of information on supply, demand, and technology between producers and consumers through more international study groups of the type already in existence for rubber, lead and zinc. Such study group forums should also help establish compatible policies and programs in both developed and developing countries which would improve the climate for new investment in natural resources.

The problem of assuring adequate supplies of critical materials at reasonable prices includes a number of policy options which address the fundamental question of whether there is a need for government intervention

in commodity markets. This is particularly evident when considering the need for a government-funded economic stockpile.

We must be prepared to consider whether the 1973-74 upheaval in international commodity trade and simultaneous concerted efforts of some exporting countries to raise prices foreshadow potential economic risks which the private market cannot bear. There are several areas where the government can assist the functioning of commodity markets, such as by providing for a better flow of information among exporting and importing countries and by improving the investment climate.

The establishment of an economic stockpile is one option available which the United States might use to protect against supply disruptions or monopoly pricing of imported materials. Nevertheless, the need for such protection must be balanced against the potential costs. In addition to the expense of creating and maintaining a stockpile, the impact on producers and consumers of price movements resulting from stockpile purchases and disposals must be carefully weighed. There is also the potential for interference with the resource allocation function of prices through the creation of disincentives for development of substitutes for the more efficient use of materials in a stockpile.

We must recognize the potential costs to our economy of supply interruptions. We also should be careful to define the limits of government involvement in raw materials markets so as not to impede the price mechanisms.

5. Supplying food to an ever-increasing world population will require in-depth reevaluation of our international policy objectives

There is one area of the world's primary commodity economy where we are a principal exporter and supplier to the world. In the area of temperate zone bulk foods, notably cereal grains and certain vegetable oils and oilseeds such as soybeans, the United States has excelled. Our basic resources situation provides us with an enviable range of options in coping with the needs of our economy.

The challenge of supplying food to an ever-increasing world population is a long-standing one. Today, we are faced with formulating policies which will provide adequate food for a world nearing a population of five billion, but which also will be consistent with our free enterprise system.

A proper food policy must recognize the importance of the U.S. as a reliable exporter on the one hand, without disrupting the very economy which makes possible such an enormous share of total world food production. Moreover, the policy should not endanger the interests of American consumers.

As an important step toward achieving world food security, the U.S. has proposed and is discussing with other countries a system of nationally held food reserves to meet world shortages in times of crop failure. This will involve close cooperation among governments at the international level and consideration by governments of how to generate or accumulate reserve stocks of food domestically that would be made available in times of need.

Again, therefore, the role of government in the marketplace becomes a critical issue. We should take care not to substitute undue government intervention for the market mechanism in food production and distribution system.

V. ENERGY POLICY

1. The still growing U.S. dependence on imported oil is a dangerous vulnerability to our economic well-being and security

There is no need for me to dwell on the dangerous vulnerability of our economic well-being and security resulting from our still growing dependence on imported oil.

Nor do I need to stress the need to vigorously pursue the objectives and the strategies we have evolved to bring an end to both our domestic and international energy vulnerability.

If we approach our task pragmatically and without passion, we shall succeed in protecting our country from embargoes and the socio-economic consequences or destabilizing movements of the assets of other oil-producing countries. If we are successful, we will make possible a return to non-inflationary economic expansion in the United States and the industrialized world.

2. The current accommodating attitude of OPEC may lull the U.S. into complacency

Internationally, therefore, we must vigorously press for the adoption of concerted cooperative, mutually supporting policies and programs to achieve greater fuel conservation and to identify and exploit alternate and new sources of energy. We should encourage a positive dialogue of oil producers and consumers, but it will continue to be necessary to reduce to minimum levels the individual and collective energy dependence of industrialized nations by 1985.

To this end, the Department of Commerce fully supports the Administration's objectives and policies which Secretary Kissinger outlined in his September 19 statement before the Energy Subcommittee of the Joint Economic Committee.

VI. TECHNOLOGY TRANSFER

U.S. technology is among our most valuable resources; it is avidly sought by the rest of the world. The bulk of all our exports are based on our technology, including agricultural technology. Our policies must preserve our technological lead while sharing our progress with other countries.

Indeed, we are sharing our technology with the world by a variety of means. Beyond the obvious, such as 1974 sales of \$49 billion worth of products embodying, to varying degrees, advanced technology, U.S. companies also added \$2 billion to our balance of payments via patent and license sales. The Department of Commerce, through its National Technical Information Service, sold more than \$2 million worth of technical data and information overseas last year. In addition, with financial support from AID, the Department is actively supporting the development of indigenous technical information utilization agencies in a large number of developing nations. Numerous bilateral and multilateral science and technology agreements are thriving between our country and other highly industrialized countries, developing countries, and countries with centrally planned economies.

Secretary Kissinger, in his recent message to the U.N. 7th Special Session, proposed international mechanisms for the exchange of technology in industry, agriculture and energy.

U.S. technological transfers have benefited the world economy by raising the technological contents of consumer goods.

1. The United States has dedicated itself energetically to the pursuit of increased harmony and cooperation in the international technology transfer process.

Three examples of the way the Department of Commerce is involved in this transfer process are provided by our standardization, international patent and joint research activities.

Metric Standardization.—The House of Representatives has recently passed an Administration-supported measure under which the United States would gradually convert, in an orderly and efficient way, to the International System of Units, more commonly known as the metric system. This unilateral step towards the international standardizing of measurements is predicated upon our conviction that the best interests of the United States will ultimately be served by the elimi-

nation of artificial trade barriers. It should be noted in this connection that the technical literature published by the Department of Commerce has long included metric units, so that these materials might prove useful to the widest possible audience.

Patent Cooperation Treaty.—One of the principal mechanisms for the transfer of technology, both within and among sovereign states, is the patent system. The U.S. Patent and Trademark Office has spearheaded the development of a new multilateral patent convention, known as the Patent Cooperation Treaty. This treaty will permit an inventor to file a single patent application in any member country, and have that application acted upon by as many member countries as he wishes. The Senate has already approved this treaty and we are hopeful that implementing legislation will be enacted shortly.

Joint Research.—Numerous examples can be given of joint research ventures which have been undertaken by the United States in cooperation with individual foreign governments. I will mention only three; a program with an Eastern bloc nation, cooperation with a developing nation and cooperation with a highly industrialized nation.

The Soviet Union, for example, currently shares with us the responsibility for carrying forward more than 140 research projects. Nine of these are concerned with electric power generation and transmission. In the nuclear area, we are jointly investigating important aspects of controlled thermonuclear fusion, as well as fast breeder reactors. More than three dozen of our joint undertakings relate especially to environmental concerns.

A new program for cooperation in industrial research and development has been initiated with Israel. This is being carried out under the auspices of the Joint U.S.-Israel Committee on Investment and Trade, on which I serve. Our private sector has indicated considerable interest in this program. An R&D Advisory Council has been formed with U.S. membership consisting of a dozen distinguished company vice presidents and scientists; and the Industrial Research Institute, Licensing Executive Society and International Executive Service Corps. have all expressed a desire to participate in the program.

The United States and Japan have a long history of cooperation in science and technology. In the area of basic science, for instance, the U.S.-Japan Committee on Scientific Cooperation reported that there were 53 cooperative research projects and 24 seminars conducted last year, involving over 1200 participants. The U.S.-Japan Cooperative Medical Science Program has recently expanded its activities in the general field of cancer research. The U.S.-Japan Program in National Resources has seventeen joint panels working in fields ranging from marine resources, wind and seismic effects to fire safety.

2. The U.S. must assume leadership in establishing internationally agreed upon or compatible product standards for technology transfer

In connection with technology transfers through trade, I should briefly note a growing problem adversely affecting U.S. manufacturers and exporters worldwide.

Along with the rapid growth of technology in industrialized nations, there has been a proliferation of foreign national product standards which can form non-tariff barriers to international trade. If the U.S. is to preserve and enhance its exports of high technology products, we must do all we can to ensure that standards developed by many nations are compatible with one another. Particular attention should be given to this matter in GATT. U.S. policy and efforts should aim at the formulation of guidelines for internationally agreed upon product standards as the basis for national standards.

3. The export of strategic technology is carefully controlled

The Department of Commerce has control jurisdiction over most commercial exports from the United States; however, only a small portion of the goods and technical data produced in this country require specific prior approval for export to any but an embargoed destination such as North and South Vietnam, North Korea, Cambodia, Southern Rhodesia, and Cuba. Those goods that are controlled for export for reasons of national security consist principally of a selective list of high technology products that have significant strategic as well as civilian uses. Under the Export Administration Act of 1969, as amended, the Secretary of Commerce is authorized "to exercise vigilance over exports from the standpoint of their significance to the national security of the United States."

Proposed exports to Communist destinations are reviewed and approved only when there are adequate assurances that the goods and the technical data will be used for peaceful purposes. The Department seeks to satisfy the conditions conducive to successful exporting, and national security.

4. Benefits accrue from the sale of our technology to the non-market economies

Countries with centrally planned economies represent an enormous and virtually untapped market for our high technology products and "know-how." The United States wishes to encourage the development of these markets when truly mutual benefits will accrue to the trading partners. The reasons for selling technology to the centrally planned economies are essentially the same as those for exporting any U.S. goods or technology to any nation. Such sales help our balance of payments, create jobs now, and supply income for the investments needed to develop new technology and, thus, assure future jobs.

The income-producing life of some of our technology is being prolonged by selling established technical "know-how" to centrally planned economies. U.S. companies have likewise benefited as a result of technology transfers from non-market economies. From the USSR, for example, some U.S. firms have purchased underground coal gasification techniques, tunneling technology, an electromagnetic aluminum casting technique, and pharmaceutical technology.

5. The benefits and possible detriments of technology transfer to non-market countries must be balanced

It is often argued that a major risk in selling U.S. technology to non-market countries comes from these countries' aggressive pursuit of "know-how" in order to manufacture and market end products themselves, in contrast to buying these products.

Technology importers may become self sufficient producers, and eventually exporters of goods competing with American manufacturers in third world countries and perhaps even in the U.S. market. This problem is, of course, not unique to East-West trade.

Sales made by non-market countries in the U.S. generally have not been at the expense of our domestic production. Rather, these sales have largely substituted for imports from other foreign sources. In addition, the market disruption section of the Trade Act of 1974, applicable only to the Communist countries, provides a very firm line of defense for domestic producers should it become necessary to invoke it.

Inasmuch as the strength of the United States in world trade rests upon our technological leadership, we must be prepared to keep this leadership in the face of the challenges which most certainly lie ahead. A good indicator of the increasing influence of foreign activity in technological development is the number of U.S. patents granted to residents of foreign countries. Over the last 14 years, the foreign share of U.S. pa-

tents has about doubled, increasing from 17% in 1961 to nearly 34% in 1974. Yet, as impressive as these overall figures might seem, the situation in the "most active" technologies is even more dramatic.

A technology assessment report issued by the U.S. Patent and Trademark Office in August of this year reviewed some 53 areas of technology which, over a recent three-year period, had been the subject of patenting at a rate eight times the average for the rest of technology. In these 53 fast-growing technologies—ranging from electron microscopes to processes for making Portland cement—foreign residents received more than 56% of the issued patents. This is almost twice the already high level of foreign-resident patenting in all technologies combined.

It is desirable for the U.S. to sell certain non-strategic technology products or "know-how" to non-market countries when this trade provides real economic gain to the United States. Our leadership in the high technology areas can be maintained, however, only by a constant improvement and renewal of our technology base. Current trends in U.S. investment in new technology and research and development are of great concern.

VII. OCEANS AND MARITIME POLICY

Technological advances and changing expectations of nations have created a need for certain changes in the Law of the Sea. We are on the threshold of exploiting the resources of the deep seabed. We are able to exploit the hydrocarbon resources of offshore areas to greater depths than heretofore was possible. We are able to harvest the living resources of the oceans with greater sophistication. We are faced with more intensive uses of the oceans, which has heightened our awareness of the need to preserve the integrity of the marine environment. At the same time, we must preserve the freedom of navigation and overflight and other rights necessary for the protection of our interests.

1. Global interest in the resources of the world's oceans has given immediacy to the need for the rule of law

Under the aegis of the United Nations Law of the Sea Conference, the United States is at the forefront of international efforts to achieve a comprehensive multilateral convention on the uses of the oceans which is realistically responsive to the needs and interests of both developed and developing nations. International negotiations have focused on a regime and organization to regulate deep seabed mining, the breadth of the territorial sea, transit through straits, fishing, exploitation of the resources of the continental shelf, protection of the marine environment, and scientific research. We believe that the rule of law should govern the oceans. We are concerned that failure to reach an equitable accommodation could lead to heightened uncertainty to the detriment of all nations.

While trying to accommodate the legitimate needs, concerns, and aspirations of all countries, the United States has certain policy interests in the Law of the Sea, which include:

(1) guaranteed non-discriminatory access for all nations to the mineral resources of the deep seabed beyond national jurisdictions under reasonable conditions coupled with security of tenure and protection of our interests in the proposed International Seabed Resources Authority;

(2) coastal nation sovereign rights to the resources of the continental margin to 200 miles offshore or where the margin extends beyond that distance, to a precisely defined limit, with revenue sharing with less developed nations on hydrocarbon production beyond 200 miles;

(3) broad coastal nation jurisdiction over the fisheries resources out to 200 miles, with

special treatment for anadromous species, such as salmon, and highly migratory species such as tuna;

(4) the right of unimpeded transit through and over straits used for international navigation coupled with an expansion of the territorial sea from 3 to 12 miles;

(5) freedom of navigation beyond a 12-mile territorial sea;

(6) preservation of the marine environment; and

(7) maximum freedom of scientific research beyond the territorial sea.

2. *The control of the untapped mineral resources of the deep seabed is of grave concern to all producing countries*

The vast mineral resources of the deep seabed have remained virtually untapped. With technological advances that now make it possible to exploit these mineral resources comes the general recognition that underwater mineral resources can provide a significant source of supply of certain critical materials. This recognition has also led developing nations (particularly land-based producing countries) to vigorously press their case in international forums to control the development of these resources.

These resources have been declared by the U.N. to be the "common heritage of mankind" but to give meaning to that term requires further negotiation. We are prepared to negotiate. We have made significant proposals that may form the basis of agreement. While we believe that it is preferable to conclude a satisfactory international agreement before mining commences under present international law, we cannot be expected to indefinitely sacrifice our interest in deep seabed mining.

The major U.S. objective is guaranteed non-discriminatory access for nations and natural and juridical persons to the mineral resources of the deep seabed beyond territorial jurisdiction, under reasonable conditions, coupled with tenure.

3. *World demand for fish protein resources and need to protect species against over-fishing has created sensitive international jurisdictional problems*

The growing world demand for fish protein has created a sensitive international fisheries problem. The United States must seek in the law of the sea forums to obtain broad management jurisdiction regarding coastal and anadromous fish resources. We seek the reduction of foreign fishing off our coasts in order to conserve the stocks and obtain the optimum sustainable yield that will ensure their continued existence or, for some species, reconstitution. In the near term, the United States should negotiate an equitable transition to the regime contemplated in the new Law of the Sea Treaty.

In addition, the United States should press for conservation of highly migratory fish species, such as tuna, by regional organizations, with an obligation by all participating nations to respect and enforce agreed upon regulations. Within this framework, we should continue to strive to achieve maximum opportunities for U.S. vessels, while recognizing that the special interests of coastal nations must be accommodated.

4. *The growth of bilateralism in world trade movements may threaten U.S. flag shipping and maritime employment*

I will also touch briefly on the question of ocean shipping. There has been a marked trend toward bilateralism in world trade movements in recent years. Many states, in an effort to support their national flag fleets, have turned to exclusive agreements with their trading partners for the purpose of guaranteeing that a specific portion of trade will be captured for their domestic fleets. The UNCTAD Code of Conduct for Liner Conferences is a logical extension of this trend.

Increasingly, the United States flag carriers have been faced with foreign flag practices that could tend to reduce further the cargo share of U.S. flag vessels. This has raised the matter of participating in bilateral agreements to protect the market for U.S. flag vessel services. These issues are now under review in the Executive Branch.

5. *Rate-cutting by expanding government-owned "third flag" fleets poses a threat to U.S. shipping*

In addition to the trend towards bilateralism, we are now witnessing a significant expansion of state-owned fleets, which are increasing their shares of the world shipping market through rate-cutting practices. These fleets, which receive heavy government support, are not bound by compensatory return-on-investment concepts. They seek rather to achieve long-term political ends or ways to earn hard currency.

We must watch this situation to determine whether action is necessary to protect the U.S. flag merchant fleet lest the loss of trade occasioned by third flag rate-cutting lead to the erosion of maritime employment and U.S.-flag shipping capability needed for national security.

VIII. U.S. INTERNATIONAL TOURISM POLICY

The importance of tourism to the United States has been largely overshadowed by other more pressing issues of national and international policy. I would be remiss in not ending my discussion today of the economic goals and policies of the United States without a mention of the vital and growing contribution of tourism to the economic welfare of this country.

Segments of the far-flung U.S. international tourism industry often have operated at a competitive disadvantage in the international marketplace, and the full potential of tourism as a diplomatic tool and force for detente remains largely unrealized.

1. *The economic importance of tourism is still misunderstood*

Tourism is economically important to the United States. In 1974, tourism, which includes both business and recreational travel, generated \$29 billion in world receipts, roughly six percent of total world trade. Tourism constitutes one of the largest single items in world commerce and, in terms of dollar volume, exceeds trade in iron, steel, ores and minerals.

The international tourism receipts of the United States in 1974 were only \$4.8 billion, a share of the world total well below our national potential. Even so, this invisible export supported 323,000 jobs, contributed \$350 million in taxes to Federal, state and local treasuries, and accounted for 3.5% of total U.S. trade.

Governments and intergovernmental bodies are raising tourism to the level of political discussion and pressing their international tourism objectives at the diplomatic bargaining table. The priority which foreign governments accord to tourism has rarely been more apparent. The facilitation of tourism and the development of transportation were the subject of negotiations at the 35-nation European Summit Conference last summer.

Recognizing that energy will continue to be expensive, and that rising fuel costs will place pressure on foreign exchange reserves, a number of OECD members were, as of April 1974, intensifying their efforts to attract American tourists and businessmen while, at the same time, taking steps to interest their own nationals in holidays at home.

2. *The concept of tourism has not gained its rightful acceptance as an economic tool in the U.S. global policy*

These rapidly evolving economic and political developments make it imperative that the U.S. adopt a strong, positive stance on tourism, and that it vigorously pursue its

tourism interests. Rising fuel costs, consolidated competition from state-subsidized transport combines, non-tariff barriers, and less-developed country politics are adversely affecting the foreign commercial interests of the U.S. travel industry. This, therefore, impacts upon the national economic and political interests of the United States. Regional and international development banks' efforts to use tourism as an economic development tool are also affecting U.S. choices and decisions.

Diplomatic channels should be used to advance the cause of U.S. tourism interests and to create an environment in which U.S.-owned firms can compete more effectively for the world's international tourism business.

I recommend that U.S. international tourism policy become an integral part of our nation's commercial and foreign policies. The Helsinki Accords and other recent agreements provide a framework in which the U.S. international tourism interests can be pursued, via the bargaining table with other governments.

Specifically, the United States should (1) pursue elimination or reduction of impediments which limit the sales volume of international tourism services, such as currency and customs allowances; (2) seek reciprocal reduction of impediments to East-West tourist, such as exit permits, admission restrictions, and off-limits policies restricting free movement; and (3) maintain a flexible posture on tourism issues in the Third World where, in some cases, commercial interests may not override political concerns.

IX. CONCLUSIONS

I will conclude by stressing that the United States must assume its leadership role in developing policies and programs that are responsive not only to its own needs, but to those of the rest of the world.

Let me summarize the key policy options which I have developed for you today:

Support the development of an international code of conduct, and international bill of rights for multinational corporations.

Oppose changes in taxation of multinationals which will increase their tax burden and reduce their competitiveness in international markets.

Oppose legislation imposing registration, screening, and restriction on foreign direct investment in the United States.

Support U.S. exporting firms through positive direct action programs, export financing and avoidance of export controls.

Oppose restrictive trade practices or boycotts by foreign countries against countries friendly to the United States.

Advocate the preservation of an open marketplace as the most efficient means of achieving an expanding world economy.

Support the development and diversification of less developed economies.

Resist commodity agreements which distort the market and instead explore ways to maximize efficient production and resource allocation.

Balance our food export policy with the needs of the American consumer.

Pursue means to eliminate our energy dependence and identify and exploit new sources of energy.

Preserve our technological superiority while sharing our progress with other countries.

Advocate a comprehensive multilateral convention on the uses of the oceans which is realistically responsive to the needs and interests of all nations.

Adopt a policy of bilateralism only to the extent necessary to protect and support the viability of the U.S. merchant marine and our national security.

Incorporate a U.S. international tourism

policy into our domestic and foreign economic policies.

I would like to thank you again for allowing me to appear and present my views of the economic goals and policies that the United States should actively pursue within the framework of our foreign policy objectives.

Only by example can we pave the way for true international cooperation and coexistence. I hope that the outcome of these hearings will be clear policy options which will provide us with the means of achieving our long-term goals.

This concludes my testimony.

**STATEMENT OF THE HONORABLE EARL L. BUTZ,
SECRETARY OF AGRICULTURE**

It is a mark of the changing nature of world politics that you invite a Secretary of Agriculture to testify on the future course of U.S. foreign relations.

The world's long range food needs make agriculture an active participant in today's international negotiations and cooperation.

Problems facing the family of nations have moved two major power factors center stage and into the spotlight.

One of these two potent factors is petro-power, based on control of the world's important, but finite petroleum resources. This power is currently being wielded in large part by the Oil Producing and Exporting Countries (OPEC).

The other power factor coming even more prominently into recognition and use is agri-power, which includes both the capacity to produce food and the infra-structure which supports agriculture.

In the long run, agri-power may prove to be more effective and a greater asset to the community of nations than petro-power. New sources of power are already being developed and substituted for petroleum. This effect will be continued and accelerated.

Even in the short run, oil is no match for food. If gasoline prices get too high, people can park their cars and quit driving. But they will always need food to put on the table.

The world's ability to produce and distribute essential food supplies will increasingly command the attention of heads of state. World leaders will rate the food issue equal to the more traditional military and diplomatic issues in their quest for world peace and national security.

As a conscious national policy the United States and U.S. agriculture contribute directly and play a major role in feeding the world, and assisting other nations to increase their own individual production capacities. Our efforts in this direction will, of course, continue. But as part of our need to reassess the direction and scope of the U.S. role, I would like to develop for this Committee the probable nature of the world food situation in the decade ahead.

**THE WORLD FOOD SITUATION IN THE NEXT
DECADE**

The demand for food throughout the world will continue to grow rapidly, fueled both by population and income growth.

In the developed countries we expect rising incomes to spur the demand for feed grains as people show their preference for eating more meat and dairy products, while the direct demand for food grains such as wheat and rice levels off. Food production in the developed countries should increase much more rapidly than population, permitting an increase in per capita output of somewhere near 1.5 percent a year. This would be in line with gains since World War II. Such production would permit further improvement in diets and also provide sufficient supplies to meet needs in the developing countries.

The main problems are in the poorer countries, which grow increasingly dependent upon food imports from developed na-

tions to maintain per capita consumption. Populations in the developing countries are generally large and growing. Farms are small. The state-of-the-arts in agricultural production are lamentably low, and crop yields poor. The average man, even in the poor countries of Asia, eats better than did his father, but he still is at minimum nutritional levels. Malnutrition is widespread, particularly among young children, pregnant and lactating mothers, the elderly, the landless laborers in rural areas, and the unemployed in the cities. Food production is increasing, but only enough to keep about a half-step ahead of rapid population growth.

Assuming that world grain production will increase in line with past gains, projections show the grain deficit in the developing countries could, by 1985, be double or triple the 24-million-ton deficit of the 1969-71 base period. That deficit averaged about 35 million tons in the past three years. This means these countries will face three choices: cut already low consumption levels, make a major effort to step up domestic production, or find the means to finance grain imports (which could total as much as \$12 billion in 1985 at current prices). We believe these countries could hold the deficit to the 1969/71 level if they make a strong effort to build up their agriculture now, and receive support from the developed countries.

THE U.S. ROLE IN MEETING WORLD FOOD NEEDS

The United States will play a many-sided role in meeting future world food needs. U.S. farmers are the most productive in the world. The fruits of U.S. farms will make it possible for the United States to meet a major share of increased commercial demand for food, help meet emergency and concessional food needs around the world, and help rebuild world grain reserves to safer levels. In addition, the vast reservoir of agricultural know-how available in this nation will be invaluable in helping developing countries solve their own food problems. All of this presupposes—and I emphasize this point—that we adopt consistent foreign and domestic agricultural policies which do not hobble our farmers in their efforts to produce.

U.S. CAPACITY TO PRODUCE

U.S. farmers should be able to boost output even beyond what is needed for anticipated domestic and foreign demand through 1985. Assuming moderate increases in demand, and a continued increase in productivity, we should be able to meet even our highest projected domestic and foreign demand with only about 32 million more acres than the 330 million harvested acres estimated for 1975. This additional cropland requirement could be available readily, with proper economic incentives, from land now in pasture, fallow and idle cropland, or from land which could be economically cleared and drained.

Yield increases will come from wider use and application of the same technology that has boosted yields in the past two decades—hybrid seed, increased use of fertilizer and irrigation, improved machines, narrower rows and higher plant population per acre, chemical weed control, and continuous cropping of corn and other high yielding crops. For several major crops, top producers today routinely get yields much higher than the national average.

Under favorable economic conditions for farmers, including high export demand, output of major crops and livestock could be expanded greatly. Coarse grains and wheat output could be as much as 345 million short tons in 1985, some 30% above projected 1975 production. In addition, soybean production could be increased 50%.

We have also examined production capacity for livestock. There has been concern in recent years that range use has been near capacity and that cattle production was being

limited at least in part by our forage availability. But our livestock specialists feel that the limitation has been more in economic incentives than in physical capacity. With favorable economic conditions, beef and veal production could be increased by 55%, pork almost 30% and poultry meat almost 40% by 1985. The important conclusion here is that forage capacity does not appear to be a substantially limiting factor in livestock production. Production of hogs and poultry is clearly tied to available supplies of feed concentrates.

Overall, our projections imply a growth rate under favorable conditions, of 2 to 5% per year for major crop commodities—well above projected growth rates in domestic demand, indicating agriculture's ability to meet increased export needs.

THE BENEFITS OF U.S. AGRICULTURAL EXPORTS

The tremendous productive capacity of U.S. farmers is geared toward meeting the growing commercial demand abroad for agricultural commodities, particularly for feedstuffs, by the developed countries, and by those developing countries where economic growth is proceeding most rapidly.

Exports of farm products have advanced to unprecedented levels—nearly \$22 billion last year—with positive effects on the entire economy.

The benefits are obvious. Agriculture now gets almost one-fourth of its marketing income from exports and ships nearly one-fifth of its production abroad.

Less obvious are the 1.2 million jobs, both on and off the farm, that are directly related to the export of farm products. Also less obvious are the savings to U.S. taxpayers; exports have permitted a reduction in farm support payments of \$3½ billion a year in three years.

American consumers benefit directly as the abundant production allowed by expanded foreign markets, results in lower per-unit costs of food ingredients.

Finally agricultural export trade makes a significant contribution to this nation's balance of trade. Last year's \$12 billion surplus in agricultural trade offset almost half of our petroleum imports—an example of agri-power contending with petro-power.

The benefits accruing to the United States from world agricultural trade are significant, but equally significant, in my view, is the contribution of this trade to meeting world food needs.

More than 90 percent of the grain moving between countries is commercial trade, not aid. Some developed countries with ready cash at hand rely on imported food as much as developing ones. Japan is a prime example.

The World Food Conference of November 1974, stressed the need to distribute food more efficiently through elimination of barriers and trade restrictions. Participating nations agreed to utilize GATT negotiations to achieve this. The Conference recognized that the extent to which trade barriers can be reduced or eliminated will largely determine the degree to which trade can contribute to meeting the world food challenge. This view underlines the importance and adds particular stress to the outcome of the agricultural trade aspects of the negotiations in Geneva.

At the same time we are pursuing trade liberalization, we are also trying to regularize our trade in agricultural products between countries so U.S. farmers can identify reliable markets and better anticipate future demands. Our agricultural understanding with Japan resulted from a fundamental belief that a policy of seeking access to other countries' markets must be balanced by the creation of confidence in the United States as a reliable supplier of agricultural products.

We also have taken steps to stabilize our trade with the Soviet Union and to remove much of the uncertainty about the size of

Soviet purchases each year. This week we concluded a long-term grain agreement with the USSR. The Soviets have agreed to buy 6 million metric tons of grain annually from us during 1976-81, beginning in October each year, and may buy 2 million tons additional each year provided that our grain supply (carry-in stocks plus estimated production) exceeds 225 million tons. Larger sales to the Soviets may be negotiated with advance governmental consultations. As a safeguard for our livestock producers and consumers, however, if our supply is less than 225 million tons, then we may reduce sales to the Soviets below 6 million tons. Also, we have agreed that the Soviets may buy, without consultations, up to 7 million tons additional grain from our crops this year.

U.S. AGRICULTURE AND WORLD SECURITY

Our great national productive capacity provides U.S. agri-power which, in itself, an important U.S. contribution to world food security in the areas of both food aid and food reserves.

The United States will continue to carry major world responsibilities for short-term food assistance. The World Food Conference set a target of 10 million tons of grains for overall food aid commitments for 1975 and thereafter.

We stepped up P.L. 480 exports from 3.3 million tons in fiscal 1974 to about 4.7 million tons for fiscal 1975. For fiscal 1976, the level will likely expand still further—to about 6 million tons. This means the United States alone will be furnishing 60 percent of the World Food Conference target.

The issue of food aid is extremely difficult and complex. There is danger that through providing too much assistance a recipient country may become totally dependent on the generosity of the donor nation. To assure its own future, each food-deficient nation must substantially increase its own food production. Food aid must not be allowed to discourage developing countries from increasing their own production. Food aid must be synchronized with other aid policies and programs to promote unified, forward-looking development, and to avoid undermining production incentives to farmers.

Agri-power makes possible a major U.S. contribution to a world grain reserve system aimed at avoiding excessive and erratic fluctuations in farm and food price levels. We have initiated discussions on developing an international system of nationally held grain reserves to provide reasonable assurance of the availability of adequate food supplies. In the event of serious global production shortfalls, such an arrangement would help cushion the impact and help moderate the inevitable disruptive effects.

We have proposed establishment of a global reserve of 30 million tons of wheat and rice with the responsibility for holding reserves equitably shared among participants. Each participating country would be free to determine how its reserves would be maintained and what measures would be required for their acquisition and release.

Internationally agreed upon guidelines will be required to assure properly coordinated action. Participation in the agreement should be open to all interested governments, although special assistance probably will be needed to assist participating developing countries in meeting their obligation to hold a portion of global reserves.

TOWARDS WORLD FOOD SECURITY

There is no easy way to achieve food security—particularly in a world whose population may grow by 80 percent in the next 25 years. In the long run, the ultimate source of world food security lies in bringing population growth under control and increasing the productivity of the individual farmer.

In the United States, the growth in farm

productivity can best be maintained by removing restraints on agricultural production and by freeing farmers to produce. Eliminating government interference in the agricultural economy allows farmers to respond directly to market forces. This is our current farm policy and it has paid off handsomely—U.S. farmers have achieved record levels of wheat and corn production this year to meet both our domestic and foreign commitments.

It is important that we begin immediately to help increase the productivity of farmers in the developing countries, because it is there that the vast bulk of the population increases are expected. The growing gap between production and demand in the developing countries, and the resulting increased dependence upon imports to maintain per capita consumption, is the core of the world food problem.

First and foremost, production incentives for farmers in developing countries are the most important steps—just as they are essential for farmers in the United States. Providing these incentives will be a difficult task. The political attractiveness of cheap food frequently leads to adoption of policies which ignore the real costs of food production. Such policies nearly always favor other producing sectors over agriculture. Even when production incentives are recognized and made a matter of policy it is not always easy to implement them. Incentives need to be bolstered by forward looking investment, research, and technical assistance policies.

Such efforts, to be successful, need substantial support from the developed countries. Steps in the right direction include increased emphasis by the World Bank on agricultural development, the proposed \$200-million U.S. contribution to an International Fund for Agricultural Development, increases proposed in the Foreign Assistance Act for U.S. bilateral agricultural assistance, continuing use of P.L. 480 counterpart funds for agricultural development, and the proposed recycling of development loan repayments into agricultural development.

Some opinion surveyors who have testified before this Committee have noted American disenchantment with foreign assistance. However, if we can show that developing countries are making a real effort to work their way out of their problems, I believe the American public will strongly support lending a helping hand. Certainly, U.S. taxpayers prefer a policy of self-help rather than requests for ever-increasing food aid appropriations. Such requests are bound to occur unless we assist developing countries to increase their own food production.

Improved technology is the key to greater agricultural output. The United States already provides much technical assistance to agriculture in the developing countries. Requests for such assistance will grow in the future if we respond our investment will pay off.

The United States cannot carry this burden alone. Other developed countries also need to increase their support. Research is essential particularly for the development and adaptation of agricultural technologies appropriate to conditions in developing countries.

We must avoid the mistake of trying to increase production in other countries by blindly duplicating the capital-intensive technology of U.S. agriculture. There is an immense reservoir of agricultural knowledge available in our land-grant university system which can and should be brought to bear on problems of the developing countries. We should also stimulate and encourage the vast resources in the private sector. The combined resources of Government and private enterprise offer an unbeatable potential for the cooperative transfer of agricultural technologies to developing countries.

FINANCIAL CRISIS IN NEW YORK CITY

Mr. McCLELLAN. Mr. President, much has been said in the last few months concerning the financial crisis confronting New York City. Serious misgivings have been voiced about proposals to bail the city out with Federal assistance. On the other hand, many concerned people feel the Federal Government may have a role to play in alleviating the situation. Some thoughts on this problem were sent to me recently in a letter from Mr. Vernon J. Giss of Little Rock, Ark. I ask unanimous consent to have Mr. Giss's letter printed in the RECORD.

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

STEPHENS, INC.,

Little Rock, Ark., October 14, 1975.

HON. JOHN L. McCLELLAN,
3241 New Senate Office Building,
Washington, D.C.

DEAR SENATOR: I am sure that very shortly Congress will be presented with the request that Federal aid be given to New York City and New York State in order to avert a default on the obligations of these entities.

My first thoughts were that New York City has for many years had very bad fiscal policies, and is responsible for their own troubles and, therefore, should be forced to work them out by themselves or suffer the penalties of default and bankruptcy.

It seems rather plain that the causes of their troubles are many:

1. Poor management and unsound fiscal policies.
2. An influx over the years of "relief prone" individuals from other parts of the country wishing to take advantage of New York's liberal relief policies and substantial immigration from other countries of people who are poorly qualified to take care of themselves and very shortly become welfare recipients.
3. Unwillingness to take a stand on City employees that would require them to produce a days work for a reasonable pay and bowing to unreasonable pay demands and work rules because it is politically expedient and the City was able to borrow the money to cover their deficits.
4. Tremendous expenditures of money for free hospital, health care and operation of the City's educational system.
5. Raising all taxes and fees to the point where many businesses find it to their advantage to move their corporate headquarters to other parts of the country that are more reasonable in their treatment of business.

All of the above abuses led to large deficits that were funded by issuing short-term city notes which pyramided the City's debt beyond a reasonable relationship to expectations of City income. When this debt ratio reached a point where investors were no longer willing to purchase the City's obligations, New York State attempted to come to the rescue; however, even the State is not in a position to carry the City's burden and unless some additional help is found before the end of the year there will be a default and a serious crisis will be facing the entire country.

Some of the very serious problems would be:

1. The banking system of New York City would be seriously eroded, (approximately 30% of the total capital of New York City's banks is invested in City and State of New York obligations).
2. Banks across the country hold huge

amounts of City and State obligations and many of them would be in trouble.

3. If the City and State are permitted to default there will be a lessening of confidence in banks in the United States by foreign banks, foreign businesses, as well as by foreign countries themselves which will probably result in heavy withdrawal of deposits.

4. Many of the large cities in the United States and probably a number of states will find it difficult to finance their financial requirements.

5. I believe such a default could have some rather far-reaching and adverse results on the economic recovery which we are now struggling to achieve.

I hope that the Congress would find a method of aiding the City of New York and averting a possible serious national crisis. This would very likely cause a number of other cities to apply for aid and quite a few would also present equally good reasons. However, such aid should not be granted with a blank check but some arrangement such as the present control board which administers New York City's finances would be strengthened and perpetuated until the City has demonstrated it is able to control its own finances and balance its budget and repay the United States Treasury.

One further word on fiscal policy regarding the huge deficits faced by the Federal Government and their financing by the issuance of short-term or any debt obligations are very, very similar to New York City and at some point if this trend continues people will be unwilling to put their money in United States obligations because "it can happen there."

I sincerely hope that you will give serious consideration to these problems as reflected above because I believe they are very vital to the existence to our economy as we know it today.

Very truly yours,

VERNON J. GISS.

NATIONAL HEALTH INSURANCE

Mr. BROCK. Mr. President, National Health Insurance still lingers in the wings. The debate continues and will for some time. As we study the possibility of how to address the growing problems of medical delivery and availability, we should consider an article by M. Stanton Evans, who writes regarding a recent visit to Britain by Congressmen to study Great Britain's socialized health service. I find his article disturbing and ask unanimous consent that it be printed in the RECORD.

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

NATIONAL HEALTH PLAN

(By M. Stanton Evans)

A group of American congressmen have seen the medical future and discovered that it doesn't work.

The home of medical utopia, of course, is the United Kingdom. Since national health insurance is an idea whose time has come, as everybody phrases it, and since our British cousins have had the blessings of that system for better than a generation, it follows that Britain is the proper model for the United States. So a number of congressmen and medical doctors recently crossed the Atlantic to see what is in store for us here in the Colonies.

Among those making the inspection tour of British hospitals and government offices were Republican Reps. Robert Bauman of Maryland, Clair Burgener of California, Donald Clancy of Ohio and Philip M. Crane of Illinois, along with Democrat Reps. David

Satterfield of Virginia and Robert Stephens of Georgia.

What they discovered, as reported in the medical journal *Private Practice* and confirmed by testimony of British physicians on a visit to America, should give a bit of pause to national health-insurance buffs.

Great Britain has had a comprehensive system of national health insurance since 1948—exactly the sort of system that Sen. Edward Kennedy and others are now promoting for America. The effect of it has been to unleash an uncontrollable demand, discourage the building and improvement of hospitals and drive off British physicians in droves. Great Britain is in consequence facing medical conditions that would be considered scandalous in this country.

There are more than 700,000 Britons on waiting lists for hospital treatment, and it is not unusual to wait for upwards of six months for medical service. Some patients have waited for four years, 20 per cent for more than two, 37 per cent for more than one. In one appalling case, a woman scheduled for open-heart surgery repeatedly had her operation canceled because of overcrowding. In June, 1973, after the third denial and six months after first admission, she died.

The crush of demand is so immense that British doctors must handle patients on an assembly-line basis. Doctors are paid the U.S. equivalent of \$3.46 per patient annually, so to make a modest \$10,000 salary they must handle 3,000 patients each. The pattern in the NHS, according to British surgeon Anthony Patridge, is to give a patient a four-minute once-over lightly by way of initial examination. Physical exams are generally nil, and women can get Pap tests once every five years.

Beset by mounting costs and competing with other items in the political budget, the medical system is short on capital funds. Many British hospitals were built in the 19th century and are crowded, dingy and dirty. Under NHS, as of the early 1960s, less was being spent on hospitals than had been spent in the era prior to World War II. Rep. Bauman describes one hospital, built in 1830, where "they are preparing food for four to five hundred people in a room so filthy it was unbelievable."

Faced with these conditions, British doctors have been emigrating in record numbers. In 1972 some 404 U.K. physicians took tests to qualify for practice in America; in 1973 the number rose to 828, and in 1974 to 1,019.

This year the total will be well over 5,000—out of a physician population of 60,000 or thereabouts. With this steady outflow of physicians, Britons are increasingly treated by doctors from India, Pakistan and Ceylon. In some hospitals more than half the doctors are foreign-trained.

Such are the results of comprehensive national health insurance in the British Isles.

NATIONAL DIABETES MONTH

Mr. MCGEE. Mr. President, November is National Diabetes Month. As you know, I was a sponsor of the National Diabetes Mellitus Research and Education Act which was approved by President Nixon on July 23, 1974. The act launched an attack on diabetes on four fronts: research, professional education, patient education, and public education and detection. Established under the act was the National Commission on Diabetes which has been initiating programs under its four charges, including the groundwork for the establishment of a minimum of 15 national research and demonstration centers for diabetes.

And 5 to 12 million people in the United States may have diabetes, not including the millions more family members who are directly affected by the disease. These statistics alone illustrate the devastating force of the disease but do not tell the entire story of its real and potentially crippling effects.

Diabetes itself is the fifth leading cause of death. Its related diseases could place it as the second biggest killer.

It is the most common cause of new cases of blindness.

Complications of diabetes frequently lead to other serious health problems including cardio-vascular disease, kidney failure and impaired nerve function.

Uncontrolled diabetes significantly decreases life expectancy, limits the ability of afflicted individuals to work and earn wages. Premature death and loss of income due to diabetes are estimated to cost \$2-\$4.5 billion in earnings each year.

The disease in children or young adults is even more difficult to deal with due to special problems caused in these age groups.

Mr. President, in diabetes, we are dealing with a killer disease. We must conquer it.

We have begun that campaign with the passage of the McGee-Schweiker bill and the subsequent funding of its programs. But we have just begun. Until we conquer diabetes, educational and research programs must get into high gear. There already has been reported a ray of hope beyond present control methods to which I will speak in a minute, but right now we must continue to fund the establishment of national diabetes centers as a step toward the goal of ridding this country of diabetes and its related diseases.

The Committee on Appropriations notes in its report on the Departments of Labor and Health, Education, and Welfare and related agencies appropriation bill, 1976:

In Departmental testimony the fact that up to 75 percent of the diabetic population may die prematurely from cardio-vascular causes was brought out. The Committee directs the NHLI to strengthen its efforts in this important area and has provided an increase of funding for these important programs.

In another section of the report the Committee says its

Commitment to diabetes remains very strong. Of the additional funds provided, \$300,000 shall be for the National Diabetes Commission for which the Committee is anxiously awaiting its report.

In yet another section of its report, Mr. President, the committee notes the importance of eye diseases related to diabetes:

Diabetic retinopathy is one of the most common causes of new adult blindness and much more basic research is needed before its basis can be determined and a cure or means of prevention developed.

In summation, Mr. President, we are asking here for adequate funding on a year-to-year basis which will someday, I pray, lead to the cure of diabetes. The second year funding under the National Diabetes Mellitus Research and Education Act calls for a minimum \$12 million,

not including a few related health programs which include studies of diabetes and its related diseases needs every penny, and I urge my colleagues to consider the facts and this plea for full support of the act.

Research is making headway into new diabetes control and possible cure methods. In closing, I ask unanimous consent that an article by Joann S. Lublin of the Wall Street Journal, reprinted in "Diabetes Forecast", be printed in the RECORD. In it, there is a "new hope."

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

[From the Wall Street Journal, Nov. 4, 1975]
CURES FOR DIABETES APPEAR ON THE WAY, RESEARCHERS REPORT—PROSPECTS INCLUDE IMPLANT OF AN ARTIFICIAL PANCREAS AND TRANSPLANTS OF CELLS—WORK ON A VACCINE PRESSED

(By Joann S. Lublin)

On Jan. 11, 1922, Canadian scientists injected a pancreas extract into Leonard Thompson, gravely ill with diabetes. Within days, the 75-pound teenager improved dramatically, regaining his weight and strength.

And so the world hailed the discovery of the extract, insulin, as a medical miracle. One of the scientists won a Nobel Prize. The hormone offered the first effective means of treating diabetes, one of man's oldest and most common diseases and a disorder that often killed its victims within a year.

But insulin, however useful, can't cure diabetes. Nor has it prevented long-term diabetic complications like blindness, impotence, pregnancy problems, gangrene that requires amputations, and premature death from kidney failure, heart disease and stroke. "Yet it wasn't really until fairly recently that we became aware of the enormity and urgency of these problems," says Dr. Max Ellenberg, president of the American Diabetes Association.

Now, after research spurred by such concern, cautious medical investigators are saying again that highly effective ways to stop diabetes' ravages are imminent. New methods may emerge from several recent scientific breakthroughs. One possibility: Renewal of a diabetic's own insulin-producing ability through cell transplants. Another: Implantation of a computerized, insulin-stocked artificial pancreas. And if certain suspect viruses are confirmed as triggers of the disease, the predisposition to which is inherited, then someday, too, children may be vaccinated against it.

SHORT AND TROUBLED LIVES

Because diabetics and others are living longer and indulging in diets that tax their metabolism, diabetes is on the rise. The diabetes association figures between five and six million Americans have it, and their ranks are growing by more than 6% a year. The illness costs the nation an estimated \$4.5 billion in medical bills and lost work. Its growing toll persuaded then-President Nixon last July to sign a bill launching the federal government's first specific research attack on the disease.

Diabetes usually attacks the middle-aged and older and the obese. These people now can be treated through low-calorie diets and oral drugs rather than insulin injections. Scientists are focusing much of their effort on helping the 750,000 more seriously ill juveniles, mainly older children and teenagers. Carefully regimented routines, strict sugar-free diets, frequent urine testing and daily insulin doses do help prolong their lives.

But their lives still are short and troubled. Nearly all diabetics eventually develop degenerative complications resulting from premature hardening of the arteries and dete-

rioration of the body's tiny, fragile blood vessels, particularly in the eyes, nerves and kidneys. Diabetes has just become the country's leading cause of new cases of blindness. The vascular complications shorten the average diabetic's life by one-third; a child is lucky to live 25 or 30 years after the onset of the disease.

Because the complications rather than the disease often appear on death certificates, statistics hide diabetes' role as "the United States' second leading cause of death," Dr. Ellenberg says.

INSULIN'S ROLE

Scientifically called diabetes mellitus (derived from Greek words meaning "passing through honey"), the name refers to the elevated level of glucose, or blood sugar, in a patient's urine. When a normal person eats, the glucose level rises, stimulating the release of insulin from the pancreas. Insulin promotes the conversion of glucose and other blood sugars to fuel for storage or use.

But a diabetic either has little or no insulin, or else cannot use it properly. The patient's glucose surplus passes from the bloodstream through the kidneys into the urine, causing the disease's characteristic symptoms: extreme thirst, hunger, weakness, weight loss and excretion of urine in abnormally large amounts. The presence of high blood sugar also is thought to cause the most common complication—microangiopathy, a thickening in the walls of tiny blood vessels that reduces the flow of blood.

Insulin injections or oral drugs protect diabetics from coma brought on by excessive blood sugar. But insulin and drugs don't continuously monitor and adjust blood-sugar levels as the normal pancreas does. "Complications of diabetes seem due to this fact," says Dr. William Chick, a research associate at Boston's Joslin Diabetes Foundation. He thinks that minute-to-minute control of glucose levels might halt or at least minimize the progressive damage to blood vessels. At present patients can tell when blood-sugar levels are high only by measuring the spillover in their urine.

AN ELECTROCHEMICAL SENSOR

To better monitor blood sugar, a colleague of Dr. Chick's, Dr. Stuart J. Soeldner, is developing an implanted "glucose sensor." A dime-shaped disk, it generates small electric currents in reaction to changing glucose levels. Dr. Soeldner has implanted the sensor in monkeys and kept it there for as long as four months "with no rejection problem," he says. In rats and rabbits, he has wired the sensor to an implanted, matchbook-size radio transmitter for nearly two years.

This means that "we now have a total implantable glucose sensor system," says Dr. Soeldner, associate director of the Joslin foundation's research laboratory. "Assuming there are no hitches (in further monkey tests), then clinical trials can be underway by January 1976." Dr. George Cahill, director of the laboratory, says that "we could put it in a human now, but we don't know how long it would work."

In a human, Dr. Soeldner says, the sensor system likely would be implanted in the stomach area. Its attached transmitter would signal a radio receiver worn by the diabetic on his belt. Every 15 minutes, the receiver dial would indicate his blood-sugar level. If it goes too high or too low, as can happen when a diabetic takes too much insulin or alters daily routines that affect his metabolism, then a "beeper" would sound a warning.

Comparing this system with urine testing is "like comparing bows and arrows with a 20-millimeter cannon," Dr. Soeldner says. Still, an artificial pancreas would be even better. Such a device would rely on the glucose sensor along with a tiny computer, a reservoir with up to two weeks' insulin supply and a pump. It would be no larger than a cigaret pack. The artificial pancreas would

release the amount of insulin needed as determined by the glucose detector and the computer. It won't become a practical reality, Joslin researchers caution, for as many as five years.

An external artificial pancreas, however, already exists for hospitalized diabetics who are undergoing surgery or childbirth. Developed by Miles Laboratories, it is a bulky machine that monitors blood-sugar levels and dispenses insulin or glucose as required. It has been tried successfully on nine West German patients since June, and it now is being marketed by Miles.

Another kind of substitute for the ailing pancreas has attracted greater scientific attention. When transplants of whole pancreas failed, researchers turned to the million or so pinhead-size clumps of cells called islets of Langerhans scattered through the organ. The islets make up just 1% of the six-inch-long pancreas but produce all its insulin; the rest of the organ makes digestive enzymes. For the first time this past spring, St. Louis researchers succeeded in isolating entire islets from a healthy primate and transplanting them into five diabetic rhesus monkeys.

The cell clumps lodged in the monkeys' livers and began producing insulin. Each monkey's blood-sugar level soon returned to near-normal. Previously this "cure" had worked for months in hundreds of diabetic rats.

ISLET BANKS?

"We were terribly excited," recalls Dr. Walter F. Ballinger, chairman of the surgery department at the Washington University school of medicine. The monkey experiments, he says, "are getting us ever closer to the time when we feel we can ethically try this in humans."

Since last spring, Dr. Ballinger's co-workers have isolated normal human islets by the same techniques they had developed for animal pancreases. They also have learned how to keep isolated rat islets alive and functioning for more than 10 weeks.

In the future, Dr. Ballinger thinks, "islet banks" may be stocked with cells from human fetuses. The cells would grow to maturity in tissue cultures that "might be able to provide enough insulin-producing cells to last a person's lifetime," says Dr. Arnold Lazarow, professor of anatomy at the University of Minnesota school of medicine. He has grown islet cells from rat embryos and transplanted them in adult rats.

The body's rejection of islet transplants remains a major obstacle. Within a month, four of Dr. Ballinger's five monkeys died from complications caused by drugs given in an attempt to prevent rejection.

For this reason, the first human diabetic to get islet transplants probably will be one who has had a kidney transplant and has proven capable of handling anti-rejection drugs. "At the rate we're going, hopefully this will be done within the next couple of years," says Dr. John Najarian of Minnesota's surgery department.

FINDING "OCCULT" DIABETICS

Preventive medicine also is tackling diabetes. Mounting evidence suggests that mumps, German measles and some influenza-like viruses may trigger diabetes in genetically prone youngsters. In animals, such viruses seem to disrupt the release of insulin or kill the insulin-producing cells entirely. If the virus or viruses in humans ever is identified, an antidiabetes vaccine could be made.

Still, Dr. John E. Craighead, a University of Vermont pathologist and viral expert, warns that "it took 30 or 40 years to nail down" the poliomyelitis virus.

Meanwhile, a test that measures insulin levels in humans may be used to warn against onset of diabetes better than the conventional glucose-tolerance test. For the past two years, Chicago pathologist Dr. Joseph

Kraft has tried a new insulin test and the conventional test on about 3,000 patients at St. Joseph's Hospital. Nearly half the 1,500 whose blood sugar registered normal on the conventional test showed "diabetic patterns" on the insulin test. About 100 of these "occult," or previously undetected, diabetics later corrected their insulin abnormalities through low-carbohydrate diets.

JAPANESE AUTO INDUSTRY

Mr. FANNIN. Mr. President, on October 3, 1975, I introduced S. 2468, a bill to increase the duty on certain automobile industry products. My intent in advocating this measure is to bring equity to the area of international trade in automobiles. Both the European community and Japan have discriminated against imported American-made automobiles for many years. This discrimination is comprised of high tariffs and numerous nontariff trade barriers. The United States, on the other hand, has allowed what amounts to open access to its automobile markets by foreign competitors.

Both the total number of foreign-made cars sold as well as the percentage of the domestic auto market they hold have increased during the past year. This has occurred while domestic manufacturers have experienced the worst sales records in years and unemployment in the industry is astoundingly high.

The Japanese recently announced that their total automobile exports this fiscal year which ends March 31, 1976, will probably be a record high. It is expected that 2,600,000 units will be shipped abroad. Japanese exports to the United States continue to rise quickly despite a continuing recessionary domestic market.

Mr. President, American-made automobiles could not be sold in the Japanese market as readily as their products are marketed here. This is discriminatory. The combination of rising imports and extensive export restrictions keeps the domestic industry in serious trouble. Affirmative action must be taken to rectify this imbalance.

I ask unanimous consent that a recent article from the Journal of Commerce be printed in the RECORD at this point.

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

JAPANESE AUTO EXPORTS SEEN AT ALL-TIME HIGH

TOKYO.—Japanese automobile exports this fiscal year, ending on March 31, 1976, most likely will establish an all-time record with 12-month shipments exceeding 2,600,000 units, it was learned Wednesday.

Sources within the industry said Japan's automobile producers in fiscal 1974 exported 2,575,000 units of all types. This was a record year for Japanese makers at that time.

It was explained that this year's fine expectations were based upon the fact that stocks of Japanese motor cars (including trucks and buses) in the major global markets are currently running out and manufacturers are being pressed by overseas distributors to increase their efforts to rebuild inventories.

EXPORTS TO U.S.

Japanese exports of automobiles to the United States are rising rapidly as sales in that market continue to do exceptionally well, according to officials of the Japan Automobile Manufacturers' Association. And, in addition, similar favorable conditions presently exist in other key importing regions.

The association also reported that Japan's motor vehicle exports during the April-September term totaled 1,314,026 units. This was just 3.5 percent under the all-time record established during the same six months of last year. But exports in the next six months should be much higher, it was disclosed.

Japan's auto manufacturers in September, for example, exported 225,729 motor cars of all types. This was a jump of 5.7 percent against such shipments in August and 1.6 percent above the figure exported in the same month last year.

Meanwhile, the association said motorcycle exports in the April-September term totaled 1,260,846 units. This was 21.9 percent under the comparable figure for the same six-month term of 1974.

In September, Japan's motorcycle exports totaled only 205,459 units, down 16.9 percent compared with shipments in August and 31.8 percent below the figures for the same month of 1974.

DENVER NEIGHBORS ACT TO FIGHT CRIME

Mr. HASKELL. Mr. President, we are all familiar with the appalling increase in crime and with the equally appalling difficulty of our criminal justice system to control that increase. Our mail brings us daily accounts of the personal heart-break that lies behind the crime statistics. People are burglarized. People are assaulted. People are raped. People are robbed. Rich people. Poor people. City people. Suburban people. Rural people.

More police hardware is not the answer; neither is "a cop on every block." Not only are these alternatives uneconomical, but also they simply do not work. Moreover, they put the emphasis on the criminal rather than the victim.

The city and county of Denver has started a new program that bears watching—a crime prevention program that directly helps the potential victims of criminals, the citizens themselves.

It started October 1 and it is called Neighbors Against Crime Together—Neighbors—ACT. It is funded by LEAA and sponsored by the Denver Anti-Crime Council.

Its director, Dave Martin, is spearheading an effort aimed at doing two things: first, educating citizens about specific crimes of rape, robbery, assault and burglary; and second, involving citizens in helping each other at a neighborhood level to avoid becoming victims of crime.

The Denver Post recently editorially endorsed this effort. The Post's message is worth sharing. For that reason, I ask unanimous consent that the editorial be printed in the RECORD.

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

[From The Denver Post, Oct. 27, 1975]

YOU CAN HELP FIGHT CRIME

A federally-financed Denver organization this month begins a year-long anti-crime project dedicated to the premise that the people who can help most are the potential victims.

Local efforts often are made in this direction but the current campaign by Neighbors Against Crime Together (Neighbors—ACT) appears to be the first comprehensive effort in a major city.

At a cost of \$1.1 million in federal funds, parceled out through the Law Enforcement Assistance Administration (LEAA), the group

will fight four specific crimes: assault, robbery, rape and burglary.

Except for burglary, these are the crimes which cause most of the insult, injury and outrage to citizens. If Neighbors—ACT can reduce these crimes 5 to 10 per cent in a year, as the group plans, a heartening step against crime will have been taken.

The Denver Post supports such a campaign as part of its ongoing editorial effort to offer its opinion on crime in the United States. Various facets of the effort to curb crime are being discussed in periodic editorials.

According to David K. Martin, the project's executive director, getting ordinary law-abiding citizens to think about protecting themselves is a much-needed objective.

By considering ways in which they are vulnerable to crime citizens can make a major contribution. Knowing their neighbors, cooperating with them in crime fighting, and making residences safer from entry—these are among the Neighbors—ACT objectives.

Martin mentioned a small thing that probably suggests many ways citizens can help. How many urban or suburban residents know the at-work telephone number of their next-door neighbor? In times when a suspected burglary is in progress such information might be vital.

There are many other things to be done. They add up to a neighborhood concern which, in sum, helps spell out the message to criminals: this neighborhood doesn't want any more crime and it will strike back against those who perpetrate it.

To make sure the campaign gets properly launched Neighbors—ACT is conducting two parallel efforts.

One is a media campaign aimed at getting Denver area businesses to support dissemination of educational material supplied by newspapers and electronic media. This is the quickest way to reach large numbers of people.

But the other level of outreach may be the most effective. An intensive training program will be started in 20 high-crime census tracts. Two major areas of the city, with a population of more than 110,000, will be given first-person instruction in fighting crime. Teams drawn from 30 organizers and coordinators under Martin's direction will operate from the East Side Action Center, 2855 Tremont Place, and the West Side Action Center, 1108 Santa Fe Drive.

By speech-making, by door-to-door contact and campaigns conducted through local organizations and agencies Neighbors—ACT will seek to coordinate the biggest citizen effort against crime in the community's history. The program should have wide support and, for the record, it welcomes as much citizen input as it can get. Anyone interested in contacting the project office can do so by dialing 534-1671 in Denver.

A MAJOR SUCCESS IN THE DEVELOPMENT OF FUSION POWER AS A NEW ENERGY SOURCE

Mr. CASE. Mr. President, I want to call to my colleagues' attention an announcement by the Energy Research and Development Administration that fusion energy research scientists have reached a new plateau in their efforts to produce the conditions necessary for production of fusion energy.

The ERDA announcement said scientists at the Francis Bitter National Magnet Laboratory at Massachusetts Institute of Technology have achieved a fivefold improvement in the containment of extremely hot fusion fuel, called plasma.

This achievement was attained on a relatively small fusion research device

known as the Alcator Tokamak. It represented an improvement in containment of the plasma 5 times greater than have been achieved anywhere in the world before and 10 times greater than had been attained in all except one experiment.

In its announcement of the MIT achievement, ERDA said:

This development is of major importance to ERDA's fusion program, and it adds further credence to ERDA's projections that fusion power might be developed to the commercial stage before the end of the century.

The principal research effort in the fusion power field at the moment is a very large Tokamak device to be built at Princeton, N.J. It is hoped that the Princeton device will be able to demonstrate for the first time that a fusion device can produce net energy.

While the MIT achievement is not directly transferrable to the Princeton project, the knowledge gained from the experiment at MIT will be valuable to the Princeton project and gives greater assurance of success.

Despite the MIT accomplishment, however, the fact remains the development of fusion power to the commercial stage before the end of the century is dependent on keeping work on the Princeton Tokamak device on schedule.

The ERDA authorization bill contains provisions which authorize appropriations of \$23 million for what is known as the Tokamak Fusion Test Reactor—TFTR—at Princeton.

In the public works appropriation bill, the House approved only \$15 million for the TFTR. I already have written to Senator STENNIS, the chairman of the Senate Public Works Appropriations Subcommittee, to inform him of my intention to seek to have that figure raised to \$23 million, the full amount authorized.

I believe the achievement at MIT gives us an additional reason for providing the full \$23 million for the TFTR so that efforts to bring fusion power to the commercial stage will not be delayed by insufficient funding.

I ask unanimous consent that a copy of ERDA's announcement on the MIT achievement be printed in the RECORD.

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

A MAJOR SUCCESS IN THE DEVELOPMENT OF FUSION POWER AS A NEW ENERGY SOURCE

The Energy Research and Development Administration has today announced an achievement of major significance in the search for new sources of energy for the future of this country. At the Francis Bitter National Magnet Laboratory at the Massachusetts Institute of Technology a research device known as the Alcator Tokamak has reached a new high point in the Fusion Power Research and Development program's effort to produce in the laboratory those conditions required for the fusion process, the process that produces the energy of the sun and the stars and that promises to be an abundant and environmentally attractive source of energy for the future. The MIT scientists, operating the Alcator device well below its design limits, have been able to improve the containment of extremely hot

fusion fuel, called plasma, 5-10 times over that previously achieved in other fusion experiments.

For two decades scientists all over the world have been striving produce the requisite fusion conditions in the laboratory. Fusion is the process in which light particles of matter join together, or fuse, to form heavier particles and neutrons, which can be used to produce electric power.

Fusion as an energy source has a number of striking advantages: the fuel, a form of hydrogen, is available in abundance in sea water; the fusion process itself is inherently safe in that nuclear runaway is not possible; radioactive waste is projected to be minimal; and weapons grade nuclear materials are not produced. Fusion power, therefore, represents a very desirable future energy option.

The difficulty in producing fusion conditions comes from the fact that the fuel atoms naturally repel each other and must be heated to tremendous temperatures, hundreds of millions of degrees, before they collide with enough force to fuse. But as atoms are heated, containing them becomes more difficult. The central research problem has therefore been heating this fusion fuel, the plasma, and simultaneously confining enough of it for a long enough time.

The approach that has received the most attention in controlled fusion research is magnetic confinement, in which large magnetic fields are used to restrict the motion of the particles of the hot plasma fuel. The most promising of the many magnetic confinement concepts is the tokamak, a doughnut-shaped device filled with the hot gaseous fusion fuel. The Alcator tokamak at MIT is one of five tokamaks now operating in the U.S. Although small compared to the other tokamaks, it was specifically designed to have a magnetic field more than twice as large as the other devices.

As operation of Alcator has gradually reached higher and higher magnetic field levels, it has been possible to steadily improve its containment properties. In recent weeks, still operating well below its maximum magnetic field, Alcator has already achieved fuel containment five times better than in any other tokamak in the world. Specifically, the product of the plasma density and the plasma confinement time has been raised to a value of 10^{13} (10,000 billion) seconds per cubic centimeter, at a plasma temperature of 10,000,000 degrees. In addition, the plasma is extremely pure, almost completely free of undesirable impurities. The simultaneous production of these fusion plasma parameters in Alcator thus represents a significant scientific achievement, a world record for the performance of fusion devices, and a major step forward in energy research.

This development is of major importance to ERDA's fusion program, and it adds further credence to ERDA's projections that fusion power might be developed to the commercial stage before the end of the century. A number of major scientific and technical problems remain to be resolved in order to achieve this goal, however. Specifically, the density-confinement time product will have to be raised by another factor of ten to thirty, an achievement that will require larger new experiments, some of which are now in construction or on the drawing boards. Further, temperatures of over 100,000,000 degrees will be required, ten times higher than achieved in Alcator. These temperatures have often been produced in the laboratory in the past. For example, temperatures of 130,000,000 degrees were achieved in the 2XII mirror machine this summer. It will, nevertheless, require time and effort to create all of the conditions for fusion simultaneously in a single experimental system.

The Alcator program is headed by Professor Bruno Coppi, who was the father of the basic concepts underlying the Alcator. The team that operates Alcator and made the detailed measurements is headed by Dr. Ronald Parker. The experiment is located in the Francis Bitter National Magnet Laboratory at MIT.

A broad range of fusion research is carried out at MIT under contract with ERDA. The Alcator experiment was initiated in 1971 and came into initial operation in 1974. The recent results will be presented by Dr. Parker at a meeting of the Division of Plasma Physics of the American Physical Society in St. Petersburg, Florida, November 9-14.

RETIREMENT OF THOMAS D. MORRIS FROM THE GENERAL ACCOUNTING OFFICE

Mr. CHILES, Mr. President, on November 14, Mr. Thomas D. Morris, the Assistant Comptroller General for Management Services will retire from the General Accounting Office. Mr. Morris is a distinguished public servant with a record of high achievement in the Department of Defense and the former Bureau of the Budget before he assumed his present duties where he played a vital role in the major reorganization of the GAO which many consider to be the "right arm" of the Congress.

In departing the Federal service Mr. Morris is assuming new duties as assistant secretary for administrative services in Florida's Department of Health and Rehabilitation Services. This is a new position recently established by the Florida Legislature and I wish him well as he takes his demonstrated managerial skills to this important new position.

Mr. President, I ask unanimous consent to have printed in the RECORD, the recent announcement of the Comptroller General regarding Mr. Morris' retirement.

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

COMPTROLLER GENERAL OF THE UNITED STATES, Washington, D.C., October 1, 1975.

HEADS OF DIVISIONS AND OFFICES

Mr. Thomas D. Morris, Assistant Comptroller General for Management Services, will retire from Federal Service on November 14, 1975, in order to accept the post of Assistant Secretary for Administrative Services, Florida Department of Health and Rehabilitation Services. This is a new post established last July as part of a comprehensive reorganization enacted by the Florida legislature.

Effective November 15, 1975, Mr. Clerio P. Pin, present Deputy Assistant Comptroller General for Management Services, is named Director of Management Services and will be responsible for all functions and activities now assigned by GAO Order No. 0130.12, dated January 15, 1975.

Mr. Morris expressed his strong desire to retire for family reasons nearly two years ago but has deferred doing so at my request. While I regret his decision, I know that he made it only after the most careful thought. Mr. Morris is one of the outstanding public servants in the Federal Service and has contributed greatly to the work of the Bureau of the Budget, the Department of Defense, and during the past five years to the GAO. We will miss him greatly but wish him well in his new endeavor.

ELMER B. STAATS,
Comptroller General

THE PROBLEM OF BUSING

Mr. BROCK. Mr. President, columnist William Raspberry of the Washington Post has recently addressed himself in several articles to the problem of busing in our Nation today. One of his recent articles deals frankly and intelligently with the pitfalls of forced busing and points out very clearly some of the shortcomings of such programs, while at the same time encouraging improved education. I ask unanimous consent that Mr. Raspberry's article "Busing Probably Isn't the Answer" be printed in the RECORD.

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

BUSING PROBABLY ISN'T THE ANSWER

(By William Raspberry)

A reader remarks that he was surprised at my recent column questioning the value of large-scale busing. "I wouldn't have thought that you would be opposed to racial integration," he said.

I'm not, of course. I am opposed to bad education, to stupidity and waste, and to inflexible, counterproductive responses to poorly thought-out questions.

Busing—at least on the scale being urged by the NAACP—is supposed to perform two primary functions. First, it is supposed to improve the quality of education available to black children, particularly the children of the big city slums.

Second, it is supposed to promote the establishment of an integrated society, a society in which race will no longer be a major consideration.

I have no disagreement with those goals. I simply doubt that large-scale busing is the way to achieve them.

The first goal—improved education—is the important one for me, and my view is that it is a question best faced directly. The integration of the society can be promoted by public policy, to be sure, but I doubt that it is amenable to judicial fiat.

But even in terms of the first goal, some people see racial integration as an important aspect of improved education. It is important, though not indispensable.

If I were in charge of things, I would first make certain that no child would be barred from any school because of his race. That is essentially what the Supreme Court ordered in its 1954 decree.

But I would not merely outlaw segregation; I would introduce policies to promote integration and dismantle policies calculated to separate the races. That is desegregation.

And I would do one thing more: I would make it possible for any child to transfer, on a space-available basis, from a nearby school in which his race is predominant to a more distant school in which his race was in the minority. I would not order it. I would simply permit it, providing transportation where necessary.

Such a policy would differ from present busing plans in several key ways. To begin with, it would not be an imposed plan and would, therefore, not generate the fear-spawned opposition that busing has generated. It would also involve fewer children and, as a result, be less disruptive, less complicated logistically, and less costly.

And it would leave alone those children and their parents for whom integration is not a matter of high priority.

One of the reasons so many people are convinced of the educational benefits (particularly to black children) of racial integration is that they have seen the academic improvement of children whose parents make special efforts to get them into integrated schools.

These special efforts may include anything from budget-straining moves to new neighborhoods, to applications for special exemptions, to outright lies about where they live.

Children who see special advantages in attending a school out of their neighborhood (or whose parents see such advantages) tend to achieve academically. The very fact of the special effort assures that the transfer will be viewed as a positive thing.

But we keep misreading what we see. We see a child (or a family) with strong feelings about education seeking an opportunity to attend a distant, integrated school, and we see an educational payoff. And too often we conclude that it is the fact of the transfer, rather than the strong feelings and educational ambition, that lead to the academic improvement, and we try to generalize the results by generalizing the transfers.

It rarely works. What often happens is that children involuntarily transferred because of their race arrive at the new school full of fears, insecurities and resentments. In many cases they learn hardly anything at all except how easy it is to buffalo guilt-stricken white teachers or to beat up on white kids.

When this happens, and when whites move farther away in attempt to avoid it, we put the blame on racism or insensitivity but never where it belongs; on the fact that children tend to respond negatively when they find themselves where they'd rather not be.

Of course you can always take the position that integration is too important a goal to be left to the desires of people. You can insist that integration is constitutionally mandated and call upon the courts to order it.

But you ought to be ready with a shopping list of culprits when your well-meant efforts fail to produce improved education, better racial feeling or even integration.

NEW STAFF BOSS AT THE WHITE HOUSE

Mr. McGEE. Mr. President, changing the name of the White House to Wyoming House would, I admit, be stretching history quite a bit, however, it is gratifying to see Wyomingites or people with Wyoming ties working in these high positions within the administration at the White House. I congratulate them.

Connie Gerard from Greybull, Wyo. has been with the press office at the White House for 12 years. Judy Wilson from Cheyenne presently serves as an assistant to Donald Rumsfeld and Richard Cheney.

Mr. Cheney, although not Wyoming born, gained much of his higher education at the University of Wyoming. Mr. President, I ask unanimous consent that an article about Mr. Cheney which appeared recently in the Washington Star be printed in the RECORD.

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

FORD WORKHORSE NEW STAFF BOSS AT WHITE HOUSE

Behind almost every successful executive can be found a workhorse. President Ford's workhorse is Richard B. Cheney, named by the President to replace Donald Rumsfeld as White House chief of staff.

Cheney, 33, has been deputy assistant to the President since Dec. 18. Ford announced his promotion at a news conference last night after saying he would nominate Rumsfeld to be secretary of defense.

Cheney, a close Rumsfeld associate for

six years, occupies the office closest to Ford's Oval Office of any major aide in the White House. An efficiency expert would have it so.

Across Cheney's desk flow the papers that go to and from Ford. As the deputy White House chief of staff, Cheney keeps in order letters, memos, charts and other documents addressed to Ford and those coming back from the Oval Office.

But it is not a paper-shuffling operation. The reins of government run largely across Cheney's desk.

The Lincoln, Neb., native is involved in what the papers say. He insures that the President is getting all the advice from all concerned on any given subject. He insures that persons who should be consulted are consulted and their words reach Ford. He makes certain that Ford's instructions are carried out.

Most presidents have complained at one time or another that their major headache is insuring their orders get carried out. Ford has not—and Cheney is one reason.

Cheney has been closely associated with Rumsfeld since 1969, when he began two years as executive assistant to Rumsfeld, then director of the Office of Economic Opportunity.

After Rumsfeld moved to the White House as a counselor to President Richard M. Nixon, Cheney followed him there as Rumsfeld's deputy. And he stayed with Rumsfeld again from late 1971 until early 1973—as his assistant at the now-defunct Cost of Living Council.

Cheney and Rumsfeld came back to the White House at almost the same time in September 1974 to help Ford launch his new administration.

Cheney was working for the Washington investment firm of Bradley, Woods and Co. when he joined Rumsfeld at OEO.

A graduate of the University of Wyoming, where he also received a master's degree, he did additional graduate work in political science at the University of Wisconsin.

He served on the staff of Republican Gov. Warren Knowles of Wisconsin and later was a congressional fellow on the staff of Rep. William Steiger, R-Wis.

CAPITAL FORMATION

Mr. BROCK. Mr. President, there recently appeared in Business Week an excellent article outlining the capital formation future for our Nation. The capital gap is a bomb on a slow fuse which threatens our economy and our Nation as we know it today. I ask unanimous consent that the article from Business Week, entitled "The Capital—\$4.5 Trillion America" be printed in the RECORD.

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

THE CAPITAL—\$4.5 TRILLION AMERICA

The jaws that threaten the nation's well-being are not those on the giant fish that looms up in front of moviegoers, but those on the yawning capital gap that faces the U.S. this year and as far ahead as anyone can see. For the failure of the supply of capital to keep up with demand could eat the nation's standard of living alive.

The amount of capital that the U.S. needs if it is to move back to its historic real growth rate of 4 percent a year and stay there is enormous by any measure. Between 1955 and 1964, the U.S. economy consumed \$760-billion in capital in turning out all the cars and TV sets, in building all the houses and factories and shopping centers that a growing population wanted. Between 1965 and 1974, the nation's consumption of capital doubled to \$1.6-trillion. By the best estimates

available, the U.S. will need the incredible sum of \$4.5-trillion in new capital funds in the next 10 years: capital that, for the most part, will have to come from the savings of the American people and the profits of American business.

Looked at in a slightly different way, the nation's total supply of capital will have to rise at a compound annual rate of 8.7 percent during the next decade, compared with a compound annual rate of 6.7 percent in the past decade.

UNPLEASANT CONSEQUENCES

The obstacles to raising that kind of money in the economic environment that is likely to prevail in the next decade, and distributing it to where it will be needed, are formidable, perhaps insurmountable. But the social and financial consequences of not generating sufficient savings to provide money on that scale are not pleasant to contemplate. A capital shortage of the magnitude that seems possible would make the U.S. economy a tough place for anyone—individuals and giant corporations alike—to make a living. This is what a capital crisis would mean:

The financial markets would be chronically unable to provide the necessary flows of funds to finance the economy's expenditures at rates of interest that anyone could afford. Indeed, under the lash of a federal budget deficit of more than \$100-billion in two years, this symptom of a capital shortage is already present in the U.S. financial markets even though the demand for funds is low because of recession. Short-term interest rates have turned higher again, and long-term rates are already near or at historic peaks even though the economy is only in the early stages of recovery. For a disturbingly large number of would-be borrowers, from New York City to some of the nation's largest corporations, there is no money to be had today at any price.

The U.S. economy would suffer from both chronic shortages of goods and from continued high inflation because capital expenditures by business would be insufficient to generate enough capacity to meet demand at reasonably stable prices. A low utilization rate virtually guarantees that the U.S. will not become a true shortage economy again until 1980 at the earliest. But there will be areas of shortage before then, and when and if the economy moves back to full employment, the press of growing demand against less rapidly growing supply will become acute. Shortages of such basic stuff as chemicals, paper, and steel were already disturbingly visible during the last period of high employment in 1973 and early 1974. Next time, there could well be shortages of nearly everything.

The business cycle profile would consist of short, feeble recoveries quickly aborted. Constant upward pressure on interest rates, and high inflation, will force the Federal Reserve into a tight money stance early in recoveries, much as seems to be happening right now. This will make prolonged business upswings impossible but prolonged recessions easy.

The corporate structure of the U.S. would begin to resemble Japan's *zaibatsu* economy as strong companies gobble weak companies at an accelerating pace. The capital-short economy discriminates against any company that does not have the highest credit rating because lenders of scarce funds can afford to hold out for only the very highest ratings. Already there is a tiny group of companies that can raise new equity capital, a larger group that can raise debt capital, and a very large group that cannot raise any capital at all. There may not be a capital shortage for all, but there almost surely will be a capital crisis for some. More and more of these bottom tier companies will fall by the wayside as the capital shortage becomes more intense.

Social unrest and class conflict would become endemic because income gains will be thin to nonexistent. It is indeed naive to imagine that the capitalist-mixed economy can long survive a capital crisis. A nation that has been convinced that it can grow at a fast clip—that every person has the right to a job, an education, two cars and a house in the suburbs—will have to live instead within the strict limits on the growth of income imposed by a capital shortage. "A central feature of modern economic society," says John Kenneth Galbraith in his new book *Money*, "is the rejection by subordinate classes of the prescriptive limits on their income and consumption. With this rejection go claims on production that cannot be met; from these claims come inflation."

UTOPIAN ASSUMPTIONS

A severe capital crisis in the years ahead is not foreordained. The only completed, detailed studies of the long-term capital outlook that are worth their salt—the studies by Barry P. Bosworth, James S. Duesenberry, and Andrew S. Carron for the Brookings Institution, and by Roger E. Brinner and Allen L. Sinai for Data Resources, Inc.—conclude that the U.S. will skirt the ragged edge of a severe capital gap rather than fall into it. But these studies are based on what could well turn out to be utopian assumptions, as their authors admit. In the Duesenberry-Bosworth-Carron study, the federal budget comes into balance in 1977 and stays there. In the Sinai-Brinner study, the balance is achieved in 1978.

Yet the conditions that threaten a capital shortage are the very same ones that could easily undo these optimistic assumptions about inflation and spending. The grim reality is that budget deficits promise to be deeper than expected and inflation higher than expected, and the U.S. can escape a capital crisis only if it is luckier or wiser than it has been in the past.

So far, at least, both luck and wisdom seem to be in short supply. On the evidence, the U.S. has chosen not to deal with the real threat of a capital gap but simply to ignore it. Closing that gap at a minimum requires changes in the tax structure that would provide greater incentives for savings and investment and greater disincentives for consumption. It is true that the Ford Administration has recognized the need for such changes and has proposed legislation aimed at improving the tax treatment for savings and investment. But what is mostly involved is a cut in the corporate tax rate—political quicksand in a year of near-9 percent unemployment.

There are three related reasons for this indifference to the capital shortage issue. The capital gap is difficult to define, difficult to measure, difficult to understand, and therefore difficult to take seriously. Closing the capital gap would require changes that would be painful to many, since they would require people to consume less in the short run so that society may grow faster in the long run. And, finally, the most vocal proponents of the existence of a capital gap—corporate lobbyists, organizations like the New York Stock Exchange and the Securities Industry Assn.—represent those in society that would benefit most directly from measures designed to close it. It does not help that Washington's No. 1 capital gap crusader, Treasury Secretary William E. Simon, has a Wall Street background with the investment banking house of Salomon Bros., a firm that would obviously benefit from pro savings, investment legislation. It certainly does not help that Simon has done far better at selling bonds to Wall Street than legislative proposals to Congress.

Difficulties with the definition of the capital gap exist because there is a sense in which there is always a capital gap, a sense in which there is never a capital gap, and a

sense in which a capital gap can exist at some times but not at others.

BALANCING GOALS AND SUPPLY

A capital gap can always be said to exist because human wants are insatiable. Any company that turns its engineers loose can always make a list of capital projects that it would like to complete that stretches from the earth to the moon. And so can any unit of government or any individual. Indeed, in its study of the capital gap that came up with an \$650-billion capital shortage for the next 10 years, the NYSE came perilously close to this. The exchange's research department, in effect, estimated the capital needs of industries and units of government without analyzing whether the needs are realistic in the framework of the overall economy. As a consequence, the exchange left itself open to ridicule from many economists and from the labor movement.

The view that a capital shortage never exists is one that deserves to be taken far more seriously. Robert Eisner, a Northwestern University economist, who is a leading proponent of this position, calls the capital gap "a lot of bull." In an economic sense, he says, "it doesn't make sense to talk of a shortage of either physical or financial capital." We live in an economy, he argues, where consumers and investors state their preferences and the market acts as a great clearinghouse. If people do not want to save enough to meet supposed requirements, he says, "that's just tough." If the demand for capital is greater than the supply at existing rates of return, then those rates of return and real interest rates should rise and induce more savings. Eisner is critical of Treasury Secretary Simon. "It galls me that a guy like Simon, who says that he believes strongly in the free enterprise system, really doesn't trust the market," he says.

Yet there is an essential difficulty with this view that a capital gap cannot exist, since the market equates the supply of savings with the demand for investment. And that difficulty is simply that a society that is too profligate in consuming rather than saving will put such a high price on capital and therefore produce so little of it, that it will not grow fast enough to meet some commonly accepted goals.

It is, in fact, a study of the balance between commonly accepted goals and the supply of capital that is available to meet those goals that gives a rigorous economic meaning to the notion of a capital shortage. The question is not will there be a capital shortage, for the answer to that question is both "yes" and "no." Rather, the question is, given certain goals for economic growth and total employment, will the U.S. generate enough capital to meet them.

Sound studies of the capital shortage do not, therefore, concentrate primarily on coming up with boxcar numbers to scare people with, such as the NYSE's \$650-billion. Rather, they begin by asking where the economy is now and where Americans would like it to be in, say, 10 years. They then go on to estimate the capital constraints that are likely to be met on the way. In this sense, the capital shortage problem becomes a part of the whole question of economic growth, and once the capital shortage is looked at in this way it begins to take on some real meaning.

ACCUMULATING CAPITAL

Ever since the days of Adam Smith, and even before, economists have recognized that capital accumulation requires that a simple—if painful—condition be met: A society must, each year, produce more than it can consume. And if that society is going to grow, it must be able to find a mechanism by which the margin between production and consumption is invested in capital goods that can be used to increase productivity.

Indeed, as the classical economists up to

and including Karl Marx demonstrated with a clarity that eludes modern economists, the entire history of civilization is bound up with capital accumulation. Man ceased to be a hunter and began to develop the arts of civilization only when the then-fertile area between the Tigris and the Euphrates—ancient Mesopotamia—began to produce an agricultural surplus that could be used to support a nonagricultural population. Civilization was similarly first brought to a high form in ancient Egypt largely because the incredible fertility of the Nile's flood plain permitted the first really wide margin between production and consumption. The real breakthrough for the Western world came, of course, with the invention of the steam engine, which led to a quantum jump in productivity and permitted the economies of the West to develop at an incredible pace.

The Industrial Revolution required a huge margin between production and consumption, and that margin has stayed high for more than 200 years. The margin between production and consumption, which economists call savings, is in part determined by the stage of economic development a nation is in. As the table on page 92 shows, the margin is widest in Japan, which is still in the relatively early stages of development and lowest in the so-called mature economies like Britain and the U.S.

The U.S. has managed to get by with a low savings-investment rate, and can still do so compared to most countries. But in the past decade, the claims on that margin between production and consumption have become increasingly voracious—from business, the public, and government—as both the willingness and the incentive to save has become attenuated.

Over the past 10 years government spending, including transfer payments, have been increasing at an astonishing 9% annual rate, more than double the 4% rate for the private economy. That growth of government spending lies at the heart of the capital market strains that have appeared in the past year. Although not generally recognized, economists view the government as a potential saver, counting government surpluses as well as personal and corporate set-asides from production as part of the nation's total supply of savings. On the other hand, government deficits count as a claim against savings. In physical terms a government deficit means that the government is a net consumer—drawing more resources out of the economy than it is putting back in and eating into the margin between production and consumption.

THE MARGIN GETS SMALLER

Happenings in the financial markets represent the dollar analogy to the physical shortage of capital. Those who refrain from consumption provide funds to the financial intermediaries—the banks and other lenders—who then have the funds available to support investment. And a thin production-consumption margin leads to a thin supply of capital. The consequences of a thin capital supply are either:

Rising interest rates as a strong demand for capital competes for the available supply. A capital shortage cannot actually be seen, since the price of capital (interest rates) keeps rising until, on any given day, supply and demand are balanced. Longer-run, though, the number of individuals and businesses that want capital, but cannot afford it, keeps growing.

Moves by the Federal Reserve to make up for the financial market capital shortage by pumping more money into the economic system. But if the total amount of funds exceeds the amount that is generated by savings (the difference between production and consumption) the result is inflation.

The possible outcomes of a financial market capital shortage are not confined to these two extremes. In an economy that does not save enough, it is possible and even likely that the financial markets will follow a zig-zag pattern, alternating between periods of tight money and soaring interest rates, and periods when the Federal Reserve tries to hold rates down by pumping money into the system.

The worthwhile studies of the capital shortage do not proceed in a vacuum. They emerge from simulations of the performance of the U.S. economy and of economic policy during the next decade. They then go on to estimate the capital requirements that result from these simulations. And while the studies disagree on details, there is agreement among them on what the basic contours of the economy will be and what will have to be done if a severe capital shortage is to be avoided.

All studies begin by recognizing that business will be the key capital user during the next decade. According to the Data Resources study, for example, business investment in machinery (technically producers' durable equipment) will have to rise at a compound annual rate of 11.5% during the next 10 years vs. an 8.9% annual rate between 1965 and 1974. To finance that spending, given an expected 5% to 6% inflation rate, companies will have to spend some \$1.9-trillion in the next decade against \$670-billion in the past decade.

There are a number of reasons why capital spending will have to grow at an accelerated pace. To begin with, the rate of capital spending has been low relative to the rate of growth of output in the past decade as the government sector (federal and local) grew faster than the private sector. Also, the pollution and safety laws have increased the capital required for a given level of production. And, finally, there are signs that it is now taking more and more dollars worth of capital to produce one dollar's worth of output.

HEAVIER BORROWING AHEAD

But this is not the only capital spending problem and perhaps not the main one at all. It is clear, says Gary Fromm, who is conducting a capital spending study for the National Bureau of Economic Research, "that inflation will continue to take a substantial bite out of investment potential." On the corporate side, inflation causes depreciation allowances to fall behind the cost of replacement capital. So companies must continue to borrow heavily to finance capital spending. And companies that have already borrowed to the absolute hilt, must continue to borrow heavily to finance capital spending, moving to still higher ratios of external financing to internal funds.

"The windup," says Fromm, "is that many companies will cut capital spending plans. Then we may find that the resultant growth of the capital stock would be insufficient to sustain the growth of output that society desires."

The main evidence of those who foresee no capital shortage is the drop in the rate of return on invested capital that shows up in the chart on page 44. To some economists this suggests not that the supply of capital is short, but rather that the falling return has cut into the demand for capital.

Yet to jump from the fact that the rate of return on existing capital is falling to the conclusion that the return on newly invested capital is low may miss the entire point. In an analysis of the capital gap that has attracted wide attention among economists, Federal Reserve Governor Henry C. Wallich argues that there is a critical difference between the two. He says that rapid technological change and shifts in relative prices—particularly the price of energy—

which is reducing the return on old capital may, in fact, be increasing the return on new investment.

The need for accelerated capital spending growth, therefore, seems fairly well established. And so is one other key proposition: that the funds to support capital spending growth will be forthcoming if, and only if, the federal government reduces its pressure on the capital markets.

THE NEED FOR A SURPLUS

The Bosworth-Duesenberry-Carron conclusion that the U.S. will manage to skirt a capital gap is heavily dependent on a federal budget surplus emerging in fiscal 1977. In their model, the surplus emerges for two reasons. Expenditures grow only slowly: federal spending on goods and services growing at only 7 percent a year and actually falling in relation to gross national product. They do not allow for any major new social programs. And while transfer payments for Social Security rise at 10.9 percent, total federal spending grows at 8.7 percent a year, lower than the growth rate of the past decade.

With spending under restraint, Bosworth, Duesenberry and Carron get surpluses, not because of major changes in government policy but because higher inflation combines with real GNP growth to boost revenues by 11.7% a year.

Should spending move up faster than these projections, however, the economy would be in trouble on anybody's assumptions. And since each new victim of the capital crisis immediately demands financial relief from Washington, the odds are very good that spending will move up faster than these projections. A study prepared for Labor Secretary John T. Dunlop indicates it will take major tax changes to generate enough savings to satisfy the demand for capital.

Says Don Conlan, a former Dunlop aide at the Cost of Living Council who initiated the study and who is now executive vice-president of Capital Strategic Services, a Los Angeles consulting group: "It's extremely unlikely that the financing techniques used by business in the past 5 to 10 years will do the trick in the next 5 to 10 years. Given the balance sheet deterioration we've already had in terms of the rising debt/equity ratio, it's questionable whether the public will be willing to hold as much paper as business will have to float, if there is no policy action to improve cash flow."

And that is the nature of the crisis: the need to invest more to keep the economy growing, but also the strong likelihood that given the tax laws and corporate balance sheets as they are, and the economy as it is likely to be, there will not be enough capital to meet those investment goals. Some factors in this equation must change or the U.S. economy of the late 1970s and the 1980s will be unlike anything the American people have seen in nearly four decades: an economy marked by slower growth, higher unemployment, and fewer fulfilled promises for nearly everyone.

POWERPLANT CONSTRUCTION

Mr. GRAVEL. Mr. President, utility companies across the country are continuing to cancel and defer their plans for new nuclear generating stations.

The high capital costs of nuclear power, the incomplete fuel cycle and numerous other uncertainties are convincing more and more utility executives that nuclear power is the wrong way to go.

In addition, the demand for new electrical generating capacity simply is not proving to be as great as many promoters had stated. Those who had convinced

themselves that exponential energy growth would continue now find there are limits to this kind of growth.

Mr. President, I ask unanimous consent that four items be printed in the RECORD: An article from the New York Times entitled "Utilities Continuing To Cut Power Plant Construction;" an article from the Des Moines Register regarding the decision of the Iowa Commerce Commission to review the financial advisability of building new nuclear stations; a copy of that decision; and another article from the Des Moines Register concerning a utility suit filed recently against several nuclear manufacturers.

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

UTILITIES CONTINUING TO CUT POWER PLANT CONSTRUCTION

Although at a slower pace than last year, the nation's electric power companies are continuing to cancel and postpone construction of power generation facilities to meet future customer demand.

In items of power-generation capacity and dollar investment, nuclear power suffered the most cancellations.

According to the latest electric power survey made by the Edison Electric Institute, the trade association of the nation's investor-owned electric utilities, five nuclear reactor units representing 5,746,000 kilowatts of power were canceled during the first half of this year. During the same period, eight conventional power generation units, representing 6,040,000 kilowatts of power, were canceled.

The institute defines a cancellation as the removal from the construction scheduled of a proposed plant by a utility and cancellation of an order for equipment.

Under this definition, there were actually seven cancellations for nuclear units because the supplier of two reactor units for one utility project canceled the order on the ground that it was planned for too far in the future.

Since the Edison survey, several other utilities have canceled or suspended indefinitely their plans to construct nuclear plants.

The South Carolina Gas and Electric Company recently announced cancellation of plans to build the second of two nuclear units near Parr, S.C. The unit was valued at \$550-million.

Earlier this summer Middle South Utilities Inc., a New Orleans-based utility holding company, announced that its subsidiaries had canceled two nuclear units, deferred construction of another and deferred construction on two coal-fired plants. The nuclear units would have been worth close to \$1-billion.

The New York State Electric and Gas Company, a major upstate electric utility, suspended indefinitely the construction of two nuclear units valued at a total of \$1.8-billion because of the discovery of seismic faults in the area where it planned to build the units.

Energy industry executives and investment market analysts offer a number of reasons for the cutbacks, which represent billions of dollars in potential investment. Most emphasized the continuing inflationary costs of building new power generation facilities, particularly nuclear plants, and the continuing reduction in customer use of electric power since the 1973-74 Arab oil embargo.

"The construction cancellations you've seen so far, I think, are primarily a reflection of the continued financial problems facing the utilities, but if there are any from now on it may mean we won't see the peak load demand growth pattern the utility industry

has been projecting," said Jim Parham, investment analyst at the Pittsburgh National Bank. The Edison Electric Institute had projected growth of 9 per cent in the peak load use of power this year, but so far peak demand has not passed the 3 per cent mark. Growth of peak load is used to project future demand for power and the need for building generating facilities.

The Westinghouse Electric Corporation, the nation's largest producer of nuclear power systems, reported recently that the reasons for cancellations and delays were "chiefly financial," but it added that "the perceived low growth in electricity usage, which is a direct result of the recession," contributed to the cutback in orders.

MUCH CONTROVERSY

Westinghouse, which has received four orders for nuclear power units this year, would not report on cancellations for the 1975 calendar year separately. But the company said that since January, 1974, it had received cancellations of 25 nuclear units (representing 28 million kilowatts of power) and 62 conventional, or fossil-fuel, plants (representing 38 million kilowatts).

There has been considerable controversy between the energy industry, particularly electric utilities, and environmental and consumer groups over the need to construct power plants at the pace of the past.

Utility executives and engineers have argued that cancellations, which were numerous last year, may result in inability of the utilities to provide the power that customers will demand near the end of the decade and in the nineteen-eighties. They have argued for tax incentives and quicker regulatory action on rate increase requests as ways to raise the capital required to build costly power units.

Consumer groups counter by saying that conservation since the Arab embargo has significantly changed the pattern of power use by customers. They also advocate that utilities promote conservation of electricity through rate reform and load management techniques that would spread the demand for electricity over a broader period of the day, thus reducing peak load levels.

There are indications that conservation of electricity indeed has surprised the industry and has contributed significantly to decisions by some utilities to cut back construction plans, and action that many executives welcome privately because of the low prices at which utility stocks are selling.

Floyd W. Lewis, president and chief executive officer of Middle South Utilities, noted that the cost of the two proposed nuclear units has escalated to \$2.1 billion from \$1.2 billion, an estimate made less than two years ago. He said reduced customer demand also figured in the cancellation decision. A revival of the projects "depends on the direction our customer load pattern takes," he said.

The Tucson Gas and Electric Company, which recently sold its \$600 million participation in the Arizona Nuclear Project, noted that slowing of load growth did not justify investment in the project. It said it did not expect a need for the extra power by the early and mid-1980's, when the project is to be completed. The project is to be built in three stages.

[From the Des Moines Register, Aug. 22, 1975]
MUST SUBMIT POWER PLANT PLANS: ICC
(By Dennis Corcoran)

The chairman of the Iowa Commerce Commission said Thursday that Iowa utility companies must obtain approval from the commission before building multimillion-dollar power plants if the cost of the plants is to be passed on to customers in the form of rate increases.

The new policy—announced as a "request" to the state-regulated utilities—is a reversal

of commission practice of allowing the companies to build new plants and then questioning that decision in rate hearings after the plant is in operation.

The request, which Chairman Maurice Van Nostrand said will be backed up by the commission's authority to approve or deny rate increases, is similar to two bills pending before the Iowa Legislature.

"TOO MANY QUESTIONS"

Van Nostrand said the commission decided not to wait on legislative action because there are "too many questions (about utility expenditures) that haven't been answered."

The request says that before a financial commitment is made to build a plant that costs at least \$250 million, the utility or group of utilities will have to submit detailed plans to the commission.

The commission will then decide if the plans are prudent. If not, the commission will not permit the utility to charge its customers the cost of the project.

Most major generating plants cost more than \$250 million.

IOWA CODE

One utility company official questioned the commission's authority to enforce the request, and Van Nostrand admitted that a utility might challenge the notice on the basis that the Iowa Code does not say the commission can require a utility to submit its plans for prior approval.

But Van Nostrand said the commission's statutory authority over rate matters is directly related to plant expenditures.

"If they (utility companies) ask us what chapter (of the Iowa Code), we've got a little problem," he said. "But we have no doubt that in the long run, it will work out."

CONCERN TOLD

Although the request would include all plant expenditures, Van Nostrand said the commission is especially concerned about the development of nuclear power plants in Iowa.

He said the concern is over the availability of nuclear fuel, the storage of waste materials, reprocessing of the fuel and the reliability of the plants.

Until these problems are solved, he said, he cannot justify allowing a utility to go ahead with a nuclear plant commitment without some prior review.

The first plans to be submitted to the commission probably would be for a proposed nuclear power facility in central Iowa.

DOUBTS OBJECTION

Ralph Schlenker, vice-president of public relations for Iowa Power and Light Co. of Des Moines, said Thursday that the company probably would have no objections to presenting its plans to the commission—if it goes ahead with plans to build the plant.

Van Nostrand said the commission is concerned about nuclear facilities because:

There is no nuclear fuel reprocessing plant in or near Iowa creating "enormous transportation problems" in the removal of the burned fuel.

Recent estimates of nuclear fuel supply say that there is only 10 years of cheap domestic uranium left and that the cost of obtaining additional supplies would be between four and five times present charges.

The largest source of cheap uranium is in the Soviet Union and that he didn't feel good about "depending on shipments of uranium from Russia," in light of the nation's problems with the Arab oil producing countries.

No solution has been found for storing radioactive wastes produced in the nuclear process.

In addition, he said, Iowa's nuclear facilities have not proven very reliable and that, "if a nuclear plant can't operate at 100 percent power, it is a bad, bad investment."

Van Nostrand said that the commission is

just as worried about utility investors as it is about the customers.

If a company finds that it is in financial trouble over plant expenditures, he said, it will have a hard time attracting investors and raising capital. That, he said, will lead to higher costs to the company and its customers.

MIXED REACTIONS

Utility company officials interviewed Thursday had mixed reactions to the request.

Schlenker said that while the "order seems to set out a reasonable process," the responsibility for utility plant expansion lies solely with the company.

"No amount of review can take that responsibility off your shoulders," he said.

Schlenker said that Iowa Power's legal staff is still studying the request, but that he could see no reason why the company would not be willing to comply.

C. R. FIRM

James Davidson, vice-president of Iowa Electric Power and Light of Cedar Rapids, said that his company has no plans to make such a large expenditure in the next several years and "isn't confronted with the problem yet."

Davidson said the request "could work out to the advantage of both of us."

Donald Shaw, vice-president of finance for Iowa-Illinois Gas and Electric of Davenport, said he hadn't seen the request notice yet, but "off the top of my head, I would have some reservations."

"It appears that the commission is moving on its own. I would assume they would need some statutory authority (to enforce such a request)," he said.

[State of Iowa, Iowa State Commerce Commission, Docket No. Res. 75-1]

IN THE MATTER OF PROPOSED CONSTRUCTION OF MAJOR UTILITY PLANT

STATEMENT OF INTENT

(Issued August 19, 1975)

The capital investment required for the construction of major utility plant, especially electric generating facilities, has increased significantly during the past several years. By 1975 three Iowa investor-owned utilities owned or were financially liable for large shares of nuclear-powered electric generation facilities. Two of these facilities were subject to costly load curtailment orders from the Nuclear Regulatory Commission (NRC). The third facility has been cited for numerous incidents of concern. This incident experience is well in excess of the national average.

Consumer groups and individuals have expressed concern to the Commission on the environmental, safety, and rate level impact of these and future nuclear facilities. While we are not unconcerned with environmental, safety, and similar operating considerations, federal preemption by the NRC, in our estimation, limits the scope of our legitimate inquiries, concerning nuclear facilities, to the rate level issue. However, the rate level inquiry is in and of itself one of immense concern to this Commission and the residents of Iowa.

With the investment magnitude of generation facilities, should a significant part of such investment be excluded from rate base as being an imprudent investment, the impact could very well be destructive to the ability of the utility involved to attract capital or could even result in bankruptcy.

Illustratively, as early as 1968 in *Re Consolidated Edison Co.*, 73 P.U.R. 3d 417, the New York Public Service Commission entertained testimony and argument on the exclusion from Consolidated Edison's rate base of two-thirds of the cost of a nuclear generating facility. While the NYPSC ultimately found the facility to be a totally justified

and prudent investment, the case and subsequent cases have underscored the potential impact of an adverse decision. No evidence has been presented to date to support the exclusion from rate base or cost of service as an imprudent expenditure any investment by any Iowa utility in nuclear facilities. However, the possibility that some such evidence could be proffered at some future date is always present.

If load curtailment orders and safety incidents continue, the possibility of the investor having his equity investment in utility plant wiped out must inevitably affect his appraisal of the risk attendant an investment in the utility, and hence, increase capital costs to the utility and its customers.

We possess the authority at all times to investigate the prudence of any utility expenditure to determine whether or not such expenditure should be included in cost of service for rate-making purposes. However, in light of what we can now observe, delaying such determination until after the plant is in service, and perhaps experiencing difficulties, has scant justification. Needless to say, the capital to construct the facility must be attracted before completion; and if the investor perceives there to be a risk of loss because of the possibility of this investment being excluded from rate base, that risk will increase capital costs at the very time that capital is needed—during construction. Once incurred, those higher capital costs will continue to increase the cost of service.

To conclude that the managerial decisions and the investment were prudent, long after the increased costs have been incurred and assessed, is indeed a task of questionable equity with the benefit of hindsight. And finally, the specter of an Iowa utility lying prostrate and bankrupt because of the reduction from rate base of hundreds of millions of dollars for "imprudent" expenditures, is one we do not care to contemplate.

Therefore, it is our intent henceforth to investigate and determine, for rate-making purposes, the prudence of all investments by utilities in any utility plant aggregating in excess of \$250 million in Iowa intrastate rate base, or equal liability therefor, before reaching an irreversible state of planning or construction on such utility plant.

Accordingly, we are hereby requesting that any rate-regulated Iowa utility planning or constructing in whole or in part any utility plant aggregating in excess of \$250 million in Iowa intrastate rate base, or equal liability therefor, file its plans with the Commission, as soon as those plans are sufficiently specific and prior to public announcement, to permit Commission investigation and determination of the prudence of the project.

The scope of these investigations will be limited to this Commission's legitimate rate-making authority and shall not include consideration of any determinations preempted by the NRC; *inter alia*: Environmental impact, radiation hazards, and general safety, operation and construction considerations. However, testimony will be accepted on all information which management has or should have, including the preempted considerations, which would affect the prudence of a decision to proceed with the project.

[From the Des Moines Register, Sept. 27, 1975]

\$150 MILLION N-PLANT SUIT IN NEBRASKA (By Dennis Corcoran)

The Nebraska Public Power District (NPPD), joint owner with Iowa Power and Light Co. of Des Moines of the Cooper Nuclear Station near Brownville, Neb., filed a \$150 million suit in federal court in Lincoln Friday against several firms involved in the construction of the electric generating plant.

In addition, officials announced the Cooper station will shut down for a full month on

Oct. 1 to allow General Electric Corp. engineers to make a "temporary fix" of a mechanical problem that has plagued the plant since April.

NPPD claimed in the court papers that General Electric; Westinghouse Electric; Burns and Roe, Inc., an architectural-engineering firm; Control Components Inc., and the Chicago Bridge and Iron Co. installed defective equipment, designed and constructed defective structures and showed improper engineering in the erection of the plant.

RODS VIBRATING

On Apr. 26, the federal Nuclear Regulatory Commission (NRC) ordered NPPD to reduce Cooper's electric output by 50 per cent due to the discovery that some instrument rods in the reactor's core were vibrating.

The NRC said the vibrations posed no hazard to the public but, since this type of problem was new to the nuclear industry, caution dictated that the plant's output be limited.

The power reduction forced NPPD and Iowa Power to buy electric energy from other utilities during the summer to meet their customers' demands.

The cost of the purchased power ultimately is paid for by the customers.

ADDITIONAL COSTS

Iowa Power officials had estimated earlier this year that the Cooper power reduction would mean additional costs between \$25,000 and \$35,000 a day for power purchases from other companies.

No estimate was made of how much, if any, additional electricity would have to be purchased during the period the plant is fully shut down next month.

Iowa Power and Light officials said Friday that although they are not directly involved in the suit, "we're assuming that any recovery (of money) realized by NPPD would be applied to reduce the total capital cost of the plant."

NPPD alleges in the suit that General Electric, "intentionally and-or negligently concealed from NPPD" the existence of the vibration problem.

OTHER CHARGES

The suit also charges that valves in the plant's steam by-pass system are defective, that cooling water intake structures on the Missouri River allowed silt and pebbles to enter the system and that the engineering, construction and management of the project were improper.

The Cooper Station, which began generating electricity in mid-1974, cost more than \$440 million, with Iowa Power paying half of the construction, interest and operating costs.

According to the NRC, General Electric officials recently announced they had found a way to fix the vibration problem. Prior to that, no one knew exactly what caused the vibrations or how to prevent them.

PALO PLANT, TOO

Iowa Electric Light and Power of Cedar Rapids also experienced rod vibrations in the core of its nuclear reactor at the Duane Arnold Energy Center near Palo.

After discussion with Iowa Electric and General Electric officials, and a temporary fix at that nuclear plant, the NRC allowed the company to increase power production to 85 per cent of capacity.

In all, seven nuclear generating plants have experienced the same problem.

NPPD officials said during the month the Cooper plant is out of service, General Electric engineers will make the temporary correction. A permanent repair will be made in the spring, NPPD said, when the Cooper Station is scheduled to shut for refueling.

Iowa Power officials said earlier that since October is a low month in electric demand, it is financially best for the temporary fix to

be made then and to have the plant ready for winter.

After the temporary fix, NPPD said it expects to be able to operate the plant at 85 per cent capacity.

TAXES AND SPENDING

Mr. BROCK. Mr. President, reaction to President Ford's tax cut and spending cut proposal has been quick and massive. However, the President has presented a sensible program which is certainly on target in its calls for similar cuts in spending to match cuts in taxes. The Chattanooga Times, in an editorial in its October 9 edition, corrected and intelligently pointed out some of the holes within the arguments opposed to Mr. Ford's proposal. 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:

TAXES AND SPENDING

President Ford's proposals on tax policy for next year were scarcely out of his mouth Monday night before they were attacked as "simply not realistic," in the words of Rep. Brock Adams, chairman of the House Budget Committee. Precisely, the opposite is true in regard to Mr. Ford's insistence that any tax cut be matched with an equal cut in government spending.

Mr. Adams' assessment of the Ford speech did not include any reasons why its proposals are "not realistic," at least in the reports we read. But if it is "not realistic" to match cuts in government spending with tax cuts, when will it ever be?

In our view, President Ford has made a solid case for his proposals. It is true, of course, that if tax breaks stimulate the economy into an even more rapid recovery, the government will pick up additional tax revenue from previously unemployed persons who have gone back to work. But it would take a massive reduction in the unemployment rate to make a sizable dent in the federal deficit and that's just not in the cards.

Beginning on Oct. 1, 1977, the President wants the federal budget for that fiscal year to be pegged at \$395 billion maximum as a "first step . . . toward balancing the federal budget within three years." Whether he takes that first step depends whether Congress can deliver legislation that reduces spending while it cuts taxes.

It should be obvious that the United States simply cannot afford to run massive deficits of \$70 billion or more, if for no other reason than the fact that it seriously endangers our economic recovery, which right now isn't anything to brag about. The tremendous scope of the federal budget means it can often absorb smaller deficits—in the \$5 billion to \$10 billion range—without too much dislocation in the economy. But beyond that the question becomes one of who gets hurt worst as a result of larger deficits.

The chief victims in most cases are the poor and the middle class, especially the latter because they are the ones who bear the heaviest tax load in proportion to their income. Further, they have been the ones hardest hit by the waves of layoffs in the past 18 months as the economy wallowed in a recession.

That being the case, it is unfortunate that Rep. Adams and Rep. Al Ullman, Democratic chairman of the House Ways and Means Committee, swiftly denounced the Ford plan. We don't know in what areas the President will suggest spending cuts (he

has promised a message to Congress in January along this line) but as a practical politician he will recommend a wide range of categories where money can be trimmed.

Congress made a good start toward achieving fiscal reform this year with a new type of budgeting procedure designed to keep track of income and outgo. Since hardly a congressman would disagree that the federal budget is shot through with waste and non-essentials, a massive effort at trimming federal spending hardly seems unreasonable.

VFW SERVICE OFFICERS

Mr. PERCY. Mr. President, America today has more than 29½ million living veterans and they and their families and the survivors of deceased veterans comprise nearly one-half of the Nation's population. It is a diverse group which still includes the widows of some Civil War veterans as well as thousands of young people who recently fought in Vietnam. Caring for the needs of such a varied group is an awesome task which challenges the professionalism of veteran service officers throughout the Nation, as well as the Veterans' Administration.

On October 19, 1975, the Honorable Richard L. Roudebush, Administrator of Veterans Affairs, pointed out these facts when he addressed the Veterans of Foreign Wars Service Officers' Seminar in Chicago, Ill. On that occasion, Mr. Roudebush praised the work of the service officers and said that never before has the Nation provided such a wide variety of programs to serve veterans and their dependents. He said:

I believe the VA to be better organized, better equipped, better located and better motivated to help you than ever before.

But the VA depends on the service officers to carry out its task.

Veterans service officers today must know more than service officers have ever known in the past, Mr. Roudebush said, and in addition to knowing the book on all VA programs they must also be wise, imaginative, and sympathetic in their use.

Mr. President, because of the vital work performed by the service officers and the ongoing task they face, I ask unanimous consent that the remarks of Mr. Roudebush be printed in the RECORD.

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

REMARKS OF THE HONORABLE RICHARD L. ROUDEBUSH, ADMINISTRATOR OF VETERANS AFFAIRS

It is always good to meet with VFW service officers, to learn how you are doing back in your home towns, to find out what problems you face and what the main areas of concern among veterans are and to listen as you formulate plans and decide on programs for the future.

I have assured many service officer groups such as this that there is nobody I am more at home with and nobody whose work interests me more.

I consider it my good fortune to have been a service officer with VFW. I say this for a number of reasons.

First, I enjoyed the work. There was a great deal of satisfaction to be gained from being able to help persons who needed assistance at critical times in their lives and to see the results of that assistance. I know you receive the same satisfaction from your work.

Second, I think the business of being a service officer makes you appreciate both the society in which we live and those you help who have served that society well. You learn that many Americans have sacrificed a great deal by their military service but you also learn that a great deal is being done and can be done for them under programs that their fellow Americans have insisted on and willingly provide.

And, then, I think that I was particularly fortunate to have been a service officer because of the help it has given me in later years. It gave me perspective and knowledge relating to veterans affairs that has helped ever since I moved on to other jobs. And I still benefit from that experience every day.

So I am sure it comes as no surprise to you that I commend you for what you are doing and I offer you support and encouragement.

I know that you are fond of your work with veterans and dependents and that you follow it for its fulfillment and fascination as well as for the good you are able to do. In other words, you enjoy spending time helping others.

I also know that the total good you do can never be reckoned because there is no system for measuring production in the kind of business you are in. In fact, the results can only be known and appreciated fully by those who are your beneficiaries.

Certainly there is much need for your services.

There are 29½ million veterans living today and they and their families and the survivors of deceased veterans make up nearly half the population. This is the potential clientele served by you and others like you throughout the country.

It is a vast group of people. Some of them have great needs. Others have no needs at all, as far as veterans programs are concerned, and will never have to ask for assistance.

All have contributed service to the Nation and undergone sacrifice, although for some there may have been short service and minimal sacrifice. All are blessed by the existence of benefits to which they can turn if circumstances dictate.

There are more than one and one-half million veterans in Illinois, special citizens of your state who may be subject to your assistance and to that provided by VA and other organizations interested in veterans programs.

You meet here today to consider how you may be the best help to them and I wish you well.

I would like at this time to make some observations on special needs that I think exist today in regard to care for veterans and how I think you can help. You may find nothing at all new in what I am going to say but I think it can bear some repetition with no harm done.

First of all, we are not only in a period when there are more veterans than ever before, we are in a period in which veterans and dependents are a more diverse group than ever before when it comes to age and needs.

There has been no time in our history when there have been veterans and dependents from so many eras of activity. We are compensating Civil War widows for battles waged by their husbands more than a hundred years ago and at the same time we are helping to educate Vietnam veterans. More than half of the nation's history has been experienced during the interval between these two periods of service.

You probably won't ever see a Civil War widow. You are unlikely to see Spanish-American War veterans, although I am sure many of you have helped them in the past.

But you do work with veterans of World War I, veterans of World War II, the Korean

Conflict and the war in Vietnam. All need help in varying degrees and for various reasons . . . and you must be there to serve them.

Add to this group, widows and children of diverse ages and needs. Add to it the men still in service who are eligible for benefits.

Service officers have never before been called on to work with such a varied group. And that is my first point.

My second point is that never before has there been such a wide variety of programs to serve veterans and dependents.

This is good, of course. But it also tests the professionalism of service officers as it has never been tested.

You have to know more than service officers have ever known before. The importance of sessions like this one is greater than in times when veterans were fewer and benefits were simpler.

You not only must know the book on VA programs of help and have technical understanding of them. You must also be wise, imaginative and sympathetic in their use.

There are more options today than there have ever been for getting help for an older veteran who is not in the best of health. In addition to hospitalization, there is the possibility of outpatient care, home care, nursing home care and perhaps combinations of programs.

You may understand this clearly but you also must be able to explain the options to the veteran and his family and help guide them to the best choice.

It is one thing to recite the book to a young veteran who is thinking about schooling and wants to know the rules about the G.I. Bill. It is another thing to take this young person beyond the rules and help him make a decision that will stand up as a good one over a period of time.

The extent to which you can help a veteran or dependent make use of the resources available is the measure of your worth . . . and your ability to handle cases that are out of the routine is what makes you the professionals that you are.

The last point that I'd like to make is one that I have made in other places speaking to veterans organizations and others who are in the important business of assisting veterans.

That point is that I believe VA to be better organized, better equipped, better located and better motivated to help you than ever before.

The American people, acting through Congress, have provided a record budget for VA that is consistent with the record number of veterans and dependents who must be served and the greater amount of help they need in today's more complex society.

VA expenditures for the current fiscal year will exceed \$18 billion. There are 213,000 VA employees. VA has 171 hospitals and 213 outpatient clinics. There are 58 VA regional offices.

VA spent more than \$580 million in Illinois last year. We have six hospitals in the state, the regional office in Chicago, a large data processing center, a supply depot and a marketing center. There are more than 11,000 VA employees in Illinois.

There were more than 54,000 hospital admissions in the state last year and more than a half million outpatient visits.

There are nearly 200,000 Illinois citizens receiving compensation or pensions. There are more than 100,000 training under the G.I. Bill.

Now these figures do not in themselves prove that VA is performing well or that veterans can get good service from VA . . . because quality is never shown by volume alone.

But I think they do indicate that VA is strong and capable of handling the job that has been given us. And I think that you will find that VA employees generally do their duties well and that service is good.

I said that the fact that VA is strong and is capable of backing up your work was going to be the last point I made before releasing you to proceed with your seminar.

But I think I should also make the point that we depend a lot on you . . . that we consider your work to be our work and that we give you strong moral support as well as the muscle of a large agency.

For we know that, no matter how large we are or how large we may become, there is no way we can do without the help of veterans organizations or the good citizens who represent them.

So I call on you to continue the work you are doing. I hope you will consider me to still be one of you and that you will have no hesitancy to consider me a personal supporter of your aims and your operations.

I hope you will count on VA and utilize VA, and that together we may make the way easier for Illinois veterans who need help, for survivors of veterans and for dependents of veterans.

Thank you for allowing me time on your program and the opportunity to visit with you.

MINORITY ENTERPRISE

Mr. PERCY. A half-dozen years ago the subject of "black capitalism," "minority enterprise," were frequently referred to in our news media and by politicians alike. The backdrop for such discussion were the riots in our inner cities and the great dissatisfaction of a number of minorities in America.

Very little has been said of late. Perhaps it is because of despair by some but perhaps it is because of fulfillment by others. Earlier this month, Walter Larke Sorg, Assistant Director for National Programs, Office of Minority Business Enterprise, addressed the 48th annual convention of the National Bankers Association in Seattle, Wash. In his speech he not only urges the banking industry to participate more actively in backing minority enterprise but points out some very interesting progress that has been made.

I ask unanimous consent that his comments be printed in the RECORD.

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

REMARKS BY WALTER LARKE SORG, ASSISTANT DIRECTOR FOR NATIONAL PROGRAMS, OFFICE OF MINORITY BUSINESS ENTERPRISE

Thank you for writing me to address your 48th annual convention. It is indeed a very great honor for which I express my most sincere gratitude.

It would be presumptuous of me to attempt to speak to you on the subject of banking. I openly confess that this is one of many fields of endeavor in which my ignorance can only be described as abysmal. Such is my ignorance that after having spent 22 years in business and having come to members of the banking profession as a loan applicant on many occasions, I have yet to understand this elusive thing called prime rate. I am told that I got close to securing a loan at prime rate a few times but I never got it—whatever it is. I suppose it's something like being two yards from the end zone and getting four successive penalties, each penalty taking you half way to the goal line. You keep getting closer but you never ever get there. I long ago concluded that only God Almighty lent money at prime, but to get such a loan it was necessary to have concluded this mortal life—and if you did get a loan at prime—indeed you knew you were in heaven.

Having established my credentials as a

non-banker, I will, nevertheless, throw out a couple of banking related ideas at the conclusion of my remarks which you may deem worthy of kicking around during this convention and, perhaps, in the days ahead.

For the next few minutes, I would like to talk a bit about the minority enterprise program and why its ultimate success is so vital to our national interests.

As most of you know, the present interest in minority business development is the rather direct outgrowth of a dialogue which developed during the 1968 Presidential campaign, the framework for which was established in two related speeches delivered by Richard Nixon in April of that year entitled, "Bridges to Human Dignity". In these speeches, he sketched the concept of Black Capitalism and the requirement to provide opportunity for all entrepreneurial aspirants to get what he called "A Piece of the Action".

Following the election, the concept was broadened to include Spanish-speaking, native Americans, Orientals and others who had been excluded from the essentials of our capitalistic system—free enterprise and private ownership. An Executive Order was signed on March 5, 1969 and with it was initiated the first significant Federally-sponsored effort to encourage the development and growth of minority businesses. The Office of Minority Business Enterprise (OMBE) was created to act as the focal point for this effort and be a catalyst for action. When OMBE was established, the idea of helping minority Americans was not a new one. But preceding efforts lacked magnitude, direction and cohesion. Our job in OMBE, then, was to provide these elements on a nationwide basis at all levels of Government and the private sector.

The pent-up demand for immediate action was very, very great. Thus, even before we had taken a deep breath to chart our course and develop a blueprint for the future, programs were launched to relieve the pressures that generations of discrimination had produced.

Although a great many mistakes were made, hindsight tells me that our decision to move forward immediately was a correct one.

Between 1969 and 1972, census data reveals that minority business receipts rose by \$6 billion, up from its '69 base of \$10.6 billion—a 57% increase. Minority business growth in certain industrial categories far exceeded general industry growth. In manufacturing, minority growth was up 95.5% as compared to overall growth of 12%. In construction it was up 84.4% as compared to 12% overall growth. Transportation up 93.3% vs. 21%, wholesale trade up 91.6% vs. 23% for that industry.

I think our hindsight was correct because in those early days the minority bank deposit program was also launched. For the first time national attention focused on an industry that had miraculously hung in there against overwhelming odds. Over \$150 million of deposits were recorded in the first year of that program. But perhaps more importantly the bank deposit program set the stage for doing business on a continuing basis with the major corporations of this country.

The MESBIC program was also kicked off in those early days. It has received a substantial share of criticism but today it is a healthy industry capitalized with almost \$40 million and making sound investments in minority growth companies.

The auto dealership, gasoline service station and franchise programs were launched. Today those three industries account for over \$3 billion of minority business receipts vs. \$1.3 billion in 1969.

As a result of program funds made available to OMBE in 1972, a national delivery system came into being—business development organizations and construction contractor assistance centers. That delivery system, which has also been roundly criticized, presently serves clients who are annually producing

\$1.37 billion of gross business receipts. The '72 program funds also enabled us to provide modest funding to the National Bankers Association, National Insurance Association and the American Savings and Loan League. The growth rates of these three industries are nothing short of phenomenal. Minority commercial banks and minority savings and loan institutions that controlled \$500 million of assets in 1969 now control assets in excess of \$2 billion. Minority life insurance in force has risen from \$2.6 billion to \$7.5 billion.

Minorities are today carving out a substantial chunk of the new cable TV industry. Fifty-four ventures have been concluded and many more are on the drawing board.

Minority manufacturers are providing millions of dollars of hardware for the space shuttle and technologically-oriented industries which demand the ultimate in precision.

Now why do I cite these examples? Well, I think it's about time all of us stopped apologizing to our critics—many of whom, I suspect, would just as soon see this national effort crawl back into the woodwork. Mistakes have been made—they have been corrected—they will continue to be made. But let's not tear down the house because the roof leaks! Let's repair the roof and move forward! This minority enterprise program is a success! I defy the critics to prove otherwise!

Minorities have conclusively demonstrated that given even a half of a chance they can out the mustard in this capitalistic system. But the hard fact is that despite the enormous six-year growth in banking, insurance, manufacturing, construction, service and other industries, it's only a beginning. If parity of business ownership is to be achieved in this century, this growth rate has got to continue. We simply cannot knuckle under and let this effort die. There is simply too much at stake for ourselves, for our children and the well-being of this nation. If the United States is to continue as the world's economic leader, we have got to harness the energies of every capable member of society and then provide opportunity for those energies to contribute to our economic growth through the business mechanism.

And now I timidly throw out some food for thought relating to your banking industry.

One. I learned yesterday that on Wednesday, Congress passed legislation which permits banks to pay interest on checking accounts. How will this affect minority-owned commercial banks? I surely don't know but you might consider the consequences of this legislation which becomes effective on January 1, 1977.

Two. Earlier I talked about the MESBIC program. The time might be right for you to consider organizing a MESBIC. It's a useful tool with interesting leveraging potential. For those minority banks which see a need to raise fresh capital, an industry-owned MESBIC might be tailor-made. A number of minority manufacturers are making significant inroads in producing products based on new technologies. Some of those companies are going to take off and become big daddies. Their growth will require some heavy equity injections. Interesting investment opportunities here. I encourage you to think it over.

The third and final thought. Give or take a couple, there are today approximately 70 minority-owned commercial banks, with assets aggregating \$1.28 billion. These banks, are widely scattered from border to border and coast to coast. Individually, no one bank constitutes any real competition but when you look at these banks collectively, some interesting possibilities emerge.

Suppose minority commercial banks got together and organized a national trust company which would, in fact, act as a clearinghouse for its members and might include such functions as:

(1) Providing a centralized, insured deposit program for large depositors. Many major corporations participate in the bank deposit programs but find it cumbersome to deal separately with some 70 banks.

(2) The trust company could function as a central funding source to provide short-term liquidity for minority-owned banks.

(3) It could function as a central funding source for bank capital by permitting the trust company to sell capital debentures and lend the long-term funds to minority-owned banks.

(4) It could make short-term credit advances on a secured basis to member banks.

It could do these and a number of other things consistent with applicable banking and trust company laws. I see it principally as a conduit to accept large deposits and participate in significant portions of large corporate double A and triple A loans which are presently placed with such principal majors as Chase, Mellon, Bank of America and the like, but not laid off to minority banks.

Initial funding for this trust company would come from minority-owned banks which would own all capital voting stock. Outside investors would purchase preferred non-voting stock and long-term debentures. Management would consist of a board of directors selected by the member banks and officers would be appointed by the board. I envision this trust company providing a host of services but only for its stockholders—the member banks.

Jim Marx and I began kicking this idea around a couple of years ago. It seems to make sense, particularly today when the signs all point toward interstate banking within the next five to ten years. If NBA concludes that this idea has merit, I suspect a great deal of legal research will be required. Assuming the research concluded that the formation of such a trust company was doable under existing law, I am certain that Treasury personnel would have to be convinced—and this could take a long time—but I throw the idea out for your consideration. I think it has merit.

Let me conclude by complimenting this organization and its members for its great achievements. You've made fantastic progress. You have become an economic force. You have, in all ways, demonstrated the validity of the minority business program.

Thank you for permitting me to address you.

WHITE PAPER ON DRUG ABUSE: PLUSES AND MINUSES

Mr. PERCY. Mr. President, the continuing high level of hard drug abuse remains one of the most intractable domestic problem this country faces. Although the use of heroin declined somewhat in 1972 and 1973, recent reports indicate that overall heroin use and deaths from overdose have been increasing since early 1974. Despite the virtual severing of the "French Connection," enough heroin continues to pour into this country to supply a growing addict population, now estimated at several hundred thousand daily users.

To reverse this disheartening trend, a renewed and consolidated Federal effort will be necessary. In this regard, the timely publication several weeks ago of the Domestic Council's "White Paper on Drug Abuse," submitted to the President, represents an encouraging development. The report offers some sensible suggestions for a future Federal strategy, emphasizing the need for Federal authorities to concentrate on difficult con-

spiracy cases against major international traffickers rather than devoting scarce resources to rounding up street level users. It also points up the need for improving cooperation between Federal drug enforcement personnel and border officials, and for giving priority consideration to treatment and prevention of compulsive hard drug use.

I am disturbed, however, that the report seems to downplay an aspect of this problem which, from personal knowledge, lies at the heart of the difficulties Federal drug enforcement has experienced in the recent past. I am referring to the counterproductive dispute, verging on internecine warfare, which continues to fester between the Drug Enforcement Administration in the Department of Justice and the Customs Service in the Department of the Treasury.

Recent DEA statistics indicate that fully 90 percent of the heroin used in this country comes over the Mexican border, pointing up the special importance of a coordinated Federal effort in this area; yet the bureaucratic squabble rages on.

This situation has deteriorated to the point where only decisive Presidential action will clear the air and allow both agencies to devote themselves single-mindedly to the enormous task they share. The issues in this dispute should be personally arbitrated by the President in the very near future, so that the Federal narcotics effort will not continue to be hamstrung by interbureau disputes.

On another important matter the task force report does not adequately deal with the need for ongoing Executive coordination and oversight of the Federal drug effort. Rather than relegating this function to a minor staff role in the Office of Management and Budget, I propose we establish a top-level White House unit, consisting of but a handful of professionals, to take the lead in overseeing national policy and planning direction in the drug abuse area on a day-to-day basis. The staff for such an office need not be large; a new superbureaucracy would only serve to obfuscate an already fuzzy drug abuse focus.

Instead, Congress should authorize funds for a small high-level unit headed by a Presidential appointee subject to Senate confirmation. The Senate should make certain that anyone named as the head of such a unit would have ready access to the President, to assure that drug enforcement issues will get prompt Executive attention.

Because of their bearing on this important issue, I ask unanimous consent that three editorials recently appearing in the New York Times, the Washington Post, and the Baltimore Sun be printed in the RECORD, and that chapter 6 of the Domestic Council Drug Review Task Force, entitled "Recommendation Summary," also be printed.

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

[From the Washington Post, Oct. 6, 1975]
DRUGS AND COMMON SENSE

Ever since the first serious wave of hard drugs hit the big American cities, policy-makers have been fond of using military-style

rhetoric to describe their programs to curb the growth of drug addiction. Phrases such as "all-out war on drugs" have been commonplace. But there have been few victories in the war. Now the President's Domestic Council has formed a task force on drug abuse and is about to hand Mr. Ford a report that is a welcome departure from the heroics of the past. It simply recognizes that a certain amount of drug abuse is likely to exist for some time, that total elimination of the problem is not possible, but that a reasonable set of priorities can reduce its dimensions and impact.

Sensibly, the Domestic Council's task force would begin by fostering better cooperation between the various federal agencies concerned with drug abuse. It sets a high priority on having the Drug Enforcement Administration and the Customs Bureau work together in preventing the entry of drugs into the country from abroad. No serious student of the drug problem believes the borders of this country can be sealed against such easily concealable substances as heroin; but the lack of interagency cooperation has unnecessarily hobbled the federal effort. The task force identifies supply reduction as one crucial half of the effort to curb drug abuse. It has concluded that DEA and Customs cannot resolve their differences without the assistance of their superiors, and so it suggests that the attorney general and the secretary of the treasury get together and find a way to harmonize the efforts of the two agencies.

The task force suggests, as almost all previous studies have suggested, that the enforcement effort focus on the most important figures in the narcotics trafficking network. Everyone agrees there has been too much "street level busting," but not everyone is going to agree with one Domestic Council task force recommendation, namely, to bring many more conspiracy prosecutions. The task force correctly argues that finding the kingpins or organized crime with heroin in their pockets is a remote possibility, that the leadership never commits overt acts—but that it does discuss potentially criminal subjects. The trouble is that widespread use of conspiracy law is poor public policy, because it relies so heavily on what people said and not on what they did. In the case of drug trafficking and organized crime, however, conspiracy prosecutions are frequently one of the only effective weapons society has at its disposal.

The task force dealt with reducing the demand for drugs as well as the supply of them. Again, it found that the important missing element was the coordination of those agencies that treat the addict. It recommended, in addition to better coordination, that the agencies handling drug abusers get their priorities straight. In that connection, the task force sensibly suggested that treatment agencies place their emphasis on heroin users and give a very low priority to marijuana users. The serious drug problem is heroin, and to a lesser degree those drugs that are sometimes obtained with a physician's prescription, such as barbiturates. It is there that the effort should be made, the task force argued, and not on marijuana, whose harmful effects remain a matter of controversy. We think they are right.

[From the New York Times, Oct. 28, 1975]

WHITE HOUSE CONNECTION

The Domestic Council's white paper on drug abuse makes a good deal more sense than anything else that has been issued from the White House on that subject. The white paper avoids both the shrill cries of alarm and the dramatic overpromising which have characterized the approaches of previous White House's to drugs and drug-related problems.

The paper lays a common-sense foundation for future Federal drug abuse program—

ming by assigning law enforcement and treatment priorities in relation to the social costs of widely used drugs, instead of regrading them all with an equally high degree of horror. From every point of view, assigning a high priority to attacking the use of heroin is more important than trying to manage the traffic in marijuana. While noting that marijuana is not harmless, the report recognizes the fact that people are substantially less able to control their use of heroin than of "pot." Moreover, the cost to society of heroin and excessive use of amphetamines and barbiturates, the other drugs in the priority category, far exceeds that which results from use of marijuana.

The angry denunciation of the white paper by the Customs Bureau shows that there is a great deal of bureaucratic enmity to be overcome. It must be overcome if the Drug Enforcement Administration and the Customs Bureau are to mount an effective campaign to block the rich flow of heroin from Mexico at a time of rising addiction. Sustained and attentive White House involvement in the execution of the policies outlined in the white paper will be required if enforcement efforts are actually to be improved.

A MUSHY REPORT ON DRUG ABUSE

[From the Baltimore Sun, Oct. 16, 1975]

A new report by the White House Domestic Council is quite correct in warning that even the best government policies cannot entirely wipe out drug abuse. It is correct, too, in its conclusion that the limited resources of the federal anti-drug effort should be used primarily to attack hard drug abuse, which has high social costs, rather than marijuana use, which does not. But the new report is clearly wrong in its recommendation that federal drug enforcement continue much as it is under the Drug Enforcement Administration, an agency which has demonstrated at least incompetence, and perhaps worse. Likewise, the report is incorrect in its imbalanced emphasis on law enforcement as opposed to medical treatment for addicts.

"Wiping out" drug abuse with massive police efforts has been a favored policy of law-and-order advocates at least since the campaigns of the famous anti-drug zealot, Harry Anslinger, when Mr. Anslinger was chief of a predecessor agency to the DEA in the 1930s. But police efforts alone so far rarely have succeeded in making much of a dent in overall drug abuse, which seems to fluctuate mostly according to the availability of drugs from foreign markets. Part of the problem is that while police agencies have been effective in catching smalltime pushers and addicts, they have been largely unsuccessful in apprehending the big international smugglers or the big national distributors. Another part of the difficulty is that drug abuse is a response to social and personal problems which are not amenable to law enforcement approaches alone: it is well-known that addicts sent to jails where there is no treatment for the underlying causes of their addiction often seek another "fix" on the very day of their release.

But while the new report alludes to the futility of "bellicose" campaigns against smalltimers, it makes no serious recommendations for changes in the Nixon administration-created DEA, which, as Senate hearings have shown, has made all the old mistakes, except on a larger scale: it consistently has let the big fish get away. With drug abuse on the increase—due to renewed supplies of opium from Turkey and the smuggling of heroin through Mexico—new, more effective enforcement programs, and expanded treatment programs, are desperately needed. Neglecting the reforms will result in increased drug-caused crime, illness and poverty—the costs of which could make the costs of the reforms look piddling.

EXCERPTS FROM THE DOMESTIC COUNCIL "WHITE PAPER ON DRUG ABUSE"

CHAPTER 6. RECOMMENDATION SUMMARY

In the preceding chapters, the Domestic Council Drug Review Task Force has: (1) presented its assessment of the nature and extent of the drug abuse problem in the United States today; (2) evaluated current programs and policies designed to deal with drug abuse; and (3) made recommendations for improving the effectiveness of the drug program in the future.

While each recommendation is important in itself, it is the combined effect of all taken together that will produce a major improvement in the overall program to reduce drug abuse. Viewed as a whole, these recommendations underline and expand the themes discussed in Chapter 1; namely:

1. Total elimination of drug abuse is unlikely, but governmental actions can contain the problem and limit its adverse effects. We recognize that drug abuse is a long-term problem and requires a long-term commitment.

2. All drugs are not equally dangerous, and all drug use is not equally destructive. Enforcement efforts should therefore concentrate on drugs which have a high addiction potential, and treatment programs should give priority to those individuals using high-risk drugs, and to compulsive users of any drugs.

3. Efforts to reduce the supply of and the demand for drugs are complementary and interdependent, and Federal programs should continue to be based on a balance between these two concepts.

4. We must broaden existing programs aimed at supply and demand reduction. In supply reduction, greater emphasis should be given to regulatory and compliance activities aimed at curtailing diversion from legitimate production, and a higher priority should be given to increasing international cooperation in preventing the illicit production of drugs. In demand reduction, increased attention should be given to prevention and vocational rehabilitation.

5. Program management must be improved to ensure the maximum return from resources committed to drug programs. Better interagency coordination and stronger intra-agency management are required, with more attention paid to the setting of priorities.

6. The Federal Government should provide leadership in the national drug abuse prevention effort, but it cannot do the job alone. The support and cooperation of State and local governments, private businesses and community organizations are essential if we are to contain drug abuse and minimize its costs to the individual and society.

The major recommendations made throughout the white paper are listed below for easy reference.

DRUG PRIORITIES: CHAPTER 2

1. The task force recommends that when resource constraints force a choice, priority in both supply and demand reduction should be directed toward those drugs which inherently pose a greater risk—heroin, amphetamines (particularly when used intravenously), and mixed barbiturates.

2. The task force recommends that priority in treatment also be given to compulsive users of drugs of any kind.

SUPPLY REDUCTION: CHAPTER 3

1. The task force recommends that a continuous process of identifying the most vulnerable segments of the illicit distribution system be launched, and that resources be continually reallocated to focus on the most vulnerable portion of the system.

Enforcement

1. The task force, while endorsing the concept of a lead agency in drug law enforce-

ment recommends that the law enforcement strategy be designed to fully utilize the resource of all organizations involved in law enforcement.

2. The task force recommends that Federal law enforcement efforts focus on major trafficking organizations and particularly on the leaders of those organizations.

3. The task force recommends that greater attention be given to development of conspiracy cases, which often are the only way to apprehend high-level traffickers. Detailed recommendations for accomplishing this are made in three areas: (1) Building understanding and commitment to conspiracy strategy; (2) inducing cooperation of knowledgeable individuals; (3) and developing long-term approaches to investigations.

4. The task force recommends that personnel system which recruit, train, evaluate, and reward individual agents be adjusted so that they emphasize conspiracy investigations rather than simply the number of arrests.

5. The task force recommends that the Controlled Substances Units inaugurated by the Attorney General be continued and not diverted to other activities.

6. The task force endorses the President's proposal for mandatory minimum sentences for persons trafficking in hard drugs, and suggests that consideration be given to expanding the proposal to include traffickers of barbiturates and amphetamines.

7. The task force recommends mandatory consecutive sentencing rather than concurrent sentencing for persons who are arrested and convicted for narcotics trafficking while on bail from another trafficking offense.

8. The task force recommends revoking parole in the event that a paroled offender is re-arrested on narcotics trafficking charges.

9. The task force recommends that the Internal Revenue Service reemphasize its program of prosecuting drug traffickers for violation of income tax laws under strict guidelines and procedures.

10. The task force recommends that the President direct the Attorney General and the Secretary of the Treasury to settle jurisdictional disputes between DEA and Customs by December 31, 1975, or to report their recommendations for resolution of the matter to the President on that date.

11. The task force recommends continuation and expansion of LEAA and DEA activities aimed at strengthening State and local law enforcement agencies.

Intelligence

1. The task force recommends that a new investigative report form be devised, with a number of questions aimed at eliciting information useful to other agencies.

2. The task force recommends an analysis of the four automatic data processing systems involved in intelligence activities, with an eye to either integrating or better coordinating them.

3. The task force recommends that DEA devote more resources to the analysis of intelligence, both strategic and tactical.

4. The task force recommends that the CIA's role should continue to be focused on the collection of strategic intelligence.

5. The task force recommends that users of strategic intelligence under the guidance of CCINC identify specific strategic intelligence requirements.

International

1. The task force recommends that a higher priority be given to development of international cooperation in preventing illicit production of drugs, and that special attention be given to Mexico as the major source country for U.S. markets.

2. The task force recommends that the U.S. government intensify diplomatic efforts to heighten other governments' concern over violations of international treaty obligations;

and continue participation in institutions that promote international awareness of drug abuse.

3. The task force recommends the prompt ratification of the Convention on Psychotropic Substances of 1971.

4. The task force recommends continued support for the United Nations Fund for Drug Abuse Control, but urges that the Fund be encouraged to initiate a more aggressive fund-raising program.

5. The task force recommends continued support and participation of Interpol, and the Customs Corporation Council.

6. The task force recommends that additional emphasis be placed on the collection, analysis, and utilization of overseas operational intelligence, and recommends that U.S. agents stationed overseas concentrate their activities on international trafficking channels believed to be headed for the United States.

7. The task force recommends that continued attention be given to crop substitution as a means of reducing the supply of raw materials used in making drugs, and believes that this should be one of the major focuses of the U.N. Funds' efforts.

8. The task force recommends creating a permanent DEA/Justice/State Committee under the Cabinet Committee on International Narcotics Control to coordinate efforts to seek U.S. jurisdiction over foreign drug traffickers through extradition or expulsion.

9. The task force recommends that the Opium Policy Task Force accelerate its evaluation of Papaver bracteatum as a substitute for morphine-based Papaver Somniferum in the production of codeine.

Regulatory and Compliance

1. The task force recommends several specific actions which will improve the program to control diversion at the wholesale level.

2. The task force recommends a major effort to upgrade the regulatory capabilities of States regarding retail diversion of drugs.

3. The task force recommends a program to improve the prescribing practices of physicians.

4. The task force recommends development by LEAA of pilot programs designed to end pharmacy thefts.

Science and Technology

1. The task force recommends a specific set of priorities for the research effort; highest among these are projects aimed at providing better equipment for use in border interdiction, improving intelligence information systems, and better support and communication equipment for enforcement officers.

2. The task force recommends that research program funding be kept relatively steady from year to year to enable long-range planning and development.

DEMAND REDUCTION: CHAPTER 4

1. The task force recommends that greater emphasis be placed on education and prevention efforts that promote the healthy growth of individuals and discourage the use of drugs.

2. The task force recommends that greater attention to patients in drug treatment and former drug users be paid by the vocational rehabilitation system in order to provide them with marketable skills for jobs.

Education and prevention

1. The task force recommends that education and prevention programs address the broad developmental needs of children and youth, and be community based.

2. The task force recommends that Federal media efforts provide basic information about drugs, and emphasize successful and productive lifestyles of non-drug users, rather than using scare tactics.

3. The task force recommends that the

Federal role in community based prevention be catalytic in nature; specifically, to provide training and technical assistance to local communities, to provide materials and guidebooks to local programs, to provide limited seed money, to evaluate existing programs, and to make the results of these evaluations available for use by other States and communities.

4. The task force recommends that an overall national program for integrating Federal, State, local and private programs for dealing with all behavioral problems in youth be developed, and identifies eleven separate government programs which should be included in this overall review.

Treatment

1. The task force recommends that agencies involved in drug abuse treatment give treatment priority to abusers of the following high-risk categories of drugs: heroin, barbiturates (especially when mixed with other drugs), and amphetamines (particularly when administered intravenously). Priority should also be given to compulsive users of drugs of any kind.

2. The task force recommends that NIDA be given the authority to assure that users of lower priority drugs can obtain treatment, when available, at Community Mental Health Centers, in accord with Section 401A of the Drug Abuse Office and Treatment Act of 1972.

3. The task force recommends that hospital treatment for drug abuse should be severely restricted in order to reduce overall costs, and outlines specific guidelines for its use.

4. The task force recommends that the use of outpatient drug-free treatment for compulsive users of high-risk drugs be restricted, and these people treated in a more structured environment. The use of outpatient drug-free treatment for casual users of lower-risk drugs should also be restricted, and the funds thus freed used to provide more effective services for high priority drug users.

5. The task force recommends that LAAM, rather than methadone, be used as a medication for opiate-dependent persons as soon as its safety and efficacy have been determined.

6. The task force recommends that the Food and Drug Administration (FDA) methadone regulations be published immediately.

7. The task force recommends that training courses to increase skills of paraprofessionals be expanded.

8. The task force recommends prompt resolution of existing jurisdictional and organizational problems between DEA, NIDA and FDA by the Assistant Secretary for Health, HEW.

9. The task force recommends that drug abuse treatment be part of the required curricula of medical schools and schools of social work, psychology, and vocational rehabilitation.

10. The task force recommends that categorical funding for drug treatment programs be stabilized so that cost sharing is at a maximum rate of 60 percent Federal and 40 percent local until local governments or community organizations are able to assume fiscal responsibility above this level.

11. The task force recommends that long-term efforts be initiated to incorporate drug abuse treatment services into the general health care delivery system.

12. The task force recommends that the Federal Government be prepared to fund additional community treatment capacity, if necessary, and recommends that the specific need be identified by December 1, 1975.

Vocational Rehabilitation

1. The task force recommends that NIDA and the Department of Labor review all regulations to ensure that they do not impede the provision of vocational rehabilitation services to drug abusers. This applies to the

NIDA confidentiality regulations as well as vocational rehabilitation regulations.

2. The task force recommends that the Rehabilitation Services Administration (RSA) instruct State vocational rehabilitation agencies that the regulation which states that no individual or group may be excluded because of their disability will be strictly enforced in connection with drug abusers.

3. The task force recommends that NIDA encourage Single State Agencies to develop cooperative agreements with manpower and vocational rehabilitation services in their areas.

4. The task force recommends that NIDA and RSA develop joint research and demonstration projects to improve the delivery of rehabilitation and employment services to drug abusers.

Criminal justice system

1. The task force recommends that treating criminal offenders who abuse drugs be given the highest priority. The Department of Justice and HEW should establish a permanent working group charged with seeking ways to expand the interface between the criminal justice and drug treatment systems. This criminal justice working group should publish a semi-annual report that addresses the progress made in implementing the recommendations discussed in the white paper with further recommendations for future initiatives. The first report would be due in March 1976.

2. The task force recommends that the pilot pre-trial service projects, to be established in ten Federal judicial districts as a result of the Speedy Trial Act of 1975, routinely screen all arrestees to determine if they have a history of drug abuse or are currently using drugs. The results of these ten pre-trial services projects should be evaluated as soon as possible.

3. The task force recommends that funding for the Treatment Alternatives to Street Crime (TASC) program be maintained at its present level of approximately \$4 million per year, and the program be expanded to include any jurisdiction with a population of over 200,000 which can demonstrate eligibility.

4. The task force recommends that funds and responsibilities be transferred from the Bureau of Prisons to the U.S. Probation Office so that USPO can contract for and administer treatment services for Federal parolees and probationers.

5. The task force recommends that the U.S. courts and the Bureau of Prisons alter their policy regarding drug-free treatment and accept methadone maintenance as a proper treatment alternative for parolees and probationers.

6. The task force recommends that Title III of the Narcotic Addict Rehabilitation Act of 1966 be terminated, and the budgetary savings diverted to NIDA to supplement grants in treatment areas which have prospective clients or waiting lists.

Research, demonstration, and evaluation

1. The task force recommends that priorities in research be established for follow-up studies on the progress of clients after leaving treatment, and to determine relative effectiveness of different prevention, treatment, and rehabilitation approaches.

2. The task force recommends that NIDA formulate a plan for research, demonstration, and evaluation in consultation with other agencies involved in RD&E; those agencies should then develop their specific plans to supplement rather than duplicate NIDA's plan.

PROGRAM MANAGEMENT; CHAPTER 5

1. The task force recommends that the Strategy Council on Drug Abuse be given additional responsibilities to provide coordination between supply and demand reduc-

tion programs, and that the Assistant to the President for Domestic Affairs be made a member and designated as Chairman. The task force also recommends that the Secretary of the Treasury be added to the Strategy Council.

2. The task force recommends the creation of a Cabinet Committee on Drug Abuse Prevention chaired by the Secretary of the Department of HEW to provide coordination among agencies involved in drug abuse demand reduction activities. Membership of the CCDAP should include the Secretary of HEW, the Secretary of Defense, the Secretary of Labor, Administrator of the Veterans' Administration, and the Attorney General.

3. The task force recommends that the Secretary of HEW appoint an executive director of the CCDAP who will serve as chairman of an Assistant Secretary level work group. This work group should be supported by a series of interagency functional groups which would provide detailed coordination in specific areas; e.g., treatment, education, prevention and research.

4. The task force recommends CCDAP be charged with preparing annually a government-wide assessment of drug abuse demand program requirements, and with publishing semi-annually a report on the status of drug abuse in the United States.

5. The task force recommends that DEA continue its corresponding lead agency role regarding law enforcement and regulatory programs, as designated by Executive Order No. 11727.

6. The task force recommends continuing a small Executive Office staff, located in the Office of Management and Budget, to provide assistance and advice to the White House staff, the Strategy Council, and OMB. The task force recommends that the responsibilities of the Office gradually be shifted to the departments, agencies and Cabinet Committees.

7. The task force recommends the creation of an interagency executive committee to improve the sharing, analysis, and coordination of drug abuse information at the Federal level.

GLEN ALFRED LLOYD

Mr. PERCY. Mr. President, it is with deep sadness and a profound sense of personal loss that I make note of the passing of my long time and dear friend, Glen Alfred Lloyd. I had the pleasure and privilege of knowing Glen for several decades and of working with him on the board of trustees of the University of Chicago, and I shall forever cherish the time we spent together and the memories I have of him.

Although born in Tennessee and raised in Utah, Glen spent the majority of his 80 years in Chicago, where he was engaged in the private practice of law. In addition, Glen was very active in a wide variety of community affairs, foremost of which was his service as member, chairman, and eventually life member of the board of trustees of the University of Chicago. During his 22 years on the board, Glen worked untiringly for the betterment of the university and the enrichment of its students, and it is indeed a fitting tribute that the auditorium of the law school, in which Glen had a special interest, has been named in his memory. His work on the board helped immeasurably in making the University of Chicago one of this Nation's outstanding educational institutions, and

the people of Illinois as well as of the entire Nation owe Glen Lloyd a profound debt of gratitude.

During the recent memorial service for Glen, Attorney General Edward H. Levi and Mr. William G. Burns offered their reflections on Glen's life, and I ask unanimous consent that these reflections, as well as the resolution passed by the board of trustees of the University of Chicago, be printed in the RECORD.

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

REFLECTIONS OF EDWARD H. LEVI

To know Glen was to love him and many were privileged to know him. He had a capacity for friendship—a true friendship with staying power which overcame disagreements. Glen liked people—people of all sorts. He was interested in them and in drawing them out. He liked working with them. And all of us were drawn to him. We trusted him. He was our mentor. He planned for us, but really for us and not for himself. He had the power of a purposeful complex nature with many abilities—the ability to uncover the far off objective, the ability to put together the intermediate steps, the willingness and tremendous drive to discipline himself, to take care of all of the details with extraordinary thoroughness. The methodical was joined with ingenuity and rare imagination, a persistent inquiry into ideas, an abiding commitment to ideals with a courage to act upon them. So repeatedly he made it possible to translate ideals into action. But the heart of the magic—and it was magic—was a talent to reach out and establish a relationship of appreciation and trust—a relationship in which laughter, a chuckle, the twinkle in the eye, the enjoyment of all kinds of interests played a large part. I am told Glen carried with him a multitude of keys, but always knew which key fit where. So also he knew how to approach each individual.

His interests were many. They reflected the shaping of rare experiences. In 1961, the University of Chicago, reflecting old concerns now more widely shared, arranged, primarily through Professor Sol Tax, for the American Indian Chicago Conference, to be held on the campus. It was the largest gathering of Indian Tribes held up to that time. As Chairman of the Board of Trustees, Glen knew about the conference. On June 28th he appeared at the Field House to watch the Indian Pow-Wow. Upon seeing Professor Tax, Glen inquired whether there were any representatives from the Ute Tribe. "Yes indeed there were," Professor Tax responded. He proceeded to search them out and came back with three Indian women. He explained to them, as they listened patiently, that just as the Indians had their great chiefs, so did the University of Chicago. Indeed Mr. Lloyd, to whom they were now being introduced, was our Great Chief. "Well," one of the women replied, "he may be your Great Chief, but he is Little Glennie to me." The three women were friends from Glen's childhood, spent on the Ute reservation in Utah, where his father was the doctor.

I know there was a good deal of Maryville College in him. He was proud of it and his brother's presidency of it. There was something of the University of Utah and of the rancher. Indeed there was something retained from his experience as the athletic coach and teacher of mathematics at Westminster College. I am certain that part of his ability to reach out to people included the habits of optimism and instructional guidance of the one-time athletic coach. He even half, or one quarter, believed that, given a chance, he could make a horseman

out of me. He understood the joke, but he often spoke, not completely teasingly, although mostly, of his plans in that regard.

He had many choices to make in his career. When in 1954 he was deputy director of the Foreign Operations Administration in Washington, he was faced with such a choice, for his exceptional gifts as a lawyer and government official were, of course, widely recognized. With some difficulty, because he really liked to speak about the other person's plans and not his own, he told me about it when I saw him in Washington when the choice was being made. It was fortunate for the City of Chicago and its institutions, and particularly the University of Chicago, that he decided to return here.

To put it quite simply, Glen worked for the University of Chicago, as he worked for other institutions of his choice. His vision for the University was high. He understood what should be its goals and ideals and what were its problems. He came to the chairmanship of the Board, joining an illustrious line, at a time when the University had serious difficulties in maintaining and, indeed, in recapturing the strength which had made it one of the few preeminent universities in the world. With Lawrence Kimpton, George Beadle and others, the achievement was realized. Glen's immediate influence went far beyond his leadership of his colleagues on the Board. He helped to bring and retain the faculty. He and Marion revived that spirit of interrelationship which had marked the founding days of the University. He was much involved in the pioneering development of Hyde Park-Kenwood as an extraordinary community. Everything he did was enlightened by a broad conception of the importance of the growth of knowledge and, even more so, of understanding. As a member of the American Bar Association and the American Bar Foundation, he worked for the establishment of the American Bar Center on the campus. The amazing emergence of the strongest and most exciting cluster of theological schools in the world at the University, representing almost all denominations, is one of the later results of his influence. For he never stopped working for the University and the ideals which he held for it.

The Law School Building of the University was really his creation. There is a real sense, although he would not wish me to say it, in which the Law School, and not just its building, but its spirit and quality, was his. The portrait of Glen Lloyd as Chairman of the Board of Trustees at the University of Chicago has in it as background the building and school which came from his vision. This was, I believe, Peter Hurd's way of saying that this was how Glen would want to be remembered.

We do remember. How hard and graciously he worked—no meeting too small to attend in any part of the country, dashing from one end to the other, snow bound on trains—when trains were used—cheerfully hiring a plane in Harrisburg when the snow and sleet kept all other planes from flying, assuring his frightened companion, as the plane slid back and forth across the runway, that after all, this was the way to travel.

He probably was right. He knew how to travel, how to bring ideals into reality. He never forgot either the human equation. Not the last time I saw him, but near the last, on a cold Sunday afternoon in December, knowing I had a decision to make, on his own suggestion he and Marion took the journey from Libertyville to the President's House on the Southside to help me explore what I must do. As he rose to leave, after having led a discussion by asking questions for two hours, he said, "no matter what decision you make, I will respect you." That was

characteristic of him. He reached out to each one of us.

REFLECTIONS OF WILLIAM G. BURNS

Glen Lloyd was my friend for more than 40 years and for most of that period we were partners in the same law firm.

Glen told me that at the time of his graduation from the University of Chicago Law School he intended to return to Utah where he spent most of his boyhood among the Ute Indians, but that he made a last minute decision to practice law in Chicago with the firm in which he spent his entire professional life. That was a fortunate decision for the law firm, the legal profession and our community.

Glen's progress in the firm was rapid. By 1931 he was invited to become a partner of the firm's distinguished lawyers known to many of you, including Walter L. Fisher, Laird Bell, Darrel Boyd, Thomas Marshall and Walter T. Fisher. Exceptional talents and hard work earned for Glen a national reputation as an able and resourceful lawyer, and ultimately the leadership of his firm as its active head.

Glen was a genius at getting to the heart of problems and in identifying and resolving the important issues. He was a skillful negotiator and possessed excellent judgment. His clients sought and valued his advice on business as well as legal questions. His moral and ethical standards were of the highest.

He gave generously of his time, talents and resources to educational, charitable, governmental and other activities outside the practice of law, all without neglecting his responsibilities to his firm. His partners were happy to share Glen and were proud of his contributions to the common good.

Glen will be remembered in our firm for his warm personal relationships with his partners and employees. He was interested in them and their problems. He followed their progress and was ready at all times to help and encourage them. Employees at all levels felt at ease with Glen as he did with them. He knew how to communicate.

He was a cheerful, happy person. It was not possible to remain gloomy in his presence. He never passed anyone in the office without a courteous, friendly greeting. He didn't wait to be introduced to a new employee; he took the initiative.

Glen was an entertaining companion and a good story teller, and he possessed a delightful sense of humor.

As Glen spent more time on his ranch in recent years, his appearances in the office became less frequent but more precious to us. It was remarkable how quickly his appearance would become known in all corners of the office. Without prompting, the receptionist would spread the word. Although it was easy to learn of Glen's appearance, it was often difficult to find him. He didn't come to sit in his office and receive people. He came to transact business, to learn what had been going on in the firm, and to visit with his friends. He might be found in the mail room chatting with the messengers, or on the stairway between floors, or in a conference in a lawyer's office, or in the corridor among a cluster of partners or employees who were enjoying the opportunity to visit with him.

On his last visit to the office, just a few days before his death, Glen displayed all the lovable characteristics I have mentioned. He was cheerful, friendly, interested in others, optimistic and looking forward to the future.

Glen was a warm, understanding, generous and loyal partner and friend. He will be sorely missed in our office. I feel a deep personal loss. I take comfort, however, in the

thought that throughout my life I will have memories to cherish of my happy rewarding years of work and friendship with Glen.

RESOLUTION IN MEMORY OF GLEN A. LLOYD

The trustees of The University of Chicago take this opportunity to record their profound sorrow over the loss of an esteemed colleague and friend, Glen Alfred Lloyd, who died on September 14, 1975, in his 80th year.

Glen Lloyd was born on July 26, 1895, in Knoxville, Tennessee and spent his early years on the Uintah Reservation in Utah, where his father was a government doctor for the Ute Indian tribe. He attended Maryville College in Maryville, Tennessee where he was awarded his A.B. After serving in the Navy during World War I, he attended the Law School of The University of Chicago and received his degree in 1923. The following year, Mr. Lloyd joined the firm now known as Bell, Boyd, Lloyd, Haddad and Burns and later became a partner.

On June 11, 1953, Mr. Lloyd was elected a member of the Board of Trustees of The University of Chicago and three years later, he was elected Chairman of the Board, succeeding Edward L. Ryerson. He served as Chairman for a period of seven years, ending in June 1963 and thereafter in June 1965, became a Life Trustee. As a Life Trustee, he continued his untiring efforts for the University and at the time of his death served as a consultant to the University's committee to select a new president.

During a Convocation address he gave at the University in June 1959, and speaking with that forthrightness and humility which characterized his life, Glen Lloyd described his career as a Trustee. "I am talking to you today," he began, "as a layman in the field of education and as one who, in common with many others, has spent a good deal of time actively engaged in its affairs." He said of his colleague-Trustees that through the history of the institution they had been, "in the main, people of good will and restraint." This characterized Glen Lloyd's performance as a Trustee.

On other occasions, he had spoken of what he viewed as the essential qualities of a "good trustee":

"First, a genuine interest in being a trustee—and I mean of the very institution under consideration. I doubt if any person, however able and whatever his position in the community, will be a good trustee if he accepts the position because he has been persuaded or because it brings honor or social prestige to himself.

Second, a sense of responsibility—one that makes him take his assignment seriously and assures a good attendance record.

Third, a capacity for independent thinking. Nothing is needed more in this work than independence of thought and imagination.

Fourth, a strong power of self-restraint. The only justification for the view that trustees should participate more in educational activities is that care will be taken to select trustees endowed with wisdom and restraint.

Fifth, success in his own business or profession and prestige in the community."

Judged by these standards, Glen Lloyd was the model for a good trustee. He provided leadership where leadership was needed; his was a standard for all of us; his passion was for fairness and for quality. He was an upright man who sought to grasp the deeper meanings and in the process, he gave to all of us a deeper understanding of the values for which our University stands.

On the occasion of his retirement as Chairman of this Board, his fellow Trustees acknowledged Glen Lloyd's contributions to the University. They said then:

"As a devoted alumnus of The University of Chicago Law School, he gave impetus and direction to its development and guided the establishment of the Law Center.

As a trustee and citizen he devoted his untiring efforts to renewal of the University community.

As Chairman of the Board of Trustees from June 14, 1956, to June 13, 1963, he charted the destiny of the University through a period of administrative and academic transition into an era of new achievement and growth.

In esteem and gratitude we acknowledge his wisdom and foresight."

These words are no less true with respect to his subsequent continuing efforts on behalf of the University as a Life Trustee.

For the faculty and the students of The University of Chicago and for the Board for which he served so long, the Trustees express their deepest sympathies to Mrs. Lloyd and to their children.

Mr. Chairman, I move that we express our affection and our sympathy and our University's appreciation by a rising vote and that copies of this memorial be transmitted to members of his family.

RESEARCH NEEDED TO MAINTAIN U.S. AVIATION LEADERSHIP

Mr. MOSS. Mr. President, recent expert testimony before the Committee on Aeronautical and Space Science, clearly indicates that this Nation is in danger of losing its worldwide leadership in commercial aviation. The reason is the current lack of Government-supported research at a time when foreign aircraft manufacturers, largely owned or heavily subsidized by their governments, are challenging the dominate position of the United States.

One of the witnesses, Mr. Bruce N. Torell, president of Pratt & Whitney Aircraft, eloquently summarized the situation:

Our country is the leader in world aircraft sales. The benefits have been high employment for a large segment of our work force and a major contribution to our country's balance of payments. This leadership is in jeopardy for the future if foreign competitors, heavily subsidized by their governments, can overcome the technology lead which presently exists in this country.

Historically, the benefits of military research, particularly in jet engines, have flowed into the civilian sector. Currently, the committee was told, there is no program underway to develop engines that make more efficient use of fuel. Defense Department efforts are directed at developing engines for high-performance combat aircraft, while U.S. airlines need equipment to help offset the rapidly rising fuel costs.

At the instigation of the committee, the National Aeronautics and Space Administration has prepared a 10-year program that, if implemented, could increase the fuel efficiency of U.S. transports by as much as 50 percent.

Aerospace industry and technical society witnesses strongly endorsed the NASA program at the committee's hearing last week. They are unanimous that the program addresses a high-priority national need and is clearly in keeping with the National Aeronautics and Space Act of 1958, which declares that U.S.

leadership in aviation should be preserved.

The NASA program will provide the basic technology that will enable manufacturers, using their own resources, to develop more efficient aircraft. It has been developed from a genuine national need and is clearly not a technology in search of a use.

THE SECRETARY OF STATE AND THE NATIONAL SECURITY ADVISER—A WELCOME INITIATIVE

Mr. BENTSEN. Mr. President, I am certain that many of my colleagues in this body have long shared my concern over the concentration of the foreign policy decisionmaking process in this country in the hands of one person—one person who has worn two official hats and unofficially a third—that of roving ambassador. I have long felt it necessary to restructure the foreign policy machinery in this country and I have introduced legislation to begin that job. My bill, S. 1667, would prohibit future Secretaries of State from serving as the President's National Security Adviser, Executive Secretary of the National Security Council, or any other position directing or controlling the National Security Council.

I believe this is an important first step toward diversifying and strengthening the process by which the foreign policy of this country is formulated and implemented. In an increasingly complex and interdependent world, we need a structure that will expand the range of policy options being presented to the President rather than narrow them, a structure which will improve our ability to deal with crisis in the future, a structure which is more consistent with our democratic form of government.

I believe that Secretary of State Kissinger is an able and brilliant man but I also believe that his serving as both Secretary of State and National Security Adviser to the President has dangerously centralized power in the hands of one man.

I am pleased that President Ford shares my belief that there should be more balance in our foreign policy decision-making process and I welcome his announcement of the separation of the two positions. I urge him to endorse my legislation enacting a statutory separation. I might remind the President that on April 21 of this year, in an interview with CBS commentator Walter Cronkite, President Ford stated that a good argument could be made that the two positions should be divided:

If you were to draw a chart, I think you might make a good argument that that job ought to be divided.

On the other hand, sometimes in Government you get unique individuals who can very successfully handle a combination of jobs like Secretary Kissinger is doing today as head of the National Security Council and Secretary of State.

Now that he has in fact separated the two, I hope he will see fit to endorse my legislation so that never again in American history will this Nation face the con-

centration of foreign policy making power that it has faced in the last 2 years.

Mr. President, the distinguished chairman and ranking minority member of the Senate Foreign Relations Committee have promised me that they would hold hearings on my legislation, which has also been endorsed by the President's Commission on the Organization of the Government for the Conduct of Foreign Policy, the blue-ribbon Murphy Commission. Let me quote from that Commission's study which was published in June of this year:

It is eloquent testimony to the extraordinary abilities of the present Assistant to the President for National Security Affairs that he has met the requirements of the post while simultaneously serving as an active and effective Secretary of State. His holding of both positions has arisen from quite special circumstances, it is well established, and we make no recommendation concerning it. As we have stressed earlier, we seek not to address matters of topical interest, but the enduring and longer-term problems of Government organization.

Having reviewed the responsibilities the Assistant for National Security Affairs must meet over the long term, we conclude that these responsibilities, involving essential personal assistance to the President, management of issues for Presidential decision, and the direction of the National Security Council staff, should normally in future be performed by an individual with no other official responsibilities. The actual choice would of course rest with the President.

The reasons for this are two. The first is simply that the responsibilities of that Assistant are heavy and important enough to require the undivided attention of even the ablest public servant. The second is that an Assistant to the President must be a facilitator of decision, a conduit to the President, a force for balance and even-handedness in the presentation and consideration of issues. These are staff functions. They are not easily made compatible with the responsibilities of a Cabinet officer, a line official who must necessarily act as the chief of a great department.

Mr. President, the issue is a clear one. I urge the Senate's support for my legislation; I urge the President's support as well. The foreign policy of this country will be the stronger for it.

THE COMMON SITUUS PICKETING BILL IS UNJUST AND UNFAIR

Mr. HELMS. Mr. President, I am certain that all Members of the Senate, at one time or another, have experienced a degree of anger and frustration because Congress seems to drag its feet and act with unnecessary delay in making laws for the people of this country. But we should be mindful of the fact that speed is not a virtue in a deliberative assembly like the U.S. Senate.

The careful and thoughtful consideration of legislative proposals is often time-consuming and frustrating, but it is also the best assurance we have that all points of view will be discussed, that opportunities will be made available for uncovering errors, and that we shall have ample time to reexamine all of the arguments, both pro and con, that have been presented.

These advantages of our system are

most conspicuous when we are confronted with controversial legislation that is apt to generate more heat than light within the walls of this Chamber. Only totalitarian regimes subsist entirely upon unanimous-consent agreements, and we are probably safest in assuming that the more controversial a piece of legislation might be, the more time we should devote to deliberation and debate.

This is especially true of S. 1479, the common situs picketing bill. In my judgment, this bill is controversial for the simple reason that it is neither necessary nor equitable, and I am hopeful that my colleagues will join in exploring every facet of this legislation when it is brought to the floor for consideration. Whatever the fate of this measure, let it be said that we approved or disapproved it only after full, free, and robust debate.

Before this debate commences, however, I would like to go to the very heart of this legislation and explore the basic premises upon which it is established. Leaving aside the economic ramifications of this bill—and they are far reaching—they are, in my view, a number of misconceptions about the so-called equity of S. 1479 that should be cleared up now. If this legislation is not equitable, if it does not establish fairness for all parties in the construction industry, then we cannot, in good conscience, enact it into law. The higher principle of justice must take precedence over all other considerations. This is the guideline that I have endeavored to follow, and I am confident that my colleagues will agree that it is the proper guideline for the Senate as a body. Our Constitution demands no less.

Turning, then, to the question of equity as it applies to this legislation, we first encounter the problem of whether the building trade unions possess the same rights as those of other union members. If they do not, then we are obliged to correct the situation. But the truth of the matter is that the building trade unions already enjoy the same rights as other unions. Indeed, it could be argued that they are already in an advantageous position. Under the provisions of section 8(f) of the Taft-Hartley Act, for example, the construction unions have the right to enter into a collective bargaining agreement with a contractor without an election and before any workmen are hired and even though a majority of employees prefer no union. They also have the right to require in the agreement that all workers join the union within 7 days or be fired, and to require in the contract that the employer notify the union of job openings. Section 8(f) further stipulates that construction unions be given opportunity to refer qualified job seekers to the employer, have the contract specify minimum training or experience qualifications, and set out seniority rights on the basis of length of service with the employer, in the industry or in the particular geographical area. Section 8(e) of the act contains a provision which allows construction unions to make hot cargo

agreements with respect to work customarily done by them at the construction site.

These are substantial special privileges, Mr. President; yet industrial unions have none of them. Additional special privileges conferred upon the construction unions as a result of established practices include better hospitalization and pension plans, and double overtime pay for building construction labor exceeding 8 hours per day, or 40 hours per week, or for labor performed during holidays.

Furthermore, a construction or craft union employee can continue to work at his trade while he is on strike. He may work at another site while his original site is on strike. The industrial worker seldom has such an option. Added to this is the fact that the construction union employees already enjoy higher hourly and annual wages than their industrial counterparts.

Mr. President, I ask unanimous consent that the following statistics concerning union wage rates, which were compiled by the Department of Labor, be printed in the RECORD to show the present wage scale of the craft or construction unions.

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

TABLE 1.—Union wage rates, second quarter, 1975

Trade:	Hourly average
All trades.....	\$8.91
Bricklayers.....	9.50
Building laborers.....	7.01
Carpenters.....	9.22
Electricians.....	9.69
Painters.....	8.79
Plasterers.....	8.86
Plumbers.....	9.91

Source: Department of Labor, Bureau of Labor Statistics.

TABLE 2

The first two columns identify the craft, the percentage of workers in the craft working at least 40 weeks per year, and the annual wage based on 40 weeks x 37 hours worked each week x 1975 second quarter hourly wage rate.

The third column shows the percentage of workers within the craft working 50-52 weeks per year and the last column shows the annual wages based on 52 weeks x 37 hours x 1975 second quarter hourly wage rate.

	At least 40 weeks (per cent)	Annual wage at 40 weeks	At least 50-52 weeks (per cent)	Annual wage at 52 weeks
All trades.....		\$13,315		\$17,310
Carpenters.....	72	13,645	40	17,739
Electricians.....	88	14,341	70	18,643
Bricklayers.....	68	14,060	30	18,278
Painters.....	68	13,009	41	16,911
Plasterers.....	72	13,112	32	17,046
Plumbers.....	83	14,666	61	19,066
Laborers.....	59	10,374	33	13,487

Note: The percent figure is based on a study made by the Bureau of Census, 1960 and published by the Department of Labor, 1970. The average number of hours worked per week is based on figures released by the Commerce Department, 1975 and is an average over the past 6 years.

TABLE 3.—ANNUAL WAGE AND FRINGE BENEFITS

	Annual wage and fringe at 40 weeks	Annual wage and fringe at 52 weeks
All trades.....	\$15,599	\$20,278
Bricklayers.....	16,368	
Laborers.....	12,446	
Carpenters.....	16,235	
Electricians.....	16,590	
Painters.....	14,681	
Plasterers.....	15,318	
Plumbers.....	18,278	

WAGES

Contract construction (open shop and union)	Manufacturing
52 weeks at 37 hrs/week × \$7.34/hr = \$14,122	52 weeks at 39.5 hrs/week × \$4.82 = \$9,900
40 weeks at 37 hrs/week × \$7.34/hr = \$10,863	40 weeks at 39.5 hrs/week × \$4.82 = \$7,615

Source: Department of Labor, Bureau of Labor Statistics.

Mr. HELMS. If S. 1479 is passed, the construction unions will have the following additional rights—rights which the industrial unions do not possess: First, they will have the right to picket employers with whom they have no dispute, in order to force an employer that is disagreeable to them off the site.

Second, they will have the right to picket industrial plants and large construction sites to induce total work stoppage on them in response to a dispute of a single union, with a single subcontractor, at an isolated construction work place.

Third, they will have the right to impose economic penalties on innocent employers and employees who have no responsibility for the grievance that precipitated the picket line.

Fourth, they will have the right to impose unwarranted penalties on innocent employers and employees without any liability to recompense them for their losses.

Fifth, they will have the right to coerce employees to join unions in order to work in construction in their home areas.

And, sixth, they will have the right to dictate the selection of subcontractors on construction sites and the right to induce total worksite stoppages in order to halt the use of fabricated products on the site.

The report of the Senate Committee on Labor and Public Welfare, entitled "Equal Treatment of Craft and Industrial Workers," ignores these considerations and insists there are no innocent employers or employees on a construction site, because the general contractors and subcontractors are involved in a joint enterprise as joint venturers. According to the committee's report:

The basic purpose of the bill is to treat the general contractor and the subcontractor who are engaged at a construction site as a single person for purposes of the secondary boycott provisions of the National Labor Relations Act.

The report goes on to say that:

This approach reflects the economic realities in the building and construction industry because the contractor and his subcontractors are engaged in a common venture. . . Employers are engaged as joint venturers when the work each contracts to perform is

related to the work contracted for by the owner as part of an integrated building structure.

Mr. President, it is difficult to grasp the peculiar reasoning that has produced these conclusions. A joint enterprise has been legally defined as—

An enterprise participated in by associates acting together. There must be a community of interests in the objects or purposes of the undertaking, and an equal right to direct and govern the movements and conduct of each other with respect thereto; each must have some voice and right to be heard in its control or management.

Important elements of a joint venture, then, would be the sharing of profits and losses, and the use of a single tax number. On a construction project, however, the general contractor and subcontractor do not have an equal right to direct and govern the movements and conduct of each other, do not share profits and losses, do not use a single tax number, and the subcontractors do not have a voice or the right to be heard in the control or management of the project. Nor does one subcontractor have any control over the practices of another. Not even the general contractor has a voice in determining the policies and practices of the various subcontractors that are coming to and from the construction site. And yet the common situs picketing bill assumes that each should be held responsible for labor disagreements that are totally beyond their control, and that all should suffer the results of a labor dispute which is totally unrelated to their individual practices. By no stretch of the imagination, Mr. President, can a building construction site be deemed a joint venture.

Mr. President, the conclusion is unavoidable that S. 1479 has nothing to do with the equal treatment of craft and industrial workers. It is obvious that craft workers already enjoy many advantages that they do not share with industrial workers. They are already more than equal to industrial workers in many respects. The common situs picketing bill will simply increase these advantages further, creating a more lopsided situation than we already have.

What is more, the proponents of this legislation attempt to get around the discriminatory features of S. 1479 by falsely lumping together all of the contractors and subcontractors into a so-called joint venture, when in fact the bill clearly discriminates against innocent employers and employees, who are penalized in a common situs strike that actually involves other parties. The bill punishes everyone on a construction site through guilt by association—an association that is really no association at all. In short, S. 1479 flies in the face of established principles of justice and fairness that are an integral part of the labor legislation we have developed over the years. On these grounds alone, S. 1479 should be rejected.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. 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 now resume the consideration of the unfinished business, 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. The pending question is on agreeing to the amendment (No. 1836) of the Senator from Minnesota (Mr. HUMPHREY).

Mr. ROBERT C. BYRD. Mr. President, I am authorized by Mr. Humphrey to ask unanimous consent that the Humphrey amendment be temporarily laid aside, and that the senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) be permitted to offer one of his amendments at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, in a moment I shall send an amendment to the desk. In the meantime 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. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished junior Senator from Louisiana (Mr. JOHNSTON) be recognized for not to exceed 5 minutes, to speak out of order.

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

MINORITY BUSINESS DEVELOPMENT AND ASSISTANCE ACT OF 1975—S. 2617

Mr. JOHNSTON. Mr. President, today I introduce a bill to establish an Office for Minority Business Development and Assistance in the Department of Commerce. This bill will not only create business opportunity for the minority business sector, but will also benefit the economy as a whole. It will, Mr. President, give fuller expression to the highest American value—that to the extent that an American citizen has the capacity and the initiative to participate in our free enterprise system, he should be afforded a fair opportunity to do so.

The bill that I am introducing today, Mr. President, will create an office headed by a new Assistant Secretary of Commerce. This new Cabinet member

will be the Assistant Secretary for Minority Business and Economic Development. This bill will consolidate for administration under this single office all of the varied minority business and economic development programs now administered by a number of Federal agencies.

Mr. President, at present there are 17 different Federal Government agencies that administer these programs, and each agency has worked in virtual independence of the other. The result has been extreme diffusion and extreme duplication of the Federal Government's efforts to assist the minority business community. This has led ultimately to programs of minority business assistance that have recently been the subject of stinging congressional criticism on the bases that they are ineffective and inefficient.

Mr. President, Federal assistance to minority business is at a crossroads. At least two subcommittees of the House of Representatives have already raised serious questions about whether the Office of Minority Business Enterprise, presently the central office for minority business assistance in the Federal Government, should be continued. These committees have held hearings to examine the Federal Government's efforts in this area because of their concern over whether these programs are doing their job.

The picture is clear, Mr. President. Hard decisions respecting these programs must be made. We are at a point where we must decide whether to firm our long and strongly held policy of assistance to minority entrepreneurship or to pull back from that policy and to let these crucial programs die.

Mr. President, I believe that the vitality of our free enterprise system is an important part, dependent upon the vitality, strength, and effectiveness of our Federal commitment to minority enterprise. For we cannot boast of a free enterprise system unless we can guarantee the opportunity for full and free economic participation in the mainstream of business to those black, brown, red, and yellow members of our society who historically have been denied such participation largely because of discrimination and societal insensitivity to the plight of the minority entrepreneur. The problem confronting minority business today, Mr. President, cannot be solved by a neutral governmental approach or by a passive economic system willing to allow past inequities to pursue their natural courses. In my view, we cannot afford to let this happen. The Congress must take positive action now to reorganize Federal efforts in the support of minority business development.

The need for the Congress to take firm, supportive action now, Mr. President, is bolstered by the fact that our present economic recession has hit minority owned companies hardest. Predictably, a recession for the general economy has meant a depression for numerous minority businesses, the vast majority of which are small and marginal and operate in vulnerable types of business in low-income neighborhoods.

Tight credit policies and high unem-

ployment have conjoined to make it particularly difficult for minority businesses to survive during our current recession. High interest rates have intensified the previous reluctance of banks to extend credit to small minority businesses with unproven records. And this waning willingness of banks to finance small and minority businesses has sharply curtailed the SBA's loan guarantee program, programs through which the SBA channels much of its minority assistance funds.

This has been compounded by high unemployment in the minority sector, with its resulting reduction in purchasing power by its predominantly minority clientele.

These occurrences, taken with the dire economic forecasts of an unstable economic system for at least several years to come, argue for a more organized and intensive Federal effort to assist minority entrepreneurship—an effort that is not duplicative, an effort that is not wasteful, but an effort that is effective and that is meaningful toward bringing about real economic opportunity and real economic stability through assisting minority business enterprises in important ways throughout our Nation.

Mr. President, I think the bill that I am introducing today is designed to do just that.

First, it calls for the creation of an office and an Assistant Secretary who will have the clout and the stature to coordinate the efforts of the various Federal agencies in the delivery of assistance to minority business enterprises. Indeed the purpose of this bill is to establish this office to carry out and expand the functions of the Secretary of Commerce now being exercised through the Office of Minority Business Enterprise and to give the Secretary certain additional functions to improve all Federal activities as they relate to the provision of opportunities for minority business enterprises.

This kind of office and this kind of officer have not existed in our Federal structure to date. Because of this absence, the Federal minority business effort has been relegated to a status of lesser importance than the facts show that it deserves. But with it, with this new office, minority business ventures will be given high level impetus and high level emphasis.

Second, this bill transfers directly under the authority of this new officer all of the separable minority business assistance programs run by the various Federal agencies.

Specifically, the bill transfers to the Secretary of Commerce, the functions of the Small Business Administration taken pursuant to section 7(i) of the Small Business Act, which furthers the establishment of small businesses among rural and urban economically disadvantaged persons.

It also delegates to the Secretary of Commerce the responsibility for the management of the portion of the business loan and investment fund established under section 4(c) of this act, which is for the purpose of section 7(i).

My bill also calls for the expansion of the Federal functions in this area by requiring the Secretary of Commerce to es-

tablish additional offices as necessary to carry out the purpose of this bill, including the establishment of not less than 10 regional branches of the office in appropriate regional areas.

Further, the Secretary of Commerce is required to make a study of all Federal activities that relate to minority business development in order to propose further measures, including additional legislation, designed to remove obstacles to minority business development and expansion.

I think this feature is essential to this bill, Mr. President, since we have seen the waste that can result from undertaking massive new programs without proper investigation and study. This feature of the bill is essential to sound program planning. This is why my bill calls for this study by the Secretary and calls for this report to the President and to the Congress of his findings.

This bill authorizes the appropriation of \$100,000,000 to carry out its provisions. This is the amount it will take to get the job done, Mr. President, and this is the amount that I strongly feel should be authorized by this Congress.

Mr. President, I cannot overemphasize the importance of this bill. It strikes at the hard core of our unemployment problem, since minority group citizens and particularly minority group teenagers suffer the highest rate of unemployment in our Nation. In addition, the implementation of this bill will add significantly, on a long term basis, to our Nation's productive capacity and at long last give minority business enterprise the stature it rightly deserves. I am, therefore, pleased and proud to introduce this bill today, and I urge the Congress to move forward promptly with its enactment.

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

THE PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

S. 2617

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 "Minority Business Development and Assistance Act of 1975".

STATEMENT OF PURPOSE

Sec. 2. The purpose of this Act is to establish an Office for Minority Business Development and Assistance in the Department of Commerce, under an Assistant Secretary, in order to carry out and expand the functions of the Secretary of Commerce now being exercised through the Office of Minority Business Enterprise, and to give the Secretary certain additional functions, for the purpose of improving all Federal activities as they relate to and provide opportunities for minority business enterprise.

ESTABLISHMENT OF OFFICE

Sec. 3. In order to carry out the purpose of this Act the Secretary of Commerce (hereinafter referred to as the "Secretary") shall (a) establish within the Department of Commerce an Office of Minority Business Development and Assistance (hereinafter referred to as the "Office") which shall be under the direction of an Assistant Secretary for Minority Business Development and Assistance who shall be appointed by the President by and with the advice and consent of the Sen-

ate and shall be compensated at the rate provided for the other assistant secretaries in the Department of Commerce, and (b) through such office carry out—

(1) his functions pursuant to Executive Order Numbered 11625, October 14, 1971, 36 Fed. Reg. 19967;

(2) the functions transferred pursuant to section 4; and

(3) the functions pursuant to section 5.

TRANSFERS TO SECRETARY

Sec. 4. (a) Effective thirty days after the date of enactment of this Act there are transferred to the Secretary the functions of the Small Business Administration pursuant to section 7(i) of the Small Business Act, together with the responsibility for the management of the portion of the business loan and investment fund established pursuant to section 4(c) of such Act which is for the purpose of such section 7(i).

(b) Effective on such date as is prescribed by the Director of the Office of Management and Budget but not later than ninety days after the date of enactment of this Act, there shall be transferred to the Secretary any separable function of any Federal department or agency which the Director determines relates primarily to the development or assistance of minority business enterprises, as defined in the Executive Order cited in section 3(1).

EXPANSION OF OFFICE FUNCTIONS

Sec. 5. (a) In order to more effectively carry out the purposes of this Act the Secretary shall establish (1) such additional divisions in the Office as will more effectively carry out the purpose of this Act, and (2) not less than ten regional branches of the Office in appropriate regional areas.

(b) The Secretary shall (1) make an investigation and study of all Federal activities which relate to or should relate to, or provide or should provide opportunities for, minority business enterprises in order to carry out the purpose of this Act, and (2) report to the President and the Congress not later than 180 days after the date of enactment of this Act his recommendations for necessary action with respect to such activities, including any necessary legislation in order to carry out such purpose.

AUTHORIZATION

Sec. 6. There is authorized to be appropriated in each fiscal year the sum of \$100,000,000 and such other sums as may be necessary to carry out the provisions of this Act.

Mr. JOHNSTON. Mr. President, I would like to add just this comment: The next 100 years of this Nation's life, I think, will test whether or not we can make practical, workable, viable, and real the promises of the American Constitution. It took us the first century to liberate the slaves in this country. It took the next century to make the promises of the Constitution real in terms of laws that were put on the statute books. This century—and hopefully it will not take a full century to do so—will test whether or not we can ripen those promises stated in law into opportunities within our free enterprise system that are made manifest and free.

This bill, designed to bring together all of the 17 different agencies that deal with minority business enterprise under one single agency, under one single Assistant Secretary of Commerce, with Cabinet clout, is designed to ripen those opportunities and those promises stated in the Constitution into something real. I hope Congress will see fit to pass this measure.

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.

AMENDMENT NO. 1036

Mr. HARRY F. BYRD, JR. Mr. President, I call up amendment No. 1036 which is at the desk.

The legislative clerk proceeded to read the amendment.

Mr. HARRY F. BYRD, JR. 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 5, line 14, 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 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, lines 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, lines 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, lines 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, lines 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. HARRY F. BYRD, JR. Mr. President, while the amendment in the form in which it is before the desk is of some length, the basic purpose of the amendment is to eliminate the authorization for fiscal year 1977. In other words, it would make this a 1-year authorization bill instead of a 2-year authorization bill.

Many of the programs in the present legislation before the Senate provide for a 2-year authorization. If this amendment is adopted, all of the programs would be authorized for 1 year.

Mr. HUMPHREY. The Senator is absolutely right. As we had in our colloquy last evening, there have been times that we have had 1-year authorizations. There have been other times we had 2-year authorizations.

As I indicated, fiscal 1974-75 was a 2-year authorization. I know the concern that the Senator has over what we call legislative oversight.

The Senator is right. His amendment would put it back to a 1-year period.

Mr. HARRY F. BYRD, JR. I thank the Senator from Minnesota.

I think that would be very helpful because, for example, I doubt the wisdom of giving a 2-year authorization to the United Nations under the conditions which exist there now. The United Nations is in somewhat of a turmoil and has been for the last several years. We do not know what will come up within the next 2 years. We may need to take some legislative action insofar as our own appropriations are concerned.

The PRESIDING OFFICER. Will the Senator from Virginia advise the Chair as to whether this is one of the four amendments on which there is a time limit of 1 hour?

Mr. HARRY F. BYRD, JR. Yes, 1 hour, and I yield myself such time as I may take.

In H.R. 9005, the legislation now pending before the Senate, we are being asked to authorize \$194,500,000 for fiscal year 1976, and \$219,900,000 for fiscal year 1977, as the U.S. contribution to international organization, and programs.

The U.S. contribution to the United Nations, under the pending legislation is \$168,700,000 for fiscal year 1976. This authorization represents an increase of 33 percent over last year's appropriation.

The U.S. contribution to international organizations and programs for fiscal year 1977, under the pending legislation, is \$219,900,000.

There is no indication, nor any information available, in either the bill or the committee report as to how much of this \$219,900,000 will be for the United Nations.

I do not like the idea of the Congress authorizing a 2-year funding.

The Congress is relinquishing certain authority when it does this, and it denies the Congress the opportunity to review the fiscal year 1977 program.

It seems particularly unwise to me to authorize a United Nations program for 2 years at a time.

A militant, and unreasonable majority within the United Nations, is running roughshod over the principles that world body is supposed to represent.

Last year the United Nations provided a forum, and treated, as it would a head of state, the leader of a terrorist group known as the Palestine Liberation Organization.

The PLO not only objects to the internal policies of a U.N. member, and sovereign state, Israel, but actually challenges its existence as a nation.

Last year, the U.N. also ousted a legitimate member, South Africa, because of that country's internal policies.

This is in specific violation of the U.N.

Charter which prohibits interference in the domestic affairs of a member state.

Only last month a committee representing the full membership of the U.N. declared that those who have aspired for the creation of a Jewish homeland are racists.

"Zionism," it was declared, "is a form of racism and racial discrimination." I reject that assertion.

Recently the head of state of Uganda, President Iddo Amin, who is himself responsible for some of the most atrocious acts of systematic government cruelty, discrimination, and brutality, was wildly applauded in his acrimonious remarks regarding the United States and the Western world.

Mr. President, the sheer hypocrisy of the United Nations, its selective choices of right and wrong, its total disregard of the principles of international human rights, and its unwillingness to bring its own financial house in order, in my opinion, makes it necessary that the United States limit its authorization to 1 year rather than for 2 years, as proposed in this legislation.

At this point, Mr. President, I ask unanimous consent to include a chart in the RECORD, providing a precise breakdown of the U.S. contributions to the United Nations for fiscal years 1974 and 1975.

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

U.S. contributions to the United Nations, specialized agencies, special programs, and the International Atomic Energy Agency

Fiscal year 1974 estimate	
[In thousands of dollars]	
A. Regular budgets (assessed):	
United Nations.....	¹ \$67,856
Food and Agriculture Organization.....	13,151
Intergovernmental Maritime Consultative Organization.....	120
International Atomic Energy Agency.....	5,422
International Civil Aviation Organization.....	2,806
Joint financing program.....	2,231
International Labor Organization.....	7,622
International Telecommunication Union.....	1,535
U.N. Educational, Scientific & Cultural Organization.....	15,896
Universal Postal Union.....	107
World Health Organization.....	28,834
World Meteorological Organization.....	1,234
Regular budgets.....	146,814
B. United Nations Peacekeeping Forces:	
United Nations Emergency Force.....	² 17,336
United Nations Force in Cyprus.....	1,600
United Nations Peacekeeping Forces.....	18,936
C. Special programs (voluntary):	
IAEA Operational Program.....	³ 2,000
United Nations Children's Fund.....	15,000
Humanitarian Assistance: India/Bangladesh.....	⁴ 1,900
U.N. environment program.....	7,500
United Nations development program.....	90,226
U.N./FAO Sahelian Trust Fund.....	1,555
U.N./FAO world food program.....	⁶ 68,000
U.N. fund for drug abuse control.....	2,000
U.N. fund for Namibia.....	50

U.N. fund for population activities	18,000
U.N. High Commissioner for Refugee program	1,100
South Asia: Exchange of persons	1,750
United Nations Relief and Works Agency	429,400
U.N. Institute for Training and Research	400
WHO special programs	2,000
WMO voluntary assistance program	\$1,500
UNESCO special programs	\$1,000
Special programs	243,381

Total U.S. contributions----- 409,131

¹ The United States received a credit of \$3,899 thousand as the eleventh repayment on its loan to the United Nations, making the net contribution for the United States \$63,957 thousand.

² Covers the period from October 1973–October 1974.

³ Includes contributions in cash, services, equipment and fellowship training.

⁴ Includes contributions in cash, services and commodities.

⁵ In U.S.-owned Egyptian currency.

Mr. HARRY F. BYRD, JR. We cannot foretell what the situation may be in the United Nations in the next year or next 2 years, and I think it is much better policy to go with the 1-year authorization.

I am delighted that the able manager of the bill, the senior Senator from Minnesota, is in accord.

Mr. HUMPHREY. I say to the Senator that I would be in accord if the able Senator from Virginia would give consideration to the other amendment, which he has, which I mentioned to him, which would substantially reduce the authorizations. I wish to consider them. I know they are separate amendments. But I wish to consider them in a package, if the Senator knows what I mean.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum, with the time to be charged against the Senator from Virginia.

The PRESIDING OFFICER. The Chair advises the Senator from Virginia that the Parliamentarian informs the Chair that his amendment touches several points in the bill which have already been amended and that it will have to be redrafted to be in order.

Mr. HARRY F. BYRD, JR. I thank the Chair, and 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. HARRY F. BYRD, JR. 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, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that Miss Connie Freeman, of the Committee on Foreign Relations, be permitted the privilege of the floor during the remainder of debate on this bill.

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

Mr. HUMPHREY. Mr. President, this is on my time, on this amendment.

The Senator from Virginia has proposed an amendment to provide for a 1-year authorization for fiscal 1976. The bill provides for 2 years in the international organizations section. We clearly understand that it is that section of the bill.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. As it is described in amendment 1036.

There is also a gap period between the old fiscal year and the new fiscal year, a period of 3 months, which also will have to be included in the amendment; and the figures in the bill as presently amended are different from the figures in the amendment that has been presented by the Senator from Virginia. However, we are in full understanding of the nature of the amendment and its purpose. The Senator from Virginia can check me to make sure that we have a clear understanding.

No. 1, the gap period, the 3-month period, would be included. That would be approximately one-fourth of the fiscal authorization.

Mr. HARRY F. BYRD, JR. That is correct, but that would be in a separate item. It would not be part of the fiscal 1976.

Mr. HUMPHREY. That is a separate item.

Mr. HARRY F. BYRD, JR. That is right.

Mr. HUMPHREY. Then we would take the authorization for fiscal 1976 as is in the bill before the Senate, and that would be maintained. We would eliminate the authorization for fiscal 1977.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. So that the Senate Committee on Foreign Relations and the Senate can review, on its regular legislative oversight operations and authorization operations, the fiscal 1977 when it is brought before us with specific detail.

Mr. JAVITS. If the Senator will yield, when he says "the fiscal 1977," he means the new fiscal 1977.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. Beginning October 1.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. That is quite satisfactory to me. But what we need is advice—which we will have in a moment—as to the way in which the 3-month gap should be financed, how to handle the authorization. What the Senator has said is entirely agreeable.

Mr. HUMPHREY. As I understand it, the amendment of the Senator from Virginia relates strictly to the international organizations and only the international organizations, to make them a 1-year authorization—United Nations organizations, the international organizations sections of the bill. Is that correct?

Mr. HARRY F. BYRD, JR. That is satisfactory.

Mr. HUMPHREY. For the international organizations.

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

The PRESIDING OFFICER (Mr. NELSON). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. 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. HARRY F. BYRD, JR. I withdraw the pending amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HARRY F. BYRD, JR. Mr. President, I send to the desk a simplified amendment, which takes care of the matter in which the Senator from Minnesota and the Senator from Virginia are interested.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 48, line 20, strike out all after "500,000", and add a period.

On page 48, line 22, strike out all after 1976 through 1977 in line 23.

Mr. HUMPHREY. Will the Senator yield to me?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, this amendment relates to what we call the International Organizations and Programs section of the bill, labeled "Section 312, (a) Section 302 of the Foreign Assistance Act of 1961 is amended—." With the amendment, as I understand it, now proposed by the able Senator from Virginia, the language in this section will read, starting on line 18:

In subsection (a), by inserting immediately before the period "and for the fiscal year 1976, \$194,500,000. Of such amounts, not to exceed \$250,000 during the fiscal year 1976 shall be available for contribution to the Namibia Institute."

This eliminates all the reference to fiscal 1977. It keeps in the bill the authorizations for fiscal 1976.

May I say to the Senator from New York, who was so rightly concerned about the transition period, that this in no way affects that. Transition period funds are in the bill under a separate section, section 665, known as "Transition Provisions for the Interim Quarter." It reads:

There are authorized to be appropriated for the period July 1, 1976, through September 30, 1976, such amounts as may be necessary to conduct programs and activities for which funding was authorized for fiscal 1976 by the International Development and Food Assistance Act of 1975, in accordance with the provisions applicable to such programs and activities for such fiscal year, except that the total amount appropriated for each program or activity for such period shall not exceed one-fourth—

that is the figure we are concerned about—

of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

Mr. HARRY F. BYRD, JR. That is correct.

Mr. HUMPHREY. So we have taken care of the transition period. I want to be sure that what I have read here relates to the International Development

and Food Assistance Act of 1975, which is the bill that is before us.

I say once again to the Senator from Virginia, for summary purposes, that we have agreed upon a 1-year authorization for international organizations and programs. We have agreed upon the transition language that is in the bill for one-fourth of the funds for the period from July 1, 1976, through September 30, 1976, one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.

Mr. HARRY F. BYRD, JR. The able Senator from Minnesota is 100 percent correct.

Mr. HUMPHREY. I am happy to work with my friend from Virginia. I think he has made a distinct contribution.

I am prepared to yield back my time, if the Senator from Virginia is prepared to yield back his time.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Minnesota.

(Amendment No. 1038.)

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. PACKWOOD. 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. PACKWOOD. Mr. President, it had been my intention to call up amendment No. 1048 this morning. Very succinctly what 1048 does is to strike the language offered in committee to further extend the limitations that the Senate from time to time tries to impose on foreign aid money for the use of abortion or abortion-related techniques. I would rather engage in a colloquy with the Senator from Minnesota this morning.

I am entirely aware that the House rejected the language we attempted to put in the bill 2 years ago and has rejected it on other occasions. I think if we are going to put strings on our foreign aid money—and I have no hesitancy about putting strings on when it is justified for national purposes—I am not one of those who says we should grant, give, or sell things overseas with no care as to how it is used or spent. However, when we think it is in our national interest to put a string on a foreign aid grant or gift, we have every right to do so.

However, for the life of me I cannot see where our national interest is furthered by putting strings on foreign aid bills relating to abortion. Most of the countries overseas practice abortion bills relating to abortion. Most of the our attempt to put strings on money, especially those where abortion is legal, attempting to put strings on money prohibiting them from doing something that

in their culture is perfectly acceptable and perfectly moral.

I do not see that our national purpose is served. I do not see that the quality of life in the United States is enhanced. I do not see that our national security is further heightened by these kinds of amendments, and I would hope that the Senator from Minnesota can indicate what he thinks the House attitude might be when this goes to conference.

Mr. HUMPHREY. It is my judgment, from what I have heard from the House, that the House would be very firm on this position, may I say to the Senator. They have been in the past, and I gather, they will be that way in the future.

Might I say we both have had experience with House conferees.

Mr. PACKWOOD. I know they were quite adamant. But this is the exact language we added a year ago. They were quite adamant and they struck it.

Mr. HUMPHREY. Struck it.

Mr. PACKWOOD. And I hope they would have the same attitude again.

Mr. HUMPHREY. Yes.

Mr. PACKWOOD. Considering the overall good in this bill, I hope that the Senate would not be adamant in this provision and not get us hung up for months of delay or weeks of delay on a subject that is really of minor importance in comparison to the overall good this bill does.

Mr. HUMPHREY. I full understand the Senator's position.

Mr. PACKWOOD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that my staff member, Bob Jerome, be allowed to remain on the floor during the pendency of the bill and the vote.

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

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Oregon (Mr. HATFIELD), we offer an amendment which is a technical amendment to clarify the language of yesterday.

The PRESIDING OFFICER. It will take unanimous consent to set aside the pending amendment.

Mr. HUMPHREY. Mr. President, I have an amendment pending, do I not? Let me call up this amendment first.

The PRESIDING OFFICER. That amendment is pending.

Mr. HUMPHREY. The amendment pending was in the bill and it was stricken at the time that we took out what we called the reflow provision of the legislation before us.

I send an amendment to the desk on behalf of myself, Senator CLARK and Senator McGEE which relates to the assistance to the West African country, the Sahel. This is merely to place back in the bill language which was supposed to remain in as a line authorization.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY), for himself, Mr. CLARK, and Mr. McGEE proposes an amendment.

Mr. HUMPHREY. Mr. President, when the Church amendment was adopted to do away with the use of the reflows which meant, in substance, that we were not specifically authorizing, it was understood we would—

The PRESIDING OFFICER. The Chair must say to the Senator from Minnesota that it is inappropriate to have two amendments pending.

Mr. HUMPHREY. I sent an amendment to the desk and asked that the pending one be displaced. I asked that my amendment originally there be withdrawn, and I then sent a second amendment to the desk.

The PRESIDING OFFICER. The Chair was not clear.

Mr. HUMPHREY. Mr. President, I thought it was clear when I sent an amendment to the desk that that was the amendment we were going to work on.

The amendment is as follows:

On page 5, line 20, beginning with the word "such", strike out through the comma on line 22 and insert in lieu thereof "\$50,000,000 for fiscal year 1977."

On page 5, line 23, immediately before the period, insert the following: "The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977."

Mr. HUMPHREY. I just want to explain the purpose of this amendment which is to put a line item in the bill so that we know exactly what we are doing as compared to what was the ambiguity of the use of reflow funds and this, of course, now places back into the bill as a line item a fiscal year 1977 authorization aid to drought stricken areas in Africa.

It is a good amendment. This amendment will give the Appropriations Committee a specific authorization on which to work the appropriation process.

It does what was suggested by the Senator from Maine (Mr. MUSKIE) and the Senator from Idaho (Mr. CHURCH). It puts into the bill a line item for the authorization.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CASE. Mr. President, I commend the Senator from Minnesota on his amendment. I think it is a good way of handling this matter.

I have been interested in this, as the Senator knows, for a long time, this general problem of the climatic changes in Africa, and have been concerned, and still am, that we deal not only with this as an emergency but as a long-term problem.

I am confident that that is the approach the committee, including the Senator from Minnesota, intends to have made on the problem here, and that the appropriation of this money as released in no way detracts from that—

Mr. HUMPHREY. That is the purpose.

Mr. CASE. As an objective for the committee.

Mr. CLARK. Mr. President, the \$50 million which the Foreign Relations Committee included in the bill for the drought-stricken nations of Africa should be retained.

The six countries of the Sahel have experienced several years of severe drought during which most of the farmers lost their land to the desert and most of the nomadic herdsman lost their livestock. Ethiopia, Somalia, and Tanzania also have suffered long and catastrophic droughts.

During the drought, we witnessed the widespread starvation, the thousands in refugee camps, the malnourished children, the skeletons of herds, and the farmlands that had become desert. The "Disaster in the Desert" has since disappeared from the press. But the herds have not reappeared overnight. The desert has not retreated from the farmland. And the people still suffer the most desperate poverty.

The United States and the international community responded generously with food aid when the people of the Sahel were threatened with starvation. We should not turn our backs on them now that they want to feed themselves. We should not allow them to remain at marginal subsistence levels, waiting for the next drought to strike, when we have the resources and technical expertise to help them make their land more productive than it has even been.

It will require much time and considerable resources for these countries to recover from such a long-term disaster that had such a devastating impact on basic agricultural resources. These countries do not themselves have the resources that recovery will require. They are among the poorest nations in the world. Five of the eight countries have per capita GNP's of below \$100. All but one are below \$200.

Before the drought, the small farmers and nomadic herdsman of these countries had supported themselves in the same way for centuries. But the old methods will not work in bringing about recovery.

The people will have to be trained in new techniques of agriculture and animal husbandry. They will have to be provided with new tools, seeds, and agricultural inputs. Most important, thousands of acres of farmland and pastures will have to be reclaimed from the desert. The vast river and underground water resources of these countries will have to be tapped for the first time. All of this will require considerable financial and technical assistance from the international donor community.

With assistance, the people of these drought-stricken nations could feed themselves again. Without it, they will be permanently dependent on the international community for the basic food supplies needed to sustain life. Undoubtedly, periods of drought will recur, again bringing famine and the need for substantial international disaster relief. The recent drought in the Sahel cost the international donor community \$900 million. If it happened again in 1985, the

relief effort would cost \$3 billion. This \$50 million is a critical investment in avoiding expensive, short-term relief later.

The international donor community and the African states themselves are prepared to make a joint effort to restore economic health to these areas. The United States has been consulting regularly with other donors and the recipient states to work out rational recovery plans. In January, the "Friends of Sahel" will meet to discuss these plans.

The disaster relief effort in the drought-stricken states has given us some familiarity with the economies and problems of these areas. We know that there is tremendous potential. The introduction of some fairly simple practices—such as storing grass in pit silos, better spacing of wells, and changing patterns of migration, crop rotation, and animal traction—could improve animal and agricultural production and prevent erosion.

However, these basic improvements will have to be based on a sophisticated analysis of the ecology of the area and on advanced research into the precise kinds of inputs and techniques that will be required. Otherwise, recovery programs could contribute to the further deterioration of the land and to increasing the chances of another devastating drought.

The United States and other donors can make a significant contribution to the research that will be required to assure that the recovery programs to be undertaken are the appropriate ones.

Mr. President, the droughts that have brought widespread starvation and devastation to these African countries over the last few years are a unique kind of disaster. They have lasted longer than floods or earthquakes. They have done more permanent damage to a larger land area. They have done more than simply disrupt people's lives. They have destroyed their sources of livelihood. And they have struck in some of the poorest countries of the world—countries that do not have the basic resources of educated manpower, capital, or infrastructure that are needed to recover from such a disaster.

This \$50 million will go to help some of the world's poorest people build a better life for themselves. It will go to solving one of the world's most critical food shortage problems. It is therefore fully consistent with the most important objectives of this legislation and deserves the support of the Senate.

The most basic fact to remember, in considering solutions for the problem of hunger, is that there are really two distinct solutions—one short term, the other long term.

The short-term solution to hunger is food. If a person is starving, nothing will help them but food. That is why we have a food aid program—Public Law 480—to deliver food to starving people.

But we must recognize that such food aid only satisfies their need for one day or one meal. That is terribly important if a person is starving—it avoids death—but it does not bring a permanent solution.

Permanent solutions depend upon the ability of the people to raise enough food to feed themselves.

Gandhi put it most precisely when he said that if you give a person a fish, he can eat for a day, but if you teach him to fish, he can eat for a lifetime.

The only way the problem of world hunger really will be solved is by assisting these people to improve their own agricultural production. That is exactly what this amendment does. It assumes that by spending \$50 million now, to prevent future disasters, we can save billions in food aid in the future. If we adopt this amendment we will be assisting to find a permanent solution to the hunger problem rather than another band aid. We can no more feed the world than we can police it. Therefore, we should spend our money wisely and carefully. That is what we do in this amendment, we spend an ounce of prevention to avoid a pound of cure.

Mr. HUMPHREY. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. HUMPHREY) proposes an amendment.

The amendment is as follows:

At the end of the bill insert the following: Section 103 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections:

"(e) In order to carry out the purposes of this section, the President is authorized to participate in and to provide, on such terms and conditions as he may determine, up to \$200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation \$200,000,000 for such contribution.

"(f) No funds may be obligated to carry out subsection (e) unless:

(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

(3) all donor commitments to the International Fund for Agricultural Development total at least one billion dollars equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

(4) there is equitable burden sharing among the different categories of contributors.

"(g) The President shall submit to the Congress full and complete data concerning U.S. participation in, and separation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs."

Mr. HUMPHREY. Mr. President, this amendment does again what the previous one did. It does not add any new program to the bill as it came from committee. What it does is place in the legislation a specific line item so that the Budget Committee, the Appropriations Committee, can have a direct handle on and control of the budget process and the appropriation process.

In the colloquy with the able Senator from Maine (Mr. MUSKIE), he indicated that our effort in the committee to use the reflow funds was a method of backdoor financing, which, by the way, the Senator from New Jersey has been vigorous in opposing and I personally feel that it is not the proper way for us to act.

Therefore, what we are doing in this amendment is not to add to the bill as it came from committee; we are merely making the bill more precise. We are following the requirements of the budget process, of the Budget Committee, and we have done away with the use of reflow funds.

Now, the same provision would authorize, as it says here, to carry out the provisions of this section, the President is authorized to participate in and to provide, on such terms and conditions as he may determine, up to \$200 million to the International Fund for Agricultural Development.

Then it goes on to state certain conditions:

No funds may be obligated to carry out this authorization unless:

- (1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;
- (2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;
- (3) all donor commitments to the International Fund for Agricultural Development total at least \$1 billion equivalent in convertible currencies, except that the United States contribution shall be proportionately reduced if this combined goal is not met; and
- (4) there is equitable burden sharing among the different categories of contributors.

The President shall submit to the Congress full and complete data concerning U.S. participation in, and separation of, the International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.

May I say that the difference here is that we have set down conditions which will govern our participation. In other words, if the OPEC countries, if the other European countries, if others who are to contribute to the International Fund for Agricultural Development do not do so, we do not contribute. If they contribute less than their agreed-upon share, we reduce our share.

In other words, we are not committed to the full amount that is authorized unless others are willing to put up all that they have agreed to under the current international agreement relating to the International Fund for Agricultural Development.

Let me say once again that this is not in addition to the bill. It is a specific line item for budget control purposes, meeting the budget requirements as established by the Congress. But it is a better

provision than we had in the bill as it came to the floor of the Senate because we have added, as a result of the colloquy and the debate here in the Senate, very specific conditions under which any amount of money contributed by the United States will be made available.

In other words, the proviso is only when there is satisfactory agreement between the parties, only when others have contributed their fair share. If they do not contribute their fair share, then our contribution shall not be in the sum that is authorized or appropriated.

Mr. CASE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. CASE. I think this is a very happy followup from the points raised by the Senator from Maine.

I fully agree and support the action that the chairman of the subcommittee proposes. I am sure it will be unanimously accepted.

I would like, perhaps for the record, and in any event for the self-edification of the Senator from New Jersey, to know the Senator's view as to what bearing this will have on, say, other years' estimates for the purpose of the budget procedure.

Will reflows that are intended to be authorized for appropriation be included in our estimates given yearly and later to the Budget Committee?

Mr. HUMPHREY. No. Reflows are out completely now and the estimates that we will have to give the Budget Committee will have to be estimates on authorizations and regular appropriations. Reflow will go back into the Treasury.

Mr. CASE. And all reflows will come back as receipts to the Treasury?

Mr. HUMPHREY. That is correct.

Mr. CASE. And have to be authorized for appropriation and appropriated in all cases?

Mr. HUMPHREY. Yes. They will be handled the same as any other general funds in the Treasury.

In other words, what we are doing here is coming out clean, with complete openness and candor, so that we know exactly what is in the bill and there is not any coverup by the use of reflows because the language in the bill as it came from the House and was ultimately approved by the committee did use reflows.

This International Fund for Agricultural Development was to have been financed from the reflows. They are out now so that what we are really doing is placing back into the bill the amounts that were outlined in the bill, but now we are doing it as a specific line item in the bill. So that our Budget Committee has a handle on it. So that we know exactly what we are doing, and the Appropriations Committee, likewise, knows what the authorization is.

Mr. CASE. In a sense, the bookkeeping figure and money figure will be raised by that amount?

Mr. HUMPHREY. Correct, and I understand the administration is sending us a formal request for it. It has been approved and I delayed bringing the amendment up until today pending that request.

Mr. CASE. I commend the Senator from Minnesota for his masterly han-

dling of the intricate and technical problem.

Mr. HUMPHREY. I thank the Senator. I yield to the Senator from New York.

Mr. JAVITS. I have a number of questions.

First, this represents the consummation of what we worked out with Senator CHURCH of Idaho on the reflows.

Mr. HUMPHREY. That is correct.

Mr. JAVITS. So that his amendment can then be locked solidly into the Senate bill.

Mr. HUMPHREY. That is right.

Mr. JAVITS. Unconditionally, if this amendment is approved.

Mr. HUMPHREY. The Senator is correct.

The Senator may recall he raised the point at the time of the debate with the Senator from Idaho.

Mr. JAVITS. Second, should it not be clear, I ask my colleague, that this International Fund for Agricultural Development does two things; one, it is the first real initiative from the Rome Food Conference?

Mr. HUMPHREY. Yes. This is a follow-up on the Food Conference.

It is now also a follow-up on the agreement which has just been agreed to this past week.

Mr. JAVITS. Next, is there not also a redemption of one of the larger proposals we made in the special session of the United Nations earlier this fall?

Mr. HUMPHREY. The Senator is correct, in the special session.

Mr. JAVITS. Lastly, are not these conditions which we have introduced into the amendment very congenial to the policy of our country as it is developing, in the sense that it not only deals with an international agreement, but our contribution is one-fifth, to wit, \$200 million out of a billion, which is to be contributed by other nations, and this is the way to induce those contributions?

Mr. HUMPHREY. That is exactly right, and if they do not come up, we do not either.

Mr. JAVITS. I might ask the Senator if it would not interfere with his plans, because I was heavily engaged in all of these matters, if I might join as a co-sponsor.

Mr. HUMPHREY. The Senator has been not only heavily engaged, but also he has been a prime mover.

I ask unanimous consent that that be done.

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that certain letters related to this matter be printed in the RECORD along with our colloquy, matters which relate to the Fund for International Development.

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

AGENCY FOR
INTERNATIONAL DEVELOPMENT,
Washington, D.C.

HON. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: You will have seen the section of Secretary Kissinger's address

to the United Nations General Assembly, on September 1, dealing with the new International Fund for Agricultural Development (IFAD):

"To mobilize massive new concessional resources for these purposes, the United States proposes the early establishment of the new International Fund for Agricultural Development. President Ford has asked me to announce that he will seek authorization of a direct contribution of \$200 million to the fund—provided that others will add their support for a combined goal of at least one billion dollars."

H.R. 9005 contains such an authorization, of course, providing for the use of "reflows" from prior years loans under the Foreign Assistance Act of 1961, as amended, with an earmark of \$200 million for IFAD.

The U.S. contribution of \$200 million, as the Secretary noted, is conditioned upon the contributions of others. Should these contributions be forthcoming, as we hope, we would want to go forward with the U.S. contribution and in a prompt fashion. The Administration intends, under these circumstances, to proceed with the necessary amendment to the Budget to request appropriations action.

This letter has been discussed with the Office of Management and Budget.

Enactment of an authorization of appropriations for such contributions would be very advantageous at this time.

Sincerely yours,

DANIEL PARKER,
Administrator.

AGENCY FOR INTERNATIONAL
DEVELOPMENT,

Washington, D.C., Nov. 3, 1975.

HON. HUBERT H. HUMPHREY,
Chairman, Subcommittee on Foreign Assistance, Senate Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to keep you abreast of developments with respect to the establishment of the proposed International Fund for Agricultural Development (IFAD). As you know, your Committee recently approved a provision in H.R. 9005, the International Development and Food Assistance Act of 1975, which would make available \$200,000,000 for the Fund, subject to appropriate participation by other donors. We are appreciative of your support for this important effort.

One of the important resolutions to come out of the World Food Conference was that relating to the establishment of IFAD. Paragraph one of the resolution states that IFAD "should be established immediately to finance agricultural development projects primarily for food production in the developing countries." The general debate at the World Food Conference indicated full agreement on the urgent need for massive acceleration in the increase in food production in the developing countries. Production had fallen woefully short of the target of 4 percent annual average increase called for in the International Strategy for the Second United Nations Development Decade and had in most cases been below the goals specified in national development plans. There was general agreement that a large increase in investment in the agricultural sector would be required in order to achieve the necessary expansion of food production in the developing countries. Of particular interest to us was the opportunity that the occasion presented for attracting substantial capital from the oil-rich nations for the important task of agricultural development.

In accordance with paragraph 5 of World Food Conference resolution XIII and paragraph 12 of the General Assembly resolution 3348 (XXIX), the Secretary-General of the United Nations convened a meeting of interested countries on May 5-6, 1975 in Geneva

to work out the details of the Fund. The meeting, which was attended by 66 governments and various intergovernmental organizations, gave overwhelming support for the establishment of the Fund. The meeting recognized, however, that many operational, procedural, technical, and other related questions would have to be examined before the Fund could be formally established.

Since this original meeting, two Working Group Sessions and one further Meeting of Interested Governments have been held to seek agreement on the basic elements of the Fund. At the most recent Meeting of Interested Governments in Rome, October 27 to 31, substantial agreement was reached on many of the basic elements. However, a number of issues remain unresolved. The group, therefore, decided to meet again in January, 1976 for the purpose of completing and approving the draft Articles of Agreement, including indications of pledges from those countries that are in a position to do so. We are hopeful that agreement will be reached at this meeting.

At the meeting in Rome the target of 1 billion special drawing rights for the Fund was reaffirmed. A great number of countries announced their intention to contribute to the Fund subject to satisfactory agreement on the Articles, reaching the target, and parliamentary approval. These countries included the United States, the Netherlands, Norway, the United Kingdom, Australia, Denmark, Sweden, New Zealand, Canada, Germany, Belgium, Saudi Arabia, Kuwait, Venezuela, Libya and Iran.

The meeting also prepared a draft resolution for introduction in the current United Nations General Assembly authorizing the Secretary General to convene a Plenipotentiary Conference on the Constitution of the Fund, as soon as feasible, after the Meeting of Interested Governments has completed its work. The purpose of the Plenipotentiaries Conference will be to adopt and open for signature an agreement for establishing the Fund and to receive pledges to the Fund, taking into account the target of 1 billion special drawing rights.

We would welcome your thoughts on any of the issues presented by the establishment of the Fund and are hopeful that U.S. participation will be made possible by the enactment of H.R. 9005.

We will, of course, keep you advised of new developments.

Sincerely yours,

DANIEL PARKER,
Administrator.

[From the New York Times, Nov. 2, 1975]

SIXTY-NINE NATIONS AGREE ON FOOD FUND

ROME, Nov. 1.—Representatives of 69 nations reached agreement today to set up an investment fund to help grow food in the world's poorest countries, stating their intention to meet an initial target of \$1.2-billion.

United Nations sources said that it was a major breakthrough on aid cooperation between the industrial countries and the oil-exporting nations, who have been prodded by the United States to do more to help feed the world.

The delegates ended a week-long meeting on the fund, proposed by the oil countries at last November's World Food Conference, and sent their report to Secretary General Waldheim and the General Assembly.

The United States is prepared to contribute \$200 million. The Common Market countries, with the exception of France, have agreed in principle to match this. And Iran, Saudi Arabia, Kuwait, Libya and Venezuela among the oil producers stated their intention to contribute.

It is understood that the oil nations would come up with half the initial target, with the industrial nations the remainder.

A pledging conference will be held to get the commitments on paper, probably in Rome in February.

[From the New York Times, Nov. 2, 1975]

SWEDEN REACHES THE "GOAL" ON FOREIGN AID
(By Thomas Butson and Bryant Rollins)

Swedish officials have announced that their country is the first industrial nation to spend 1 per cent of its gross national product on foreign aid, thereby meeting a major demand made of wealthy nations by poorer countries.

The extent of the foreign aid industrial nations provide now is a matter of controversy. Some countries, particularly former colonial powers, include investments as part of their aid totals; other nations have counted military help as if it were foreign aid.

Thus Washington officials often assert that United States foreign aid in 1974 totalled more than \$5-billion. But when military and other extraneous sums are deducted, the total is \$3.439-billion or .25 per cent of the gross national product.

Sweden is not a former colonial power and neither investment nor military sales are counted in her foreign aid. Most of the aid goes to what the Swedes regard as "progressive" nations, including North Vietnam, Cuba and Tanzania. A large aid program to Chile was ended with the overthrow of President Salvador Allende Gossens.

Apart from the case of Chile, the Swedes have tried to avoid dictating to the recipients what should be done with the money. Sweden's Premier Olof Palme said: "We say, 'What can we do to help in your national effort?' We don't say, 'You do this or that.' We let them decide."

[From The New York Times, Nov. 3, 1975]

ARMS AID REQUEST STIRS CONGRESS—\$4.7 BILLION FORD PLAN FAR EXCEEDS BUDGET LIMITS
SET BY LEGISLATORS

(By Hohn W. Finney)

WASHINGTON, Nov. 2.—Preliminary Congressional analysis shows that the Federal deficit would have to be increased \$800-million and Congressional budgetary guidelines raised \$1.8-billion to accommodate President Ford's new \$4.7-billion military aid package.

The potential impact of the President's request upon the budgetary targets adopted by Congress raises additional complications for a military aid program that was already becoming increasingly unpopular on Capitol Hill.

The military aid program will be considered under new Congressional budgetary procedures, and there will be pressure to cut the President's request to stay within budgetary targets.

After months of delay and with less than two months left in the Congressional session, Mr. Ford last week finally submitted his request for appropriations covering various aspects of the military aid program. Of the \$4.7 billion requested, \$424.5 million would go for grants of material and training, \$2.4 billion in credits for purchase of military equipment and \$1.9 billion for security support assistance, which is a form of economic aid given to offset a country's heavy military burden.

GEARED TO MIDEAST PACT

The military aid package was tailored to carry out Administration pledges made to encourage Israel and Egypt to accept the recent pledges made to encourage Israel and Egypt to accept the recent Sinai disengagement agreement. Of the total, \$3.4 billion was earmarked for Israel and Arab nations, particularly Egypt.

Under the President's proposal, Israel would be given \$740 million in support assistance and \$1.5 billion in military credits but with the understanding that only \$500 million of

the credit sales of military equipment would have to be repaid. Egypt would be given \$750 million in support assistance.

The Administration's military aid request almost came too late for it to be considered under the new budgetary procedures, which call for Congress to set an overall ceiling on appropriations and spending and then establish guidelines on how much should be appropriated in various categories, such as national defense and international affairs.

In effect, Congress has had to proceed with its budgetary resolutions—one last spring and the final one now being drafted for approval in the next two weeks—without any clear idea of how much the Administration would ask for military aid. Now that Mr. Ford has submitted his request, the question in Congressional budget circles is how his \$4.7 billion program can be fitted into the budgetary targets adopted by Congress.

EXCEEDS BOTH TARGETS

The preliminary analysis by the House Budget Committee's staff, based on likely Congressional action on other bills, is that the President's request exceeds its target for national defense by \$550 million and the target for international affairs, which includes foreign aid, by \$1.3 billion.

The impact of the President's request upon spending targets is more difficult to determine, largely because it is unclear how much of the appropriations for military aid might be spent in the current fiscal year. The rough estimate of the House Budget Committee is that the request would add \$800 million to \$900 million to the \$71.9 billion deficit that the committee is projecting in the final budget resolution to be acted upon shortly by the House.

As seen by budget analysis on Capitol Hill, Congress is now confronted with three possible choices in trying to accommodate the President's military aid request within the budgetary guidelines.

It can raise the budgetary guidelines for the national defense and international affairs categories by \$1.8-billion and increase the projected deficit by about \$800-million to accommodate the President's program.

A SECOND CHOICE

A second choice is to absorb the military aid program within the existing guidelines by cutting back on other programs, such as national defense. This approach is certain to be resisted by the Department of Defense, which already has seen its budget cut more than 7 per cent by Congress.

The third possibility is for Congress to reduce the President's request substantially. Such cuts almost inevitably would reduce aid for Israel, which is the largest single component in the package.

If Congress is unwilling to raise its budgetary guidelines, there are indications that Secretary of Defense James R. Schlesinger would favor the third course.

[From the New York Times, Nov. 3, 1975]

U.S. TO TELL I.L.O. IT PLANS TO QUIT—ACTION IS SET FOR THIS WEEK AFTER MANY DISPUTES WITH U.N. AGENCY

(By David Binder)

WASHINGTON, Nov. 2.—The United States will notify the International Labor Organization this week that it intends to withdraw from the 124-member United Nations body, according to high-ranking Administration officials.

The decision was made after study of a long accumulation of American grievances, including I.L.O. acceptance last June of an observer from the Palestine Liberation Organization.

The notice of intention to withdraw has a two-year duration under the I.L.O.'s rules, the Administration officials pointed out. The

United States intends to use the interval to try to persuade the I.L.O. to revise some of the practices it feels are against American interest.

It was not clear how the notice of withdrawal would affect American Financial contributions to the Geneva-based organization.

HEAVY SUPPORT IN PAST

In recent years the United States has contributed about a quarter of the I.L.O.'s \$50 million annual budget and has also contributed heavily to the organization's technical assistance programs for less developed countries.

There have been occasions when the United States withheld payments. Five years ago the House voted a limited cutoff of funds for the I.L.O. because of objections by American labor organizations, which saw it as "a stage for Communist propaganda."

According to an I.L.O. spokesman the United States is still \$1.2 million in arrears on payment from the 1970-71 period.

In describing the latest distress with the I.L.O. Administration officials noted that the United States had never had an easy relationship with the group from the time of its inception after World War I.

The I.L.O. was formed with the active participation of Samuel Gompers of the American Federation of Labor in accordance with Article 19 of the Versailles peace treaty.

CONGRESS WAS OPPOSED

But Congress opposed American membership because of its reluctance to cede treaty-making powers to the international body. The United States did not join until 1934, when President Franklin D. Roosevelt determined that I.L.O. membership would assist his domestic campaign for social welfare legislation.

However, Congress prevented the United States from acceding to most of the I.L.O.'s international conventions, approving only those related to maritime I.L.O. fared better with Democratic administrations Republican ones.

It never found favor with American business organizations and in the early 1960's the National Association of Manufacturers withdrew from the customary representation in the I.L.O., which has delegations for each country that involve Government, employers and labor.

This left the only substantial American support for continued participation in the I.L.O. in organized labor, and this support has dwindled steadily.

The A.F.L.-C.I.O.'s leader, George Meany, objected strongly to the participation of Soviet employer-labor delegations in the I.L.O. after the Soviet Union entered the organization in 1954.

"A DOUBLE STANDARD"

More recently, the Administration as well as American organized labor have objected to what one official described as "a double standard" on human rights issues, in which countries like Chile or Tanzania were subjected to official I.L.O. condemnations, while East European countries were exempted.

Finally, the Administration objected to what it considered "flagrant violations" of I.L.O. statutes by the organization's leadership at the annual conference in Geneva.

When I.L.O. delegates voted 246 to 35 to admit a Palestinian observer at the meeting on June 12 in Geneva, the American trade union representatives walked out.

Afterward, American trade union representatives asked the Administration and the Congress to take another look at the I.L.O. and determine whether it was in the American interest to remain.

This prompted the interdepartmental study conducted by Labor Secretary John T. Dunlop, which was concluded last week.

The threat of American withdrawal had been rumored in international labor circles for more than a week, officials noted, and

Western European governments and trade union federations have been telling American representatives that it would be regrettable if the United States were to quit the I.L.O.

Mr. HUMPHREY. Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, we have to place this amendment that was sent to the desk at a different location in the bill. We should put it on page 9 at the end of line 21 and it will be known as subsection (b).

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. HUMPHREY. And page 8, line 12, where it says, "Sec. 203," there should be an (a).

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

Mr. HUMPHREY. Mr. President, on behalf of Senator HATFIELD, let me call up his 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. HUMPHREY. Mr. President, I ask that further reading of this amendment be dispensed with.

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

The amendment is as follows:

On p. 13, lines 7 and 8, strike the following, "(as adjusted to reflect that country's annual rate of inflation)"

On p. 13, line 18, after "Bank" insert the following, "for its most recent annual report"

Mr. HUMPHREY. Mr. President, yesterday in the Hatfield amendment when the per capita income figure of \$250 was used, it said that that figure would be determined by what the U.S. Treasury requires of the World Bank in terms of per capita figures of the developing countries. This amendment merely says the latest figures of the World Bank. So we do not have a lot of old figures that may be meaningless. We wanted to be more precise. I think once we put any criteria in the bill, we want to be sure that we are up to date. Senator HATFIELD asked that this be brought in so that his amendment would not be in any way confusing.

I hope that my colleagues understand what this is about. This is no substantive change whatsoever. It merely updates the language of the bill.

For example, it puts the word in "The President is authorized and directed to make use of data developed by the World Bank for their 1975 annual report." So we are not using World Bank figures of 1971 or 1974, but the 1975 report.

Mr. CLARK. Will the Senator yield at that point?

Mr. HUMPHREY. Yes.

Mr. CLARK. I have a couple of questions. If the new report comes in, a later report, let us say, for a new year, and we find that Egypt, which is now listed by the World Bank figures at \$250, is then listed at \$260 or \$275, that means that they go off the list. Is that correct?

Mr. HUMPHREY. That is correct. Of course, there is the waiver provision in the law, but under the terms without waiver the Senator is correct.

Mr. CLARK. I thank the Senator.

Mr. HUMPHREY. Mr. President, it is perfectly obvious that since we are legislating in the year 1975, the most recent report would be the annual 1975 report. But what we are asking for here, so that the colloquy may be clear, is Senator HATFIELD changed his amendment so that it would read "The President is authorized and directed to make use of data developed by the World Bank for its most recent annual report."

I interpret that, obviously, as the 1975 report. But anyway the language is the most recent annual report. This gets at the question that has been propounded by the Senator from Iowa (Mr. CLARK). In other words, as we go along there may be another report that comes in that is more recent. So we take the most recent data.

Mr. CASE. For each particular purpose at each particular time the then most recent annual report.

Mr. HUMPHREY. That is correct. It means that countries might be dropped off if they exceed \$250 per capita. That is the way to keep the amendment up to date.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD a list of countries and their per capita GNP figures, which relate to the amendment offered by Senator HATFIELD.

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

COUNTRIES WITH PER CAPITA G.N.P. OF \$250 OR LESS

Afghanistan (90)
Bangladesh (70)
Bhutan (80)
Bolivia (230)
Botswana (240)
British Solomon Islands (210)
Burma (90)
Burundi (70)
Cambodia (110)
Cameroon (220)
Cape Verde Islands (240)
Central African Republic (170)
Chad (70)
China, People's Republic of (170)
Comoro Islands (150)
Dahomey (110)
Egypt (250)
Equatorial Guinea (250)
Ethiopia (90)
Gambia, The (120)
Guinea (100)
Guinea-Bissau (230)
Haiti (120)
India (120)
Indonesia (100)
Kenya (180)
Laos (70)
Lesotho (120)
Macao (160)
Malagasy Republic (140)
Malawi (110)

Maldive Islands (100)
Mali (70)
Mauritania (190)
Nepal (90)
Niger (90)
Nigeria (170)
Pakistan (150)
Portuguese Timor (120)
Rwanda (70)
Sierra Leone (190)
Sikkim (180)
Somalia (90)
Sri Lanka (110)
Sudan (130)
Tanzania (120)
Thailand (240)
Togo (170)
Uganda (140)
Upper Volta (70)
Vietnam, Dem. Rep. of (160)
Vietnam (South) (160)
Western Samoa (200)
Yemen, Arab Rep. (100)
Yemen, People's Rep. (110)
Zaire (90)

NOTE: All figures are taken from the World Bank Annual Report of 1975, with the exception of those for Cape Verde Island, China (People's Republic of), Comoro Islands, Bhutan, British Solomon Islands, Guinea-Bissau, Macao, Maldive Islands, Portuguese Timor, Sikkim, and Vietnam (Dem. Rep. of), which are from the 1974 World Bank Atlas. These are the latest figures available at the date. Allocations for fiscal year 1976 are to be made on the basis of this list.

The PRESIDING OFFICER (Mr. CULVER). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CASE. 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. HARRY F. BYRD, JR. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HARRY F. BYRD, JR. May I ask the Senator from Minnesota the total authorization in this bill as amended by the Church amendment, What is the total?

Mr. HUMPHREY. I think it is about \$1,575,000,000, or something like that. It is \$1,592,000,000. In other words, the Senator may recall 2 days ago the figure looked like it would be about \$1,600,000,000-some. We have made some reduction since then.

Mr. HARRY F. BYRD, JR. The Church amendment did not bring the total down to \$1,375,000,000?

Mr. HUMPHREY. The Church amendment did that when we got rid of the reflows. The Senator may recall the debate that he and I had as to what the exact figures were in the bill. I am trying to be an honest man with the Senator now and simply saying that the figures that were covered by reflow, which were not included in the overall budget estimates, are now put back in the bill as the budget line items that would not be covered now by reflows but would have to be covered out of the appropriation process.

Mr. HARRY F. BYRD, JR. But I am trying to get clear in my mind the total authorization for fiscal 1976. It would not be the \$1,325,000,000, which is on page 1

of the committee report, but it would be \$1,592,000,000?

Mr. HUMPHREY. \$1,529,000,000 is the figure, as the bill is now amended.

Mr. HARRY F. BYRD, JR. That is for fiscal 1976?

Mr. HUMPHREY. Yes.

Mr. HARRY F. BYRD, JR. How much for fiscal 1977?

Mr. HUMPHREY. For fiscal 1977 it would be substantially less because of the amendment of the distinguished Senator from Virginia. We took out \$219 million, as I recall. Those were the fiscal 1977 funds for the international organizations. So we would actually have about \$1,313,000,000. That is compared to \$1,881,000,000 that was estimated for fiscal 1977 when we were using reflows.

Mr. HARRY F. BYRD, JR. What was the figure?

Mr. HUMPHREY. \$1,881,000,000 for fiscal 1977 when we were using reflows.

Mr. HARRY F. BYRD, JR. Now, one other question. On page 33, the bill has this language:

It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.

What does that mean?

Mr. HUMPHREY. That means only within the funds that are in the bill. It does not mean that we add any additional funds, but if there is a way that the President can find that funds authorized in this bill and subsequently appropriated pursuant to that authorization can be used in a multilateral organization, in other words, where several countries can work together, as we do in the international agricultural development fund, he should work in that fashion—in other words, get more countries to help and do it all ourselves.

Mr. HARRY F. BYRD, JR. It says "the President should increase." Presumably that means additional U.S. funds.

Mr. HUMPHREY. Yes; but it is simply more or less an exhortation. There are those who have strong feelings about the United Nations, and this is, in the parlance of a meeting that the Senator and I might attend, an invocation. It is not the meat and potatoes or the main speech.

Mr. HARRY F. BYRD, JR. The Senator from Virginia takes the view that this administration does not need—that no administration needs much encouragement to make foreign loans.

Mr. HUMPHREY. The only purpose here is that there are some Senators who believe we ought to make our foreign assistance loans bilateral, the United States to country A or country B. There are other Senators who believe, and there seems to be a majority of them, at least on the Senate Foreign Relations Committee and the House International Relations Committee, that we should try to use what funds we do make available, as much as possible, through the multilateral organizations, where we get other countries to participate as well as ourselves.

I want to make clear that it does not

add a single dime to the bill, or mean that we will ask any more. It simply means that with what funds are there, wherever possible, if the President deems it in our national interest to work with other countries, using the same amount of money, that we would exhort the President to do so.

Mr. HARRY F. BYRD, JR. I thank the Senator. I have several other questions, but I will delay those questions temporarily.

Mr. HUMPHREY. I want the Senator to know that the President is strictly limited by specific authorization and appropriate actions. We can give the President a pat on the back and a pep talk, and urge him to do certain things, but only within the framework of authorizations and ultimate appropriations made under this act.

The Senator from Virginia has already made a substantial contribution to this bill by substantially reducing it, as I pointed out a moment ago.

Mr. HARRY F. BYRD, JR. I thank the Senator for that comment. I must say that the Senator from Virginia does not relish supporting language which says "The President should increase."

Mr. HUMPHREY. I understand; but let us get the colloquy clear, so that we understand each other. We are not saying that the President should increase the funds; we are simply saying that wherever possible, he should increase our participation, within the specific limits prescribed in this legislation.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. HUMPHREY. The Senator from Virginia is most helpful. He clarifies my mind as well as that of the Senate.

Mr. HARRY F. BYRD, JR. I thank the Senator for those comments.

Mr. CASE. Mr. President, at an appropriate time, I have a few pearls to drop.

Mr. HUMPHREY. I yield to the Senator from New Jersey.

Mr. CASE. From my time on the bill, Mr. President.

First, I wish to call attention to section 661 of the law, to which the bill adds subsection (b), which I think is extremely important. An amendment was offered by me in the committee and adopted shortly before the committee approved the foreign assistance bill.

That occurred the day after the Defense Department had notified Congress of a \$1.450 billion contract proposal to build base facilities for the Saudi Arabian Army. This amendment had been in the discussion stage since it was disclosed earlier this year that an American firm, the Vinnell Corp., had been given a contract to help train the Saudi Arabian National Guard. Saudi Arabia, in the past, has denied entry visas for persons of the Jewish faith. This amendment, unanimously adopted by the committee and included in the bill as it stands, applies to a section of the Foreign Assistance Act which allows the Government to provide assistance to other countries on a cash basis, and it applies also to Americans hired to implement sales under the Foreign Military Sales Act.

It says:

The President shall not take into account, in assigning officers and employees of the United States to serve in any foreign country, the race, religion, national origin, or sex of any such officer or employee.

It goes on to say that:

Such assignments shall be made solely on the basis of ability and relevant experience.

And, in another section, it warns that: *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.*

Obviously, the purpose of the amendment is to make sure that our Government does not discriminate against our own citizens in deciding who will be hired to work on the contract. It would be unconscionable, obviously, for our Government to acquiesce in discriminatory attitudes by other governments against our citizens. If they insist on barring some of our citizens because of their religion or race, they should not benefit from our technical help.

I wish to underscore the importance of this amendment, this addition to the law which is included in our bill. I would point out that the chairman of our subcommittee, the Senator from Minnesota (Mr. HUMPHREY), and the Senator from New York (Mr. JAVITS), also a member of our committee, joined me as cosponsors of this provision.

Mr. JAVITS. Mr. President, I wish to express my accord with the statement of the Senator from New Jersey on this particular proposition, which has been a source of embarrassment for the United States before, considering the strict view of our country as expressed in the Constitution and our laws on this subject; and I would like to join in the expressions which the Senator from New Jersey has made.

Also, Mr. President, at the same time I point out that not only is the effort to really introduce racial, ethnic, and religious discrimination pursued in this way, which this amendment will have a great deal to do with exorcising, but it is also still continuing to be promoted in the boycott practices of members of the Arab League, through efforts, directly or indirectly, because of the vast amount of money which now goes to the OPEC countries, to get businessmen to participate in the boycott, as they seek to do business everywhere in the Middle East, both in Israel and the Arab states; and we remember the flurry which took place respecting a banking firm some members of which may have been Jewish, in London and in the United States, here very recently.

We have some laws on the books requiring American business concerns apprised of these activities to give notice to the Department of Commerce. Senator WILLIAMS and I have sponsored such a law. There is being considered other restrictions on this matter which will bet-

ter enable us to come abreast of boycott practices.

I rise today simply to reiterate the policy of our Government which is clearly expressed in the Export Control Act and to hope that American business firms will see beyond the ends of their noses on this subject and will cooperate. Those that have taken strong and forthright positions have generally suffered very little damage even in the Arab world. It is those who have turned tail and run who have been hurt, have hurt their country, and have hurt the cause of freedom throughout the world.

I also address this appeal to the Arab States who may be involved. This boycott business has not worked. It cannot work because it runs against the great current of feeling in modern times. It is so reprehensible to people of decency and honor. Therefore, the efforts to ensnare Americans and American firms in it on alleged grounds of self-interest will not work and will only embarrass both the participants. The time for that has gone. President Sadat, who addresses the joint session of Congress today, has signaled for the Arab world a way to peace, without remotely compromising any policy or principle which responsible Arab leaders can espouse in the interest of peace and in the interest of a tranquil Middle East. Therefore, the efforts to perpetuate the boycott idea should be abandoned. I hope very much that in the very same spirit in which Senator CASE, joined by others of us, has offered these amendments that both our Arab friends—and I call them that advisedly—and the American business community, which is concerned, should comply with the letter and the spirit of American law to see that, first, they in no way lend themselves to the Arab boycott, which is shortsighted, out of date, and very regressive and self-defeating; second, that the Arab countries should also espouse a more modern, a more constructive line, and abandon activities which are so contrary to everything which the United Nations, our country, many other countries, and they themselves should stand for.

I thank our colleague for his initiative in this regard.

Mr. CASE. 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. 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.

AMENDMENT OF THE 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 PRESIDING OFFICER (Mr. CULVER) laid before the Senate a message from the House of Representatives announcing its action on an amendment of

the Senate to House bill 6334, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the bill (H.R. 6334) entitled "An Act to amend further the Peace Corps Act", and concur therein with the following amendment:

In lieu of the matter proposed to be inserted by the said amendment, insert:

Sec. 6. Section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "\$75" and inserting in lieu thereof "\$125."

Mr. JAVITS. Mr. President, during committee consideration of H.R. 6334, the House-passed Peace Corps Act extension legislation, I offered an amendment to provide for a contingent increase in the end-of-service allowances for both the Peace Corps program and the VISTA program—from \$75 per month to \$125 per month for Peace Corps volunteers, and from \$50 per month to \$75 per month for VISTA volunteers.

My amendment, which my good friend and colleague ALAN CRANSTON joined me in sponsoring, was substantially the same as legislation which Senator CRANSTON had introduced last May 20—S. 1789—and which I cosponsored at that time. In addition to providing for these needed increases, our amendment contained a unique mechanism for the protection of the volunteer strengths of these two programs; it provided that the allowance increases would be effective only to the extent of, and in the amount of, funds specifically provided for in the respective Appropriations Acts for that purpose. In this way, if either program failed to receive full funding, the ACTION Agency would be prohibited from borrowing from program funds to pay for the increases in allowances, and, concomitantly, funds intended for allowance increases could not be used to increase program strength.

Most graciously, Mr. President, the other body has agreed to accept the Senate amendment providing for the contingent increase in the VISTA stipend. We are very grateful for that spirit of compromise. The House committee, however, preferred not to provide such a separate authorization of appropriations and contingency provision for the Peace Corps increase, since the House-passed bill already included an increased authorization of appropriation for fiscal year 1976 to allow for the full increase authorized for the readjustment allowance. The Senate committee agreed to abide by the wishes of our colleagues in the other body on this point in order to reach an accord on this bill, but we did so with some clear intentions, yet, Mr. President, I stress that the Peace Corps appropriation for fiscal year 1976 should not be used to provide for any increase in the Peace Corps readjustment allowance unless funds are appropriated above the \$80,826,000 figure which the administration requested, and both committees approved, to maintain program strength. As to future years, Mr. President, I intend to do what I can about the committee report language that provides congressional direction with re-

spect to what should be the Peace Corps volunteer and trainee strength each year, so that funds intended for allowance increases will not be used to increase program strength, and vice versa.

Aside from these mechanics, Mr. President, I must say that I am pleased that these increases in the maximum end-of-service allowance rates for both programs are included in the bill as agreed to by the other body, and I am most grateful for the excellent cooperation of the Committee on International Relations. These allowances are intended to be used by the volunteers at the completion of their service to help them in the transition to other endeavors and have always been paid at the maximum level in both programs. In the 14 years since the establishment of the Peace Corps, and in the 10 years since the establishment of VISTA, the Consumer Price Index has risen more than 75 percent. There has never been a rise in the statutory maximum for the end-of-service allowance for either program. It is high time we in the Congress do something to rectify this situation.

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

Mr. HUMPHREY. Mr. President, the amendment corrects an error that was in the original bill, and it will adjust the Peace Corps readjustment allowances and stipends. Now the two Houses have been able to reconcile their differences.

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. HUMPHREY. 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. 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, there do not seem to be any further amendments on this bill. We have inquired. I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HUMPHREY. 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. 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, I ask unanimous consent that the vote occur at 20 minutes to 12.

The PRESIDING OFFICER. And that rule XII be waived?

Mr. HUMPHREY. And that rule XII be waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL STATEMENTS SUBMITTED ON H.R. 9005

MR. MAGNUSON. Mr. President, I am very pleased to note that the foreign assistance bill, H.R. 9005, under consideration today, incorporates a new concept of "self-help" as a guide for future American foreign aid programs. Section 208A of the bill reported by the Senate Foreign Relations Committee mandates the President to establish appropriate criteria, including land reforms, self-sufficiency in food production, reduction of infant mortality, and population growth control, in judging the effectiveness of U.S. bilateral assistance programs. The President is required to measure progress by aid-receiving nations toward the above-mentioned goals and to concentrate American aid on those countries which demonstrate their will to help themselves in these areas. It also requires the President to attempt to bring about the use of similar standards by the World Bank and other international organizations through which the U.S. channels portions of its foreign aid.

Section 208A is in complete conformity with the major thrust of H.R. 9005 to focus U.S. aid on the world's poorest peoples and nations. For the first time Congress will have established guidelines to assure that our country's foreign aid program is really accomplishing its stated humanitarian goals. With these specific criteria by which to administer our foreign economic assistance program, I am confident that it will receive the support of the people of the recipient countries, because it truly improves their welfare, and the support of the American public because it combines U.S. humanitarian concerns with hard Yankee pragmatism.

I strongly supported the inclusion of this important feature in the Senate bill and hope that the House conferees will join the Senate in accepting it.

Mr. HRUSKA. Mr. President, once again we are being asked to give our approval to yet another foreign aid bill. This bill, H.R. 9005, containing a 2-year

authorization of some \$3.5 billion, has been praised by many for what has been termed its "new directions." It is unfortunate that these new directions, if indeed they do represent new progress, were not mandated years ago before the Congress spent nearly \$200 billion on a foreign aid program that proved ineffective, mismanaged, and self-defeating.

Now, after 30 years of experience, at a cost of almost \$800 for each man, woman, and child in the United States, we are being told that the program has been reconstituted so that at some point in the future it will be successful.

Mr. President, this piece of good news has come too late to alter the basic fact that America can no longer afford such luxuries as foreign aid.

I intend to cast my vote against this bill but not because I believe that it is totally a bad bill. It is not. It has its laudable provisions.

The Agriculture and Forestry Committee has added a number of needed amendments to title II. Commodity assistance programs were originally established for humanitarian purposes and to help distribute our vast surpluses of agricultural commodities. Now that the farmer is producing for and selling in a world market, he must have some protection from depressed prices that could result from governmental food giveaway programs. The committee has considered this by providing an addition to the policy statement that recognizes the effect on the farmer of our foreign aid policy. It also tightened the circumstances under which a receiving country can resell title II commodities. Provision is made to increase foreign sales of processed American grain and protein-fortified foods so that the American people can reap more of the add-on value of the final food product. All these amendments should benefit the American farmer, worker, and consumer.

The committee wisely reduced the requirement that 80 percent of Public Law 480 food aid go to "most seriously affected" nations. A more realistic figure of 70 percent was substituted. It also authorizes the President, rather than the United Nations, to determine which countries are most seriously affected. These were both astute amendments. The President will have greater flexibility to determine which countries receive food, and he will not be bound to send all the food assistance to a few countries.

Thus from the viewpoint of a farm-State Senator it is possible to support this bill. That I do not do so reflects my feelings that we in the Congress have reached the point where we can no longer vote for such a massive spending bill simply because it contains some provision we find favorable. That practice has been responsible for a large part of the fiscal problems in which the Federal Government now finds itself enmeshed.

Mr. President, the plain fact of the matter is that our Nation is spending at a rate that is dangerous to the national security of this and future generations of Americans. To avert a future financial disaster we must start today to re-

duce spending, reduce our staggering debt, and reorder our priorities.

As the elected representatives of the American people we have an obligation, a constitutional duty, to protect their general welfare. Therefore, how in good conscience can we vote an additional \$3.5 billion for foreign aid in the face of our many serious and unresolved domestic problems? Inflation continues to be a major issue, reasonably priced housing is unavailable, unemployment levels are high, institutions of higher education are short of much-needed funds, the energy crisis is unresolved, the crime rate remains high, our defense programs are falling behind those of the Soviet Union, and yet the Congress is about to spend more dollars on programs whose sole effect upon the U.S. taxpayer is to increase the staggering burden of debt which he must carry.

No doubt some will argue that we are failing in a moral obligation to provide assistance to the people of the less-developed nations. The record, however, speaks for itself. Since the very dawn of civilization, no people have been as generous as Americans toward their fellowmen. There is, however, little evidence to show that this unparalleled giveaway of American assets has significantly upgraded the life of those whom we sought to aid. It is too late to start this program over again.

We as a nation now stand at the crossroads of our history. There are many important decisions to be made which will vitally affect our future and thus that of free men everywhere.

One decision which simply must be made is to start putting American interests first. If we fail to do this and continue to follow wornout concepts, and spend money that we do not have, and ignore our own growing domestic problems the day will soon come when our great Nation will be but a fascinating footnote in history.

If that day should come, it will be most interesting to see which, if any, of the nations we have helped will provide assistance to us.

Mr. JAVITS. Mr. President, in section 215 of H.R. 9005, section 406 of Public Law 480 is amended to transfer responsibility to the President to establish and administer a farmer-to-farmer exchange program.

The amending language, in addition to vesting the President with responsibility for administering this program, struck the specific reference to the Peace Corps as an agency which might carry out aspects of such a program.

Now, it is my understanding that the only reason why specific reference to the Peace Corps was struck was to leave the President greater flexibility in assigning the activities of this program. It was in no way intended to imply that the Peace Corps should not be involved in this program. In fact, the Peace Corps is already conducting related activities. Is it then your interpretation that the amendment was in no way intended to exclude the Peace Corps from participation in the farmer-to-farmer program, provided for under section 406 of Public Law 480?

Mr. HUMPHREY. That is my understanding. The committee did not intend to exclude the participation of the Peace Corps in this program.

ECONOMIC DEVELOPMENT AND POPULATION PLANNING

Mr. TAFT. Mr. President, the legislation now before the Senate puts a number of priorities in the U.S. foreign assistance program where it deserves to be: On self-help programs designed to increase food production, to accelerate the decline in birth rates that is now becoming evident in many countries, and to reach the rural poor who constitute about 80 percent of the population in most developing countries. The bill also provides that U.S. surplus food should be available primarily to those nations which have been most severely affected by the food shortages and inability in purchase of food on the international market.

The thrust of the program is summarized in the following words:

"... greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort."

I am particularly pleased by the strong emphasis that is placed on population planning. This bill clearly recognizes, in a number of different places, that progress in reducing the rates of population growth must go hand in hand with progress in food production if the developing countries are to meet their food needs in particular and to achieve other development goals in general. The bill calls for low cost integrated delivery systems to provide health and family planning services especially to the rural areas and to the poorest sector using paramedical and other local workers. This means that health workers who provide other services should include family planning in their work and similarly family planning workers can assist families in dealing with simple nutrition and health problems.

This bill continues the procedure adopted by the Congress when AID was first spurred by the Congress into support of population planning; that is, a specific figure or percentage is clearly designated for population planning either in separate programs or as an element of health programs so that recipient governments will recognize that funds provided by the U.S. Congress for this long-term purpose cannot be deflected to more immediate or political objectives but must be used for population programs. The Senate bill authorizes about \$163 million for population assistance in fiscal year 1976 and \$184 for fiscal year 1977. If these funds are appropriated, they should help to meet the serious shortfall that has occurred in the last two years, when more and more countries have expanded or initiated family planning programs while U.S. assistance was cut back.

Clearly, if the populations of developing countries double by the end of this

century and then double again thereafter, it will be impossible to meet even minimal needs for food and other necessities of life. Clearly, also, it is important for the United States and AID to continue the present outstanding record of leadership and support to developing countries in this field. At the same time, it is also important that the governments of these nations be encouraged to do more themselves and to give an even higher priority to population planning programs in the context of overall development.

The appointment of Ambassador Marshall Green, a senior diplomat who formerly served as Assistant Secretary of State for East Asia and the Pacific and as Ambassador to Indonesia and Australia, as Coordinator for Population is a welcome sign that the State Department as well as AID is giving high priority to this issue. In this legislation, the Congress is also urging a high priority and strong "go-ahead" for this work.

HUMAN RIGHTS

Mr. CRANSTON. Mr. President, I joined Senators McGovern and ABUREZK in proposing the human rights amendment adopted yesterday to the International Development and Food Assistance Act of 1975.

Much to my regret, I could not be present for the floor discussion of the amendment because I was tied up in a markup session of the Budget Committee.

The intent of the amendment, and some of its language, are the same as the Harkin amendment which the House of Representatives adopted by a substantial margin in early September. There is an important procedural change, however, which would allow Congress to require a determination of human rights violations or to obtain assurances that the economic assistance is directly benefiting the people of the recipient country—rather than waiting for the executive branch to initiate action on its own.

In brief, the amendment would deny assistance to any country engaging in a consistent pattern of gross violations of internationally recognized human rights—unless such assistance directly benefits the people in such country. The Committee on Foreign Relations of the Senate or the Committee on International Relations of the House can require, in determining whether these standards are being met, that the administrator of the aid program submit in writing information demonstrating either that the government of a particular country is not engaging in a consistent pattern of gross violations, or that the aid programs are reaching those in need in such country. Following this step, either committee or either House of Congress—if it does not agree with the administrator's report—can initiate action to end assistance to any country by a concurrent resolution.

Mr. President, I believe this amendment is superior to the language in the committee bill. The latter would ostensibly put the initiative with Congress rather than the Executive for determining which countries need strings attached to economic aid.

This would save the State Department the "embarrassment" of singling out individual countries as violators of human rights by providing for a simple resolution by the House or Senate indicating concern over human rights denials in a particular country. Then, the administrator of AID would be required to transmit to the two committees a detailed description of how assistance could be provided in a manner which would accomplish development purposes without contributing to "the perpetuation of practices inimical to human rights."

Of course, I assume that one House of Congress might pass, every now and then, a resolution of concern relating to a particular country—an easy way to "blow off steam." But I do not assume this will make any difference to the administration. They will simply feed back assurances as to how the aid is fulfilling its purpose without perpetuating bad things. The only recourse for Congress will then be to cut off or cut back economic aid to a particular country the following year—to show its displeasure. But it should be able to act without any such delay.

The requirements of our amendment are modest, but they promise to be effective. There is no desire to terminate economic aid to all countries which do not measure up to the American ideal of political freedom. But Congress ought to look hard at the impact of aid to countries which engage persistently in gross violations of human rights. The amendment specifies such examples as torture, cruel and inhuman treatment, and flagrant denials of the rights to life, liberty, and the security of person—which are included in the Harkin amendment adopted in the House.

Even if there are human rights violations, however, there would be no automatic termination of aid. Assistance may continue if the appropriate committees and Congress are satisfied that American assistance is going directly to deserving people in the country involved.

Of course, Congress already has the power to terminate aid to any country at any time, through the concurrent resolution procedure in section 617 of the Foreign Assistance Act. If that procedure is to be used, it is desirable to establish in advance the specific reason why Congress might cut off aid—as this amendment provides. But let me stress, Mr. President, that the initiative does not reside solely with the committees under this amendment. Any Member of Congress may introduce a concurrent resolution to terminate assistance to a specific country.

Let me state for the record once again why I consider it necessary to offer human rights amendments to foreign aid bills. It is true that we in this country cannot halt all the world's inhumanity. But it does not follow that Americans can pose as being detached from outrages against humanity—in terms either of our responsibility or of our ability to help. We simply cannot ignore the all-too-frequent press reports of brutal political repression in Chile or Korea or Brazil or Ethiopia—to name a few. We have to

hold up some standards. If we are not true to ourselves, to our Nation's historic ideals, then what do we stand for and represent? Without a sense of our own identity, we cannot mean much to the world by way of leadership and example. Our attitudes can make a difference.

As Anthony Lewis recently expressed it so eloquently:

We cannot remove totalitarian regimes, but we can shame them.

I ask unanimous consent, Mr. President, that his article in the October 2 New York Times be entered in the RECORD at this point.

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

[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 situation 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 decimated. 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."

Mr. CRANSTON. In conclusion, Mr. President, I would draw the attention of the Senate to the provisions of section 502B of the Foreign Assistance Act passed last year. It reads:

SECURITY ASSISTANCE AND HUMAN RIGHTS

Sec. 46. Chapter 1 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 502B. *Human Rights*.—(a) It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government 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 the person.

"(b) Whenever proposing or furnishing security assistance to any government falling within the provisions of paragraph (a), the President shall advise the Congress of the extraordinary circumstances necessitating the assistance.

"(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation by such govern-

ment 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 and any body acting under the authority of the United Nations or of the Organization of American States.

"(d) For purposes of this section, 'security assistance' means assistance under chapter 2 (military assistance) or chapter 4 (security supporting assistance) of this part, assistance under part V (Indochina Postwar Reconstruction) or part VI (Middle East Peace) of this Act, sales under the Foreign Military Sales Act, or assistance for public safety under this or any other Act."

In light of this wording, I find it difficult to understand why there are no statements by the President, in the security assistance program recently presented to Congress, detailing the "extraordinary circumstances" that warrant military assistance and other forms of aid to certain regimes. I might add, Mr. President, that despite numerous promises to me and my staff, no reports on the status of human rights in particular countries have been submitted by the State Department's Coordinator for Humanitarian Affairs.

At the proper time, thanks to the courtesy of Senator HUMPHREY, I intend to testify against military aid to certain regimes before the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee. I plan to offer legislation designed to severely limit military aid to those countries that use it to suppress their own people and/or that persist in blatant political persecution.

CONGRESSIONAL APPROVAL OF LONG-TERM AGREEMENTS

Mr. DOLE. Mr. President, a provision of great importance in the committee reported bill is section 214 of the bill. This is a new section which I authored as a committee amendment requiring the President to consult with the House and Senate Agriculture Committees prior to the completion of negotiations of long-term agreements involving or affecting any agricultural commodity and to report every 90 days on progress of those negotiations until completed, unless in case of a national emergency. This will provide congressional consideration of agreements such as the one recently negotiated with Russia providing at least 6 million tons of grain annually for 5 years. The merits of this agreement are questionable, since in addition to Russia agreeing to purchase a minimum of 6 million tons, the agreement limits purchases in excess of that amount to 2 million tons without further consultation with the U.S. Government. This effectively limits, or controls, if you will, Russia's purchases to 8 million tons annually.

Another question about the agreement is how much additional grain Russia will be allowed to purchase from now until October 1, 1976. An additional 7 million tons has been allowed for that period, but a greater need reportedly exists and the feed grain harvest currently underway indicates a more than adequate supply to sell additional quantities.

DE FACTO RESTRICTIONS

The problem, Mr. President, is that this agreement appears to have already lowered farm prices for these commodities since it represents a restriction on free sales to meet existing demands—something our farmers were assured would not happen as late as May 1, of this year. The grain agreement and the drop in prices took place just after many of them had planted for all-out production.

The language of section 214 was included as a result of the committee's desire to have a report by the executive branch on the negotiation of the Russian grain agreement and to receive a report every 90 days on its implementation.

This provision is not as strong as I would prefer, as I would have liked to assure our farmers of totally free access to world markets. When we have had an opportunity to see the impact of the recent Russian grain agreement over a longer period of time, we may find a need to strengthen section 214.

DISAPPOINTING RESPONSE

Mr. President, because of our concern about the impact of the Russian grain agreement and because of the decline in the market since the agreement was concluded, I compiled a list of questions based on the concerns of my colleagues, farm organizations, and myself, and submitted that list to the White House for answering. Unfortunately, the responses to those questions were disappointing.

The most striking aspect of the responses to our questions is that farm interests will clearly not be the primary consideration in the implementation of the grain agreement. The White House responses clearly state that decisions concerning the implementation of the Russian grain agreement will be initially considered by the Economic Policy Board/National Security Council Food Committee. Of the 13 agencies that are represented in the EPB/NSC Food Committee only one, the Department of Agriculture, is clearly responsible for watching after the interests of farmers—and this Senator would certainly not place unqualified or unlimited confidence in USDA's ability to adequately represent the interests of farmers. But the fact remains that in any decisionmaking or consideration in the EPB/NSC Food Committee, the one organization that might make any attempt to adequately represent farm interests would be outvoted 12 to 1 on grain export policy toward the Soviet Union. So that is the basis of our concern in including the language in section 214.

The organizational structure for policy setting on the Russian grain agreement and the composition of the EPB/NSC Food Committee is a strong indication that organizations such as the AFL-CIO or Longshoremen's Union or other labor unions that are only tangentially affected by grain export policy will have ample opportunity to interfere with grain exports and use grain export issues for their own purposes. This is a very serious concern of mine and I express my concern not because of any opposition to labor unions or opposition

to their representing the needs of their members.

The concern of the Senator from Kansas is simply that the unfair and inequitable exploitation of the grain export issue by labor unions has cost farmers millions and millions of dollars of income which they will have no opportunity to recover.

The comparison is striking. Labor unions have a vast amount of power, a relatively large amount of income security with regular cost-of-living increases and salary increases.

Farmers, on the other hand, face an incredible amount of risk. When farm prices go up they almost invariably come down. They have no assurance of a cost-of-living increase except in the prices they pay. Farmers have no assurance of getting an increase in their income in coming years. The only assurance farmers have is that they face a tremendous amount of risk from hail storms, fire, insects, worms, and other natural disasters. They also have the assurance of rising prices for the materials they purchase and the likelihood of declining prices for their own products.

Now they have the assurance of additional risks that the Government will step in and destroy their market or that some labor union will block their source of a fair income.

This is why I find it so incredible that the one organization that might have any sense of responsibility for representing farm interests—the Department of Agriculture—is only one of the 13 organizations participating in grain export policymaking toward the Soviet Union.

So, Mr. President, we have included this language of section 214. It is not totally satisfactory but at some future date we may want to strengthen this language or even create new language that would allow us to better insure the adequate representation of farm interests in the formulation of grain export policy.

Mr. MUSKIE. Mr. President, H.R. 9005, the International Development and Food Assistance Act, authorizes \$1.5 billion for foreign aid and development programs. In many ways, H.R. 9005 is sound legislation. It focuses on our humanitarian efforts to help needy people. It emphasizes the basic human needs of food, nutrition, and health care. And I intend to vote for it.

But, Mr. President, as chairman of the Budget Committee, I must point out that if fully funded this bill will most certainly cause the functional budget targets for this category to be breached. Taken in connection with the requirements which the Senate is now considering for the Middle East agreement, this authorization adds to the already great stress which is placed on budget function 150.

Since this is an authorization which is fully subject to the appropriations process, the Senate will have a further opportunity to consider the spending which this bill authorizes. Historical precedent suggests that the Appropriations Committee will examine this legislation thoroughly, and report on where

cuts can be made in funding while preserving the essential priorities which the legislation establishes. I hope that will be the case because I must say that I have some doubts about the amount of this authorization.

Let me also say, Mr. President, that I am glad to note that the issue of "reflows" has been substantially resolved by discussions among my colleagues in connection with this bill. The congressional control of our Federal spending priorities requires that reflows and other such spending gimmicks which do not allow for the closest scrutiny of our actual spending be brought under control.

Mr. TUNNEY. Mr. President, yesterday, I joined with several colleagues in sponsoring an amendment, No. 960, to H.R. 9005, the fiscal year 1976 foreign assistance economic authorization bill which closely resembles an amendment introduced and accepted in the House version of this authorization by Congressman TOM HARKIN of Iowa. The effect of this amendment would be to prevent the administration from providing foreign economic assistance to countries which engage in gross violations of internationally recognized human rights unless the administration certifies that the assistance provided would be of direct aid to the people of that nation.

Last year the Congress adopted section 502(B) of the Foreign Assistance Act which essentially stated that it was the sense of the Congress that the President should substantially reduce or terminate American aid to countries that violated basic human rights. That section applied only to the provision of security assistance and did not have the impact of law.

I believe that in the spirit of this provision it was now time to extend section 502(B) to part I of the Foreign Assistance Act and make its terms effective as a matter of law. If we really believe that the aid which this country provides to other nations should have a moral dimension, then it was incumbent upon us to take an action that represented more than a shadow of what was really needed.

I want to stress that this amendment did not end aid to nondemocratic governments as such—only to governments that engage in violations of recognized human rights on a systematic basis. Nor would this act penalize the people of countries who are unfortunate enough to labor under the burden of a repressive regime. The language of this provision granted the administration the authority to provide humanitarian assistance notwithstanding this act if it certified in writing to the Congress that the assistance would directly benefit the people of that country, and if neither House disapproved of the action within 30 days.

Mr. President, those words were drafted to indicate the intention of the authors that such aid be designed to help suffering citizens of nations with repressive regimes in a positive, forthright manner—that is, in programs of a clear economic or humanitarian nature—as opposed to backdoor financing of the gov-

ernments themselves through political or budgetary support.

Under this language disaster relief assistance, technical assistance or emergency food aid would not be effected even in the countries with repressive regimes if the President could justify those programs to the relevant committees of the Congress by reference to their direct benefit to the needy for whom the aid was intended.

I am sure there will be continuing opposition to this amendment from individuals who feel the Congress should not meddle in foreign affairs beyond the strict bounds of the "advice and consent" admonition of our Constitution. I, too, realize the limits of a body with 535 Members in arriving at a quick consensus on the direction of our foreign policy. Nevertheless, I believe it is our responsibility as the most immediately representative branch of our Government to establish the fundamental ethical underpinnings and boundaries within which our policy should be conducted.

All of us here have, over the past several years experienced the agony and dissension that issues from programs and policies which differ significantly from the philosophies this Nation purports to represent. If Vietnam has taught us one lesson, I hope that it is that nothing is to be gained in the long run by abandoning those principles for what may seem at the time to be important short-run advantages.

Mr. President, let us not ignore the fact that every government does not aspire to the principles which ours might; let us not hamstring the President in his conduct of our Nation's foreign policy; but let us continue to go on record loudly and clearly in this body as opposing in deed as well as in speech the repression that exists today in many nations around the world. Let us say to those countries: "We are willing to help you insofar as our aid improves the life of your people, but there will be no blank checks in support of your violations of human rights from the United States."

I commend my colleagues in the Senate for their support of this amendment. I also encourage the conferees to accept it in their reported version of H.R. 9005.

Mr. DOMENICI. Mr. President, it is my intention to discuss with my colleagues today the various reasons for which I feel I must oppose this piece of legislation, H.R. 9005.

First, I cannot support the overall cost of this bill. H.R. 9005 would authorize \$1.6 billion to be spent in fiscal year 1976. This is \$300 million over the President's budget request, \$443 million over the authorization for fiscal year 1975, and almost \$800 million over last year's appropriation.

Mr. President, I ask unanimous consent that a table from Senate Report No. 94-406, which shows each country and the amount and type of aid they will receive under this bill, be printed in the RECORD at this point.

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

U.S. ECONOMIC ASSISTANCE PROGRAMS PROPOSED BY THE EXECUTIVE BRANCH FOR FISCAL YEAR 1976

[In thousands of dollars]

Economic assistance programs					
	Total economic assistance	AID	Peace Corps	Public Law 480	Inter-national narcotics control
Africa, total.....	\$256,415	\$169,700	\$24,665	\$63,850	
Botswana.....	2,773		814	1,959	
Burundi.....	960			960	
Cameroon.....	2,881	935	1,206	740	
Central African Republic.....	1,038	275	459	304	
Chad.....	1,184		334	850	
Congo.....	651			651	
Dahomey.....	998		704	294	
Ethiopia.....	20,973	18,755	1,095	1,123	
Gabon.....	1,218		671	547	
Gambia, The.....	429		176	253	
Ghana.....	16,825	13,440	1,805	1,580	
Guinea.....	5,686	605		5,081	
Ivory Coast.....	1,734		686	1,048	
Kenya.....	14,813	12,805	1,317	691	
Lesotho.....	2,524		358	2,166	
Liberia.....	5,774	2,359	2,976	439	
Malagasy Republic.....	262			3,362	
Malawi.....	290		142	148	
Mali.....	4,398	1,050	778	2,570	
Mauritania.....	3,708	700	184	2,824	
Mauritius.....	1,864		63	1,801	
Mozambique.....	3,400			3,400	
Niger.....	3,999	310	1,100	2,589	
Nigeria.....	3,223		148	3,075	
Portuguese territories.....	10,000	10,000			
Rwanda.....	955	230		725	
Senegal.....	3,153		839	2,314	
Seychelles.....	143		45	98	
Sierra Leone.....	4,092		2,324	1,768	
Sudan.....	4,574			4,574	
Swaziland.....	1,013		810	203	
Tanzania.....	26,032	15,790		8,942	
Togo.....	2,703	300	1,089	1,314	
Upper Volta.....	5,225	850	630	3,745	
Zaire.....	13,437	9,343	2,392	1,702	
Zambia.....	10			10	
Economic regional programs.....					
Central West Africa and Sahel.....	41,225	41,225			
East Africa.....	1,055	1,055			
Southern Africa.....	16,883	16,833			
Africa regional.....	24,360	22,840	1,520		
Regional military costs.....					
East Asia and Pacific, total.....	362,016	124,140	13,482	206,969	\$17,425
East Asia ²	356,867	124,140	8,501	206,801	17,425
Burma.....	13,315				13,315
China (Taiwan).....					
Indonesia.....	64,821	30,601		34,160	60
Korea.....	164,980	5,592	1,829	157,559	
Malaysia.....	2,905		2,670	235	
Philippines.....	44,418	31,996	2,183	10,129	110
Thailand.....	17,151	12,029	1,431		3,691
Economic regional programs.....	7,688	7,300	388		
Pacific.....	5,149		4,981	168	
British Solomon Islands.....	825		657	168	
Fiji.....	765		765		
Gilbert and Ellice Islands.....	82		82		
Micronesia.....	1,940		1,940		
Tonga.....	470		470		
Western Samoa.....	808		808		
Economic regional programs.....	259		259		
Latin America, total.....	394,947	258,200	15,955	111,944	8,848

Economic assistance programs					
	Total economic assistance	AID	Peace Corps	Public Law 480	Inter-national narcotics control
Argentina.....	\$80				\$80
Barbados.....	35			\$35	
Belize.....	307		\$307		
Bolivia.....	28,338	\$23,340		4,553	445
Brazil.....	4,383	900	1,651	1,642	190
Chile.....	83,693	22,895	842	59,786	170
Colombia.....	34,875	22,551	1,189	10,335	800
Costa Rica.....	8,444	6,465	1,193	729	57
Dominica.....	18			18	
Dominican Republic.....	18,509	12,750	713	5,046	
Ecuador.....	4,470		1,541	2,559	370
El Salvador.....	14,941	12,800	1,409	732	
Guatemala.....	20,661	15,446	1,099	4,116	
Guyana.....	3,803	3,675		128	
Haiti.....	14,839	9,049		5,790	
Honduras.....	25,413	17,167	744	7,502	
Jamaica.....	2,267	953	1,056	108	159
Mexico.....	6,500				6,500
Nicaragua.....	26,537	24,220	831	1,486	
Panama.....	23,781	22,678		1,103	
Paraguay.....	5,358	4,491	732	135	
Peru.....	26,372	20,174		6,112	86
Trinidad and Tobago.....	29			29	
Uruguay.....	566	566			
Venezuela.....	807		807		
Caribbean regional.....	11,538	10,764	774		
ROCAP/Central America.....	2,114	2,114			
Economic regional program.....	26,269	25,202	1,067		
Near East, South Asia, total.....	722,414	273,186	7,782	438,074	3,372
Afghanistan.....	14,559	11,742	967	1,850	
Algeria.....	2,119			2,119	
Bahrain.....	508	400	108		
Bangladesh.....	224,357	67,683		156,674	
Bhutan.....	100			100	
Cyprus ¹					
Egypt ¹					
Greece.....					
India.....	219,206	76,000	202	143,004	
Iran.....	1,457		1,457		
Israel ¹					
Jordan ¹					
Lebanon.....					
Malta.....	9,526	9,500	26		
Morocco.....	30,115	6,699	1,822	21,594	
Nepal.....	4,590	3,082	909	599	
Oman.....	293		293		
Pakistan.....	152,713	69,895		79,546	3,272
Portugal ¹					
Saudi Arabia.....					
Spain.....	3,000	3,000			
Sri Lanka.....	31,960	8,000		23,960	
Syria ¹					
Tunisia.....	9,675	2,727	945	6,003	
Turkey.....	1,325			1,325	
Yemen (YAR).....	7,602	5,623	579	1,300	
Economic regional programs.....	9,309	8,835	374		100
Middle East special requirements ¹					
Other.....			\$19,650	\$511,144	\$12,855
U.S. contributions to international financial institutions, total.....	449,127				
International Development Association.....	375,000				
Asian Development Bank.....	74,127				
Paid-in capital.....	(24,127)				
Callable capital.....	(96,508)				
Special funds.....	(50,000)				

¹ To be proposed later. The President has ordered a review of Middle East policy; subsequently, we will consider and propose country assistance levels and their composition.

² Includes \$5,700,000 in worldwide support; \$13,900,000 as Peace Corps share of ACTION support.

³ Includes the following: Unallocated reserve, title I \$300,500,000; emergency reserve, unallocated, title II \$47,600,000; ocean freight \$161,000,000; grants of title I currencies \$2,000,000.

Mr. DOMENICI. I would also point out, Mr. President, that in addition this \$1.6 billion, President Ford has sent to Congress a proposal for \$4.3 billion in foreign economic and military aid, which would bring the total bill for foreign aid for fiscal year 1976 to almost \$6 billion. While we are attempting to control our own budget so as to strengthen our economy and bring confidence back to the American consumer, the amount

contained in this bill is counterproductive.

The second reason I cannot support this legislation is because of the provisions for food and economic aid to nations which are members of the OPEC cartel. Since 1946, the members of OPEC have received over \$8½ billion in aid from the United States. Seven of these oil-rich OPEC nations—Indonesia, Iran, Venezuela, Algeria, Ecuador, Nigeria,

Saudi Arabia—currently owe the United States almost \$2.7 billion in foreign assistance, Public Law 480 and Export-Import Bank loans. According to the Treasury Department, as of December 31, 1974, these same seven nations were over \$47 million in arrears on loans and other credits due to U.S. Government.

Mr. President, I ask unanimous consent that two tables, one showing the OPEC countries with substantial

Includes international organizations, \$5,000,000; training and support costs \$7,300,000; treatment and rehabilitation \$500,000.

⁴ Includes funds originally programed for Laos.

Note: Totals may not add due to rounding.

amounts of U.S. loans outstanding, and the second table showing the debts in arrears of these countries, be printed in the RECORD at this point.

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

PRINCIPAL OUTSTANDING FROM U.S. LOANS (AS OF JUNE 30, 1974)

(Dollar amounts in millions)

Country	Foreign assistance loans	Export-Import Bank loans	Public Law 480 loans repayable in dollars	Total
Indonesia.....	\$333.2	\$117.2	\$640.9	\$1,019.3
Iran.....	187.1	779.7	46.9	1,013.7
Venezuela.....	102.7	111.0	0	213.7
Algeria.....	0	102.5	6.4	108.9
Ecuador.....	86.0	12.2	15.5	113.7
Nigeria.....	77.1	23.7	0	100.8
Saudi Arabia.....	27.8	13.1	0	40.9
Total.....	813.9	1,159.4	709.7	2,683.0

THE SEVEN OPEC OIL COUNTRIES WITH SUBSTANTIAL U.S. LOANS OUTSTANDING

Principal and Interest due and unpaid 90 days or more

(In dollars)

Indonesia	\$441,819
Iran	42,066,979
Venezuela	2,245,644
Algeria	6,613
Ecuador	581,634
Nigeria	2,494,668
Saudi Arabia.....	386,799
Total	47,782,337

Mr. DOMENICI. Mr. President, H.R. 9005 would authorize over \$70 million in aid and economic assistance to seven of the OPEC nations. Even though I believe some of the provisions of this bill are deserving of merit, I cannot in good conscience cast my vote to send more dollars in aid to the OPEC countries. They don't need it and we can't afford it.

The third reason I cannot support this legislation, is that some of our food aid in the past has been counterproductive, and many of the nations which we are trying to help have adopted policies which result in a disincentive to production in their agricultural sector. We have allowed many of these underdeveloped nations to concentrate their resources on industrialization, while they depended on food aid from the United States to fill any gap in agricultural production.

Douglas Enslinger, Professor of Rural Sociology at the University of Missouri, in a paper entitled, "Social and Cultural Constraints to World Food Production," which was presented as the Cowper Lecture at a Symposium on Feeding a Hungry World at the State University of New York at Buffalo, had the following appropriate and enlightening comments:

While many of the developing countries are to be given credit for legislating and implementing land tenure reforms, the small farmers are still at a disadvantage. The two basic agricultural resources—land and water—are not equitably available to the small farmer. The small tenant farmer finds the more he invests and the harder he works, the larger is the share that goes to the landlord, leaving little incentive to the tenant to

increase his agricultural production. The tenant is also always at a disadvantage in getting needed production credit. Because he seldom has reserve funds, he is forced to market at the time of harvest when prices are generally on the downturn.

Essential to understanding the persistent lack of political commitment of the developing countries to agriculture is an analysis of the role of the U.S. the past two decades in generously contributing its food surplus to the developing countries as they faced food shortages. The methods of making the U.S. food surpluses available contributed significantly to the developing countries' continuing to assign low status to agricultural development. While the U.S. must share in having contributed to the developing countries' not being under pressure to give priority to agriculture the past two decades, we should understand that throughout the colonial era, food crop agriculture was low status and to the small farmer it was subsistence agriculture. As the colonial empires crumbled following World War II, and scores of new, independent, self-governing nations emerged, the newly formed governments recognized they had to be concerned about their people when adversities created food shortages. Because of a known availability of U.S. food surpluses, and the legislation Congress passed for sharing our food surpluses, the food recipient developing countries were able to support agriculture price policies favoring cheap food for the consumers—most of whom were poor. While supporting agriculture price policies oriented toward cheap food for the consumer was politically popular for the governments in power, the "cheap food" policies were major deterrents to agricultural production. There was no profit, only major risk to the farmer, in investing in agricultural inputs and selling on an uncertain and low price market.

While I do not in this lecture propose discussing how food should be shared in the future, I do want to emphasize so long as the political leaders in the developing countries can assure food enough to meet the needs of the elitist and some for their poor people, they are likely to place their development priorities on industrialization at the expense of agriculture.

In addition to the fact that our food shipments have allowed many of the underdeveloped countries to misdirect their resources, these same countries have initiated government policies and programs that act as disincentives to agricultural production. By implementing price controls, export controls, export taxes, and restrictions on credit, land tenure, farm size, and domestic movement of agricultural products, these countries are aggravating their domestic production problems and diminishing the productivity of their agricultural procedures. I believe that before we should send any more long term aid to these countries, we would want to see some movement by them to upgrade and refurbish their own agricultural programs. Even a slight movement in this direction would be helpful.

Mr. President, I ask unanimous consent that a study entitled, "Disincentives to Agricultural Production in Developing Countries: A Policy Survey," by Abdullah A. Saleh of the Foreign Agricultural Service, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DOMENICI. Mr. President, as I

have stated before, there are several provisions in this bill which I support. The most outstanding section, and I congratulate the Senate Committee on Foreign Relations and the Senate Committee on Agriculture and Forestry for its inclusion, in the famine prevention and freedom from hunger provision in this bill. This section marshals a unique resource in this Nation—the land-grant university expertise in agricultural production, rural development, and extension service programs—and will allow them to bring their knowledge to small farms and homes in the underdeveloped countries. I believe this is a step in the right direction and will result in the small farmers and rural residents of the LDC's acquiring the knowledge and skills that they need to better their way of life.

In the final analysis however, I cannot support the final passage of H.R. 9005. When I look at the total cost of this bill, the provisions for aid to OPEC countries, and the refusal of many of the recipients of our aid to redirect their resources into the agricultural sector, I cannot help but assert that this bill will be harmful to our own economy and will not result in the benefits which we desire for the more unfortunate nations. In the area of foreign aid, it is time we balanced our compassion with a touch of common-sense.

The text from the Committee on Agriculture and Forestry follows:

EXHIBIT 1

DISINCENTIVES TO AGRICULTURAL PRODUCTION IN DEVELOPING COUNTRIES: A POLICY SURVEY

(By Abdullah A. Saleh, Foreign Commodity Analysis, Foreign Agricultural Service)

World grain production shortfalls caused by unfavorable weather, and depleted purchasing power caused by rising costs of imported oil have renewed public concern about the ability of less developed countries¹ (LDC's) to feed their people adequately. Some economists feel that the tight food supply-demand situation is likely to continue in the future. They argue that over the long run, even if weather conditions improve, increases in the population growth rate overshadow expected gains in productivity, given the current state of technology and institutional constraints facing producers in these countries.

To what extent are food-short nations aggravating their problem by government policies and programs that act as disincentives to agricultural production? To help answer this question the U.S. Department of Agriculture recently surveyed more than 50 countries for the purpose of identifying the type and degree of existing disincentives. These are not confined to LDC's, but are much more critical to their levels of food supply than are disincentives in developed countries. This paper describes the disincentives, but does not attempt to quantify the specific impacts of such policies on agricultural production.

Forty-six of the countries surveyed have policies that directly or indirectly discourage domestic production. Disincentives revealed by the survey include:

1. Controlling the selling price of the producers.
2. Controlling the retail price to the consumer.
3. Noncompetitive buying (procurement policy).

Footnotes at end of article.

4. Export controls.
5. Export taxes.
6. Importing for sale at subsidized prices.
7. Exchange rate controls.
8. Restrictions on credit, land tenure, and farm size.
9. Restrictions on domestic movement of agricultural products, as from one district to another.

The impact of these policies on agricultural production is discussed below and a summary of the commodities affected by these policies within selected countries is given in an attached table.

It is commonly assumed that the objective of production is to maximize the producer's profit within the constraints of his technology, resource endowments, and final product demands. The consumer, in turn, demands products because they directly or indirectly satisfy some need or want.² In an exchange economy where the forces of supply and demand are free to interact, both sellers and buyers benefit from specialization in production and exchange. Whether in a barter economy or a highly advanced monetary economy, the free interaction of sellers and buyers results in a set of equilibrium prices, quantities, and trade flows. Given a crop failure, limited storage stocks, and a production time lag of several months, the burden of short-run adjustment falls upon market price and consumption. In other words, the interaction of supply and demand forces the price upward until it reaches a level that clears the market. The freely functioning price mechanism allocates the available supply among consumers according to ability to pay.

The impact of imposing price controls on agricultural production depends upon the extent to which the imposed price ceiling deviates from the equilibrium price level, other things being equal. Controls placed on prices below the equilibrium level discourage producers from planning future expansion and may drive marginal producers out of business. Price controls also discourage farmers from using more productive inputs such as improved seeds, fertilizers, irrigation, insecticides, and pesticides that are needed to increase production.

For example, Government controls on producer prices in Zaïre has had detrimental effects on palm oil production. Palm oil production has been declining since 1968, in reaction to low administered prices. The 1974 output of 165,000 metric tons was 38,000 metric tons below that of 1968. Producers are very reluctant to invest in the expansion of their groves, since they know that 50 percent of the total output must be sold in the domestic market at an unprofitable price (at a loss).

Not too long ago, Greece's price ceilings on beef resulted in shortages and black markets.

In many cases the objective of price controls is to have a more equitable food distribution, given inadequate domestic supplies. Although improvement in food distribution is desirable and necessary for many countries, price control does not necessarily mean that on a per capita basis the countries will enjoy an improved level of consumption.

With the lack of foreign exchange reserves to import food, developing countries can meet the increasing demand for food only by stimulating domestic production. One way to accomplish this objective is to free production from the artificial constraints, such as price controls, that discourage farmers from making additional investments to increase production. Higher price signals transmitted from the market will raise producer expectations about the supplies that can be absorbed by the market at prices that he believes will bring a reasonable profit. The pursuit of profit helps assure adequate supply levels.

Some countries use price controls as a means of fighting inflation. But what is really needed is more production, not less. Given a stable demand, an increase in the supply would bring a decline in price.

Certain procurement policies and forms of non-competitive buying are constraints that also lead to lower production. In many LDC's, the government is the sole buyer of the product. This has adverse effects on both producers and consumers. Governments use such practices to secure consumer supplies and as a source of revenue. While the producer is deprived of a higher, competitive price, the consumer ends up paying more for a smaller output, which results in a social welfare loss. In Thailand, for example, rice producers receive about one-fifth the world price for rice. It is estimated, based on long-run supply elasticity estimates, that Thailand can increase its annual rice output by 1 million metric tons by increasing the relative farm price of rice by 50 percent. This is quite substantial since Thailand's total rice exports in 1973 amounted to 0.9 million metric tons. However, one should not argue for procurement prices above the world price level since such a policy would in the long run lead to unnecessary surpluses and export subsidies.

Export controls and export taxes, in addition to being barriers to free trade, can result in the loss of potential export markets. Where substitute products or alternative supplies exist, the loss in exports is the greatest. An export tax increases the price of the exported commodity, thus reducing the quantity bought by foreign buyers. This, in turn, leads to a loss of foreign exchange needed to finance imports. In addition, reduced foreign demand influences producers' expectations about the future demand, and they grow less than they would otherwise.

In order to maintain the flow of foreign exchange to finance imports of necessary commodities and equipment, many countries put higher priorities on exports. For example, Argentina has long maintained a stable beef export market through taxes and exchange rate manipulation. As domestic beef prices go up, exports, which are more price elastic than domestic demand, start declining. This induces the Government to devalue explicitly or implicitly (reduce export duties or increase subsidies) to maintain the level of exports. The quantity adjustment is thus forced upon domestic consumption. Since domestic demand is rather price inelastic, the price adjustment required to clear the market is larger than the initial free-market price increase. At the new price level, further devaluation is needed to maintain the level of exports. This process continues until the new output from an increased herd reaches the market. In summary, exchange rate manipulation directed toward stabilizing Argentine beef exports results in instability of beef prices.³ Such policy creates uncertainty to producers and complicates the process of resource allocation.

Brazil is another example where exchange rate manipulation has been a popular policy. In the early 1950's the Government overvalued its currency, believing that an inelastic foreign demand for Brazilian coffee would bring more revenue to the country. This policy had an adverse effect, however, on the exports of other products in which Brazil had a comparative advantage in the world market. By 1953, the Government had apparently recognized this problem and since then it has been following a system of multiple exchange rates.⁴ The system of multiple exchange rates, as in the case of other forms of exchange rate manipulation, could introduce a tremendous amount of uncertainty that complicates farmers' decisions regarding new investment or resource allocation.

In an effort to control inflation and in order to provide the consumers with adequate supply of basic food commodities, some

governments resort to import subsidization. This policy, which results in a lower price in the domestic market, discourages producers within the country from expanding. Improved seed varieties around which the green revolution was built require intensive use of fertilizers, irrigation, and pesticides. Unless domestic prices are high enough to compensate for the investment in such costly inputs, producers have no incentive to expand their production.

The effects of import subsidies are not confined to the production of grains but also extend to other agricultural commodities. For example, the subsidization of meat imports in Spain has depressed domestic livestock production. An alternative to the policy of import subsidization is to encourage domestic producers to expand their production by offering higher product prices that compensate for the added cost of using manufactured inputs needed for intensive production.

Restrictions imposed on farm size, land tenure, and credit to farmers constitute serious barriers to the expansion of agricultural production in many LDC's. Despite the improvement in land distribution brought about by land reform, many LDC's have experienced lower output. While land is an important factor of production, other factors must be combined with land to maintain or increase the level of production. At the early stages of adjustment in the agricultural sector, following land reform, the new owners are usually farm workers with limited experience in farm management and most likely have little or no capital to cover the variable costs of production. Poor management and lack of capital result in an inefficient allocation of resources that may lead to a decline in output until these deficiencies are corrected.

Restrictions on land tenure that limit farm size discourage farmers from investing in highly productive inputs and cause a loss of size economies. In the Dominican Republic, the land tenure law that limits riceland to 80 acres has been one reason that the country has needed to import rice over the past several years. The effect of this policy has been further amplified by price controls where the farmer receives a low price for his rice.

Eliminating its policy of requiring cooperative farming organizations in 1969, Tunisia proved that private enterprise is more efficient in allocation of resources. Tunisia's index of per capita agricultural production increased from 76 in 1969 to 117 in 1973 (1961-65=100).⁵

Rural credit policies that restrict credit to small farmers have limited the expansion of agricultural production in many LDC's. For example, the Government of Indonesia (GOI), in order to compensate rice producers for low rice prices, offers them subsidized credit. However, since the small farmers are viewed as high risk borrowers by the banking system, only the larger farmers benefit from subsidized financing that facilitates the adoption of new production techniques. Therefore, it is only the larger farmers who have the negative impact of low prices partially neutralized through GOI subsidized credit programs. This results in an inefficient resource allocation for a large number of small farmers who need liquidity to improve their level of production.

Restrictions on movement of agricultural products from surplus districts to deficit districts within a country discourage farmers in the surplus areas from producing more. Perhaps the existence of such restrictions in India amplified the impact of food shortages following the last summer's drought and floods, where some States such as West Bengal were hit harder than others. Another example is Indonesia where interisland shipments of rice are prohibited except under Government auspices.

Policies that tend to restrict agricultural production are not unique to developing

Footnotes at end of article.

countries. As recently as 1973, the U.S. Government payment for feedgrain set-aside acreage totaled \$1.17 billion, and 9.4 million acres of land were withheld from production.⁶ Over the past two decades, U.S. agriculture has been the subject of various supply management programs. Supply management has generally had as its objective supply reduction rather than supply expansion. Current programs that act as restrictions on production in the United States are marketing quotas and acreage allotments for extra-long-staple cotton, peanuts, rice, and most types of tobacco. Also, recent environmental legislation calls attention to social trade-offs between what is conceived of as being socially desirable environment and higher production.

The discussion of the effects of disincentive policies on agricultural production in different countries included in this survey does not explicitly deal with interdependencies among the commodities. It is recognized that a disincentive for one commodity may prove to be an incentive for another. While it is beyond the scope of this analysis to present a quantitative evaluation of the net effect of various policies in different countries, a general indication of each country's need to expand its agricultural output can be grasped by examining Table 1. For most of the countries included in this study and based on a long trend (1952-1972), the rate of growth in domestic demand for food exceeds that for food production.

FOOTNOTES

¹ The term LDC is used loosely here. Some economists prefer the term "developing coun-

tries." As far as this report is concerned, the two terms are equivalent.

² "Products" are defined to include goods and services.

³ Gustavo A. Nores: "Quarterly Structure of the Argentine Beef Cattle Economy: A Short-Run Model 1960-1970." Unpublished Ph.D. Thesis, Purdue University, June 1972, Chapter I.

⁴ Ralph G. Lattimore: "An Econometric Model of the Brazilian Beef Sector." Unpublished Ph.D. Thesis, Purdue University, August 1974, Chapter 1.

⁵ The Agricultural Situation in Africa and West Asia, ERS-Foreign 363, USDA, Washington, D.C. June 1974.

⁶ Commodity Fact Sheet, April 1974, ASCS, USDA.

TABLE 1.—POPULATION, FOOD SUPPLY AND DOMESTIC DEMAND FOR FOOD IN SELECTED COUNTRIES

(Rate of growth as percent per year)

Country	Growth rate ¹		
	Population	Food production	Domestic demand for food
Mexico.....	3.4	5.3	4.3
Dominican Republic.....	3.3	2.2	3.6
Costa Rica.....	3.8	5.4	4.8
Guatemala.....	3.0	4.1	4.2
Honduras.....	3.3	4.0	4.2
Nicaragua.....	3.0	4.9	3.9
Panama.....	3.2	4.3	4.8
El Salvador.....	3.0	3.6	4.1
Argentina.....	1.7	1.8	2.0
Bolivia.....	2.3	5.0	2.7
Brazil.....	3.0	4.4	4.0

Country	Growth rate ¹		
	Population	Food production	Domestic demand for food
Chile.....	2.5	2.2	3.3
Colombia.....	3.3	3.1	3.9
Ecuador.....	3.3	5.4	4.0
Paraguay.....	3.1	2.6	3.4
Peru.....	2.9	2.9	3.9
Uruguay.....	1.3	.8	1.2
Venezuela.....	3.5	6.1	4.0
Angola.....	1.8	2.7	3.0
Ghana.....	2.9	3.9	3.2
Ivory Coast.....	2.2	4.9	2.6
Kenya.....	3.0	2.6	4.6
Liberia.....	1.5	1.1	1.8
Morocco.....	3.0	2.8	3.3
Tunisia.....	2.9	.8	3.1
Nigeria.....	2.4	2.0	3.1
Senegal.....	2.2	3.3	1.2
Sierra Leone.....	2.0	2.4	3.9
Zaire.....	2.0	.2	2.3
Bangladesh.....	3.5	1.6	3.1
Sri Lanka.....	2.5	3.6	3.0
India.....	2.1	2.4	3.0
Pakistan.....	3.0	3.0	4.2
Burma.....	2.2	2.4	3.3
Indonesia.....	2.5	2.0	2.6
Malaysia (West).....	3.0	5.2	4.3
Philippines.....	3.2	3.2	4.2
Thailand.....	3.1	5.3	4.6
Egypt.....	2.6	3.4	3.8
Greece.....	.8	4.0	2.3
Iran.....	2.8	3.3	6.4
Jordan.....	3.2	1.8	6.6
Syria.....	3.0	1.8	4.6
Turkey.....	2.7	3.0	3.8
Spain.....	.9	3.4	3.0
United States.....	1.5	2.0	1.6

¹ Growth rates are based on an exponential trend 1952-72.

Source: "Monthly Bul. of Ag. Econ. & Stat." 9 vol. 23, Sept. 1974. FAO, Rome.

APPENDIX

DISINCENTIVES TO AGRICULTURAL PRODUCTION BY COMMODITY AND COUNTRY

Disincentives to agricultural production										
Country and commodity	Controls on producer prices	Controls on consumer prices	Non-competitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls	Restrictions on credit and land tenure	Restrictions on movement of agriculture products	Remarks
Mexico:										
Sugar.....	X	X		X						
Livestock.....				X				X	X	
Other foodstuffs.....		X		X					X	
Dominican Republic:										
Rice.....	X	X		X		X		X	X	
Beef.....	X	X		X						
Sugar.....	X	X		X						
Corn.....	X	X		X						
Dairy.....	X	X								
Trinidad and Tobago:										
Broilers.....	X	X								
Rice.....	X	X	X							
Costa Rica:										
Rice.....	X	X	X		X		X			
Beans.....	X	X	X		X	X	X			
Beef.....	X	X		X			X			
Sugar.....	X	X	X		X		X			
Dairy.....	X	X					X			
Bananas.....	X	X			X		X			
Coffee.....	X	X	X		X		X			
Corn.....	X	X								
Guatemala:										
Meat.....		X								
Sugar.....		X								
Cotton.....	X									
Milk.....	X	X								
Belize:										
Sugar.....	X	X			X			X		Disincentives are substantial. Price controls created shortages.
Beef.....	X	X						X	X	
Most foodstuffs.....	X	X						X		
Honduras:										
Bananas.....					X					
Sugar.....	X	X	X							
Milk.....	X	X								
Cattle.....								X		
Nicaragua:										
Milk.....		X								
Cotton, coffee, tobacco.....					X			X		
Bananas, rice, sugar.....					X					
Hides, cattle, beef.....					X					
Panama:										
Beef.....	X	X		X						
Other consumer items.....	X	X	X			X				

Footnotes at end of table.

Disincentives are substantial. Price controls created shortages.

APPENDIX—Continued

DISINCENTIVES TO AGRICULTURAL PRODUCTION BY COMMODITY AND COUNTRY—Continued

Country and commodity	Disincentives to agricultural production								Restrictions on credit and land tenure	Restrictions on movement of agricultural products	Remarks
	Controls on producer prices	Controls on consumer prices	Non-competitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls				
El Salvador:											
Meat.....				X							
Milk.....	X	X									
Grains.....	X	X		X							
Sugar.....			X								
Other foodstuffs.....	X	X	X								
Argentina:											
Beef.....	X	X			X		X				Multitiered exchange rate.
Major grains.....	X	X		X							
Sunflower seeds.....	X		X								
Oilseed products.....				X	X						Export of oilseeds is prohibited.
Other commodities.....							X				All agricultural commodities are subject to exchange rate control.
Wool.....											
Bolivia:											
Cotton.....				X							
Many food products.....	X	X	X							X	
Brazil:											
Beef.....	X	X		X							Restricted slaughter off-season.
Milk.....	X	X									
Soybean oil.....				X							Export prohibited.
Peanuts (excluding HPS).....				X							Export prohibited.
HPS peanuts.....				X							
Peanut oil.....				X							MEP—world price.
Cotton.....				(X)							MEP above world price.
Frozen orange juice concentrate.....											Taxes are used to promote production and marketing.
Sugar.....				X	(X)						
Cocoa.....											
Chile:											
Wheat and wheat products.....	X	X	X	X		X	X	X			No farms over 80 irrigated acres or equivalent.
Sugarbeets.....	X	X	X	X		X	X	X			
Vegetable oil.....		X	X	X							
Beef.....							X	X			
Milk and milk products.....	X	X					X	X			
Rice.....	X	X					X	X			
Colombia:											
Sugar.....		X		X							All imports/exports have to be licensed.
Corn and foodgrains.....			X	X		X	X	X			
Soybeans.....		X	X	X		X	X	X			
Coffee.....	X		X	X	X						
Wheat.....		X				X	X	X			
Cotton.....				X		X	X	X			
Palm oil.....		X	X	X			X	X			
Ecuador:											
Coffee, cocoa.....				X	X						
Sugar.....				X	X						
Bananas.....					X						
Most basic foods.....		X									
Milk.....	X										
Paraguay:											
Beef.....	X	X		X							
Soybeans.....	X				X						
Wheat.....	X										
Sugarcane.....	X										
Peru:											
Livestock.....					X			X			Agrarian reform had its effect on Peru's agriculture. Restriction on movement of agricultural products applies to many commodities.
Cotton, wool.....				X	X			X			
Coffee, potatoes, beans.....	X	X	X	X		X					
Wheat, rice.....	X	X	X	X							Indirect subsidies for wheat only.
Sugar, tobacco.....	X	X	X	X							Noncompetitive buying applies to tobacco only.
Oilseeds and feedgrains.....	X	X	X	X		X					
Meat, milk.....	X	X	X	X							
Fish meal and oil.....			X	X							
Dairy products and vegetable oils.....						X					
Uruguay:											
Livestock.....	X			X			X		X		
Wool.....	X			X			X				
Grains.....	X			X			X				
Oilseeds.....	X			X			X				
Milk.....	X	X									
Sugarcane and beets.....	X										
Wheat.....			X								
Venezuela:											
Sugar.....	X			(*)							Controls on consumer prices are offset by minimum producer prices. On the average, agricultural production is not affected by such policies.
Tobacco.....	X										
Rice.....	X			(*)							
Feedgrains.....	X				(*)						
Angola: Coffee.....					X						
Ghana:											
Cocoa.....	X		X					X			
Seed cotton.....	X		X					X			
Ivory Coast:											
Coffee.....	X		X								
Cocoa.....	X		X								
Kenya:											
Wheat.....	X	X									Large scale farming is discouraged.
Corn.....	X	X									
Sugar.....	X	X									
Rice.....	X	X									
Liberia: Many commodities.....	X	X	X								
Morocco:											
Oranges.....				X							Expropriated land from foreign owners.
Wheat products.....		X			X			X			
Other staple foods.....	X	X						X			
Nigeria:											
Cocoa.....	(X)		X					X			Farmers' price for cocoa is highest in West Africa.
Seed cotton.....	X		X					X			
Senegal: Peanuts.....	X		X								

Disincentives to agricultural production

Country and commodity	Controls on producer prices	Controls on consumer prices	Non-competitive buying	Export control	Export taxes	Import subsidies	Exchange rate controls	Restrictions on credit and land tenure	Restrictions on movement of agriculture products	Remarks
Sierra Leone: Some commodities	×		×							
Zaire:										
Palm oil	×	×								2-tier exchange rate.
Coffee	×	×	×		×					
Tobacco	×	×	×							
Corn	×		×							
Bangladesh:										
Wheat				×		×				Effect of import subsidies is marginal at present prices.
Rice				×		×				
Edible oils				×						
Sri Lanka: Rice						×				
India:										
Jute				×	×		×			
Cereals				×			×			
Rice	×	×		×			×		×	
Wheat	×	×		×			×		×	
Cotton				×			×			
Pakistan:										
Wheat, flour	×	×		×		×		×	×	Wheat is heavily subsidized. Wheat and vegetable oil exports are banned. Interdistrict and inter-provincial restrictions on movement of agricultural products are imposed from time to time, particularly after harvest.
Vegetable oil	×			×		×		×	×	
Seed cotton				×				×	×	
Rice			×					×	×	
Raw cotton					×					
Burma: Rice	×		×	×						
Indonesia:										
Rice	×	×	×			×		×	×	
Sugar								×		
Malaysia:										
Palm oil					×					
Rice	×	×								
Philippines:										
Sugar	×	×	×	×						
Rice	×	×		×		×				
Desiccated coconuts				×						
Copra				×						
Coconut oil		×			×					
Thailand:										
Rice		×	×	×	×					
Sugar		×		×						
Egypt:										
Cotton	×		×					×	×	
Rice	×		×					×	×	
Greece:										
Cottonseed cake	×			×						Soybean oil competes with olive oil.
Cottonseed oil	×	×		×						Sugar prices are usually fixed above the world price level but now they are lower.
Cheese				×						
Wheat, bread		×		×		×				
Feedgrains, meat, eggs				×						
Milk	×	×								
Corn, soybean oil						×				
Olive oil	×	×		×						
Sugar	×	×	×	×		×		×		
Iran:										
Wheat		×				×		×		
Rice		×				×		×		
Oilseeds and vegetable oil		×				×		×		
Livestock, meat and milk		×				×		×		
Jordan: Wheat flour		×				×				
Syria:										
Seed cotton	×		×	×				×		
Wheat and barley	×		×						×	
Turkey:										
Wheat	×	×		×		×		×	×	Overall policy is inefficient.
Cotton										
Tobacco										
Livestock	×	×		×				×	×	
Spain:										
Dairy	×	×				×				
Olive oil	×	×		×						
Meat and poultry	×	×				×				
Sugarbeets	×	×				×				

× Denotes the existence of disincentives for the listed commodity or group of commodities. *Not a disincentive at the present time.

Mr. PACKWOOD. Mr. President, I would like to add my name to the long list of Senators who support H.R. 9005, the Foreign Assistance Authorization. I am particularly pleased that the Senate version of this legislation includes, for the first time, the concept of self-help in determining which country deserves our aid. This concept of self-help means that more foreign aid will be given to those developing countries which are making maximum efforts to help themselves.

Section 310 of the bill establishes a new section of the Foreign Assistance Act of 1961. This new section, 208A, establishes criteria to measure progress in development. I ask unanimous consent that the text of that section be included in my remarks at this point.

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

DEVELOPMENT ASSISTANCE

SEC. 310. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(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."

Mr. PACKWOOD. Although not mandatory, and I would prefer they were,

these criteria go a long way toward providing the kinds of guidelines necessary for giving U.S. aid to foreign countries.

At this point, I would like to thank Senator MAGNUSON for joining me in introducing the original proposal and Senator HUMPHREY who developed the concept in the Foreign Relations Committee. In addition, much credit goes to Prof. Roy Prosterman of the University of Washington who conceived and energetically pursued the idea.

I would urge my fellow colleagues to support this section when this legislation goes to conference with the House. These guidelines could be an important new step in the history of American foreign aid.

HUMANITARIAN RECORD OF PUBLIC LAW 480

Mr. DOLE. Mr. President, I want to expand upon my earlier remarks relating to the Hatfield-Clark amendments. As I said yesterday, it is clear that we are all in agreement that the food for peace program should be utilized in a humanitarian way so that the assistance can go to those hungry people around the world most in need of it. The program which I, and many of my colleagues, have with the Hatfield amendment relates only to the absolute rigidity of the proposed allocation system which may be detrimental to many countries.

In particular, arguments have been set forth suggesting that—in past years—too great a share of the Public Law 480 aid has gone to “undeserving” countries for primarily “political” reasons. Mr. President, information I have seen on the performance of this assistance program in recent years completely refutes these arguments, and demonstrates instead that the real measure of a nation’s “need” is not determined by arbitrary statistical data on gross national product.

Mr. President, the Senator from Kansas feels strongly that we should just set the record straight on the humanitarian purposes and accomplishments of the food for peace program. There has been a great deal of argument in this debate that the food for peace program is being used for political purposes. An amendment was adopted yesterday which would severely restrict the flexibility of food assistance under the Public Law 480 program. The justification for that amendment was to prevent the use of the food for peace program for political purposes. The purpose of this Senator is to insure that the record is clear as to the real purposes and accomplishments of the food for peace program.

The Public Law 480 title I program is used for emergency/disaster relief. For example, the first title I program for Bangladesh was initiated in fiscal year 1974 after the large title II donation programs in fiscal year 1972 and 1973 were largely discontinued.

The resumption of the title I program for India in fiscal year 1975 was undertaken in large part to help India meet its increased food import needs following a sharp drop in Indian foodgrain production.

Also, in fiscal year 1975 wheat and rice were shipped to Honduras to help meet

food needs in the wake of Hurricane Fifi. Part of Tanzania’s food needs resulting from drought were also met under title I in fiscal year 1975.

The Uruguay program in fiscal year 1973 helped meet food and feed shortages resulting from a poor crop.

In fiscal year 1972 the title I program for the Philippines was increased over previous levels by \$11 million and in fiscal year 1974 by \$14 million for disaster relief following heavy floods and loss of crops.

The following tabulation illustrates amounts of title I resources which have been used directly over the last few years for disaster relief. It should also be noted that in many cases a disaster may destroy export crops—such as bananas in Honduras—or damage ports, as in Bangladesh. Thus the effects of a disaster may adversely affect a country’s balance of payments situation for a number of years. For this reason, continued concessional food aid may be necessary over a period of time.

Of the countries I just mentioned Honduras and Uruguay would be barred from assistance under the \$250 per capita GNP limitation and the Philippines, listed at \$240 per capita GNP, may soon be excluded if its GNP increases. Other countries may be in similar circumstances and be excluded in future years even though they may need food assistance.

I request unanimous consent that this table be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered, as follows:

PUBLIC LAW 480 TITLE I DISASTER RELIEF PROGRAMS, FISCAL YEARS 1972-1975

(Millions of dollars)

Country	1972	1973	1974	1975
Afghanistan.....	\$6.3			
Bangladesh.....			\$38.1	
Honduras.....				\$5.4
India.....				99.9
Philippines.....		\$11.2	14.1	
Sudan.....		1.1		
Tanzania.....				5.9
Uruguay.....		12.7		
Total.....	6.3	35.0	52.2	111.2

Mr. DOLE. There have been charges—perhaps with some basis—that our food assistance shipments have served to bolster the political base of shaky governments in certain lesser developed countries. There have even been suggestions that food shipments went to undeserving Government personnel, or were sold on the “black market” for funds to purchase arms and other Government “priority” items. In particular, our assistance to Southeast Asian nations in recent years has come under attack with these allegations.

It would be difficult for anyone to argue that such instances of improper and misdirected assistance never occurred in isolated situations. Yet, a very detailed assessment of humanitarian relief efforts for Cambodia undertaken by the Inspector General of Foreign Assistance at the State Department substantially shows that American food aid

served a very important role in providing direct food aid for hungry Cambodians. According to the report, issued in March of this year, vital food relief programs were channeled through such voluntary agencies as the Catholic Relief Services, CARE, the Lutheran World Relief, the Red Cross, and the United Nations Children’s Fund. During the last half of 1974 alone, records of these agencies demonstrate that some 1,400 metric tons of rice were distributed to 342,000 refugees each month. Food supplements were being provided to an average of 60,000 children. These amounts increased even more in the early part of this year, as fighting in the area was stepped up.

The fact that these people were governed by a regime that had the official support of our government in no way reduced their hunger or their food need. In fact, the Inspector General’s report indicates that many of the people in greatest need of food assistance in Cambodia were dependents of the Cambodian Army. Because of the troop movements in the war and due to their peculiar military pay system, many military dependents were unable to obtain an adequate amount of food.

Yet these dependents were clearly members of the “military or political elites,” which, as I understand the comments of those supporting the so-called Hatfield amendment, should not be the recipients of food aid from this country. That kind of categorical thinking completely disregards the food needs or hunger those people might be facing—as they did in Cambodia.

Thus, even in the midst of the havoc and confusion of war, we have reliable reports from very reputable voluntary relief agencies that such assistance programs were, in fact, providing direct and necessary relief to those individuals most urgently in need of food assistance. Cambodia was not among those nations on the well-known MSA list, but I think the urgency and the need for American food assistance to the victims of that unfortunate conflict is unquestionable.

My argument, simply, is that the importance of American food assistance programs to some nations not meeting the \$250 limitation cannot—and should not—be underestimated. Furthermore, it should not be unduly restricted by legislative entanglements that destroy flexibility needed for emergency response, and which set arbitrary and over-simplified criteria for food distribution. It is absurd to suggest that Public Law 480 assistance provided to countries with more than \$250 per capita GNP must be “political” rather than “humanitarian.” I think the intentions of our Government in providing such aid are honorable, and they are vital. Such assistance should continue, and should not be bound in any way by artificial standards or blind objectives.

Mr. PELL. Mr. President, the International Development and Food Assistance Act of 1975 represents a major improvement in our Nations’ overseas assistance program, and I strongly support passage of the legislation.

One major achievement is the separation of foreign military and security as-

sistance from the economic development and humanitarian assistance programs included in this legislation. In the past several years, I have voted against foreign aid authorization bills containing both military, economic development and humanitarian assistance provisions. I have done so because in each case I found the beneficial and justified programs of economic and humanitarian assistance were outweighed and overshadowed by huge expenditures to provide weapons of war to other nations.

The separation of military assistance programs permits the Congress and the public to focus attention clearly on the economic development and assistance programs without the confusion caused by debate over foreign arms aid.

The legislation before us includes a new program intended to combat the long-term threat of famine in the world by making available in nations with underdeveloped food resources the food resource research and development technology of the United States.

The food resource expertise of the United States would be made available primarily through our systems of land-grant and sea-grant colleges.

The land grant college system of the United States through programs of education, applied research, and extension services has played a major role in making U.S. agriculture the most productive and efficient in the world.

Indeed, it was the success of the land-grant system in developing our agricultural resources that led me in 1965 to propose a similar system of sea-grant colleges to improve our use of marine resources by similar programs of education, applied research, and extension services. In the short time since passage of the Pell-Rogers Sea Grant College Act in 1966, the sea-grant institutions have made an impressive record of establishing comprehensive, multidisciplinary, effective marine resource programs.

Mr. President, as originally proposed, the new famine prevention program in section 3 of the bill was limited to agriculture and emphasized participation in the program by land-grant institutions.

I am very pleased indeed that the Senate Foreign Relations Committee and the Senate Committee on Agriculture and Forestry accepted amendments which I proposed that broaden the program to include aquaculture and fisheries, and provide for participation in the program by sea-grant colleges as well as land-grant colleges. I particularly appreciate the strong support given these amendments by my distinguished colleague (Mr. HUMPHREY) who ably chairs the Subcommittee on Foreign Assistance of the Foreign Relations Committee.

In the critically important effort to prevent the horror of famine and hunger in the world, I believe we must take the broadest possible approach to food resource development. In many nations of the world, marine food resources and aquaculture already are important food resources. Many other nations have underdeveloped marine food and aquaculture resources which could make a sig-

nificant contribution to world food production.

Meanwhile, in the United States, we have centers of education and research, primarily at sea-grant colleges that have the capability to assist in fisheries and aquaculture development. It makes good sense to make these abilities available to other nations so they can help meet the mounting world need for food.

The University of Rhode Island, which is both a land-grant college and a sea-grant college, has already undertaken international food resource development programs under contract from the Agency for International Development. Under AID contract, the university has established a center for international marine resources development, which is breaking new ground in working with underdeveloped nations in fisheries and aquaculture development.

This is a promising program which I believe should be expanded and which can serve as a prototype for similar efforts involving other institutions. I believe the famine prevention program established by this bill, particularly with its even-handed recognition of the importance of marine food resources, can be effective in warding off the specter of world famine and hunger.

Mr. President, the International Development and Food Assistance Act of 1975 is thoughtful, carefully written legislation which permits the United States to play a prudent and responsible role in meeting the challenges of world poverty and hunger. I am happy to support its passage.

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

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

PROGRAM FOR TODAY

Mr. MANSFIELD. Mr. President, for the information of the Senate, when the pending measure is disposed of, the Senate will proceed to the consideration of the so-called sunshine bills. Following the disposition of the sunshine bills, the Senate will proceed to the consideration of Calendar No. 428, H.R. 10029, the military construction appropriation bill.

MILITARY CONSTRUCTION APPROPRIATIONS

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished Senator from Iowa (Mr. CULVER) will offer an amendment of some kind having to do with Diego Garcia, and that the distinguished Senator from Wisconsin (Mr. PROXMIER) will offer an amendment having to do with the medical hospital which is now in the process of being constructed at the Naval Hospital in Bethesda. I ask unanimous consent that on those two amendments, there be a time limitation of not to exceed 1 hour, with the time equally divided between

the sponsor of the amendment and the manager of the bill or his designees.

The VICE PRESIDENT. 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.

The VICE PRESIDENT. Under the previous order, the Senate will now proceed to vote on the question of passage of H.R. 9005. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Massachusetts (Mr. KENNEDY), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from Mississippi (Mr. STENNIS) are absent because of illness.

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 467 Leg.]

YEAS—54

Abourezk	Hart, Gary	Moss
Baker	Haskell	Muskie
Bayh	Hatfield	Packwood
Beall	Hathaway	Pastore
Bellmon	Huddleston	Pearson
Brooke	Humphrey	Pell
Buckley	Inouye	Percy
Bumpers	Jackson	Ribicoff
Case	Javits	Schweiker
Clark	Johnston	Scott, Hugh
Cranston	Leahy	Sparkman
Culver	Mathias	Stafford
Durkin	McGee	Stevens
Fong	McGovern	Stevenson
Ford	McIntyre	Taft
Glenn	Metcalf	Tower
Gravel	Mondale	Weicker
Griffin	Morgan	Williams

NAYES—41

Allen	Eagleton	Montoya
Bartlett	Eastland	Nelson
Bentsen	Fannin	Nunn
Biden	Garn	Proxmire
Brock	Goldwater	Randolph
Burdick	Hansen	Roth
Byrd	Helms	Scott
Harry F., Jr.	Hollings	William L.
Byrd, Robert C.	Hruska	Stone
Cannon	Laxalt	Symington
Chiles	Long	Talmadge
Church	Magnuson	Thurmond
Curtis	Mansfield	Young
Dole	McClellan	
Domenici	McClure	

NOT VOTING—5

Hart, Philip A.	Kennedy	Tunney
Hartke	Stennis	

So the bill (H.R. 9005), as amended, was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 9005.

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

Mr. CLARK subsequently said: I ask unanimous consent that H.R. 9005 be printed as it passed the Senate with the amendments of the Senate numbered.

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

Mr. MANSFIELD. Mr. President, I wish to congratulate and commend both the chairman of the Committee on Agriculture and Forestry (Mr. TALMADGE) and the chairman of the Foreign Assistance Subcommittee of the Committee on Foreign Relations (Mr. HUMPHREY) for their very able leadership with regard to the passage of H.R. 9005, the International Development and Food Assistance Act of 1975.

This bill, extremely technical and complicated, and extremely important, which authorizes assistance for disaster relief, oversees distribution and production of agricultural commodities, assistance to land grant colleges and universities among other things, was within the jurisdiction of both the Agriculture and Forestry Committee and the Foreign Relations Committee of the Senate. It is a testimonial to the skill, dedication and cooperative spirit of the two managers of the bill that the Senate has been able to consider thoroughly and pass with dispatch this complicated proposal.

I express my appreciation and congratulations also to the very able ranking minority member of the Committee of Foreign Relations (Mr. CASE) for his wise counsel and for the cooperative attitude which is his trademark. Through the efforts of these gentlemen and, of course, many other Members too numerous to mention, the Senate has made this a better bill. It is the able assistance of the Senators I have mentioned which makes the job of leadership on both sides of the aisle less onerous than it might be.

FOREIGN RELATIONS AUTHORIZATION ACT, 1976

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1517.

The PRESIDING OFFICER (Mr. GARY HART) laid before the Senate a message from the House of Representatives insisting upon its amendment to the bill (S. 1517) to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes; and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SPARKMAN. I move that the Sen-

ate agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the PRESIDING OFFICER appointed Mr. SPARKMAN, Mr. MANSFIELD, Mr. CHURCH, Mr. SYMINGTON, Mr. PELL, Mr. HUMPHREY, Mr. CASE, Mr. JAVITS, and Mr. HUGH SCOTT conferees on the part of the Senate.

OPEN COMMITTEE MEETINGS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of calendar No. 375, Senate Resolution 9, and that it be laid down and made the pending business.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 9) amending the Rules of the Senate relating to open committee meetings.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration, with an amendment to strike out all after the enacting clause and insert the following:

"(b) Each meeting of a standing committee or any subcommittee thereof, including meetings to conduct hearings (unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations), shall be open to the public unless any such committee or subcommittee thereof in open session determines by a record vote of a majority of the members of the said committee or subcommittee that the proposed meeting shall be closed because of the nature of the matter to be considered by that committee or subcommittee, or unless any such committee shall, following the appointment of its membership at the commencement of each Congress, adopt rules specifically prescribing a different procedure to protect its own needs and at the same time conform to the public interest, which rules shall be printed in the Congressional Record not later than March 1 of that year or not later than sixty days after the adoption of any such rule.

"In the case of public hearings, the proceedings may be broadcast by radio or television, or both, as the committee may determine, and under such rules and regulations as that committee may adopt."

Sec. 2. Section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102(d) and (e) of the Congressional Budget Act of 1974 are repealed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that no time be charged to any consideration of this bill until we return from the joint meeting in the Hall of the House of Representatives.

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

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE ARAB REPUBLIC OF EGYPT

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

Thereupon, the Senate, at 12:13 p.m., took a recess, subject to the call of the Chair, and the Senate, preceded by, the Secretary of the Senate, Francis R. Valeo; the Sergeant at Arms, William H. Wannell; the Vice President of the United States; and the President pro tempore (JAMES O. EASTLAND), proceeded to the Hall of the House of Representatives to hear the address by the President of the Arab Republic of Egypt.

(The address delivered by the President of the Arab Republic of Egypt to the joint session of the two Houses of Congress, is printed in the Proceedings of the House of Representatives in today's RECORD.)

At 1:15 p.m., the Senate having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. FORD).

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time taken out of neither side.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. 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. ALLEN. Mr. President, will the majority leader yield to me for 1 minute?

Mr. MANSFIELD. I yield.

VOLUNTARY MUNICIPAL REORGANIZATION ACT (S. 2615)

AMENDMENTS NOS. 1051, 1052, AND 1053

Mr. ALLEN. Mr. President, I send three amendments to the desk, and I ask that they be read and printed and placed on the table and called up later.

The PRESIDING OFFICER. The clerk will state the amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that no time be taken out of the pending business by the reading of these amendments.

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

The assistant legislative clerk proceeded to read the amendments.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with, but that the amendments be treated as having been read in compliance with rule XXII.

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

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. 1051

On page 3 at the end of line 3 add the following: provided in the considered, expressed judgment of a majority of the members of the Board made a part of the records of such Board, the guarantees hereinafter provided for can be made without loss to the Federal Government.

AMENDMENT No. 1052

On page 10 between lines 21 and 22 add the following new subsection.

(E) In the considered, expressed judgment of a majority of the members of the Board made a part of the records of such Board, the guarantees hereinafter provided for can be made without loss to the Federal Government.

AMENDMENT No. 1053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bankruptcy Act of 1893 (30 Stat. 544), as amended, is hereby amended to add a new chapter XVI thereto reading as follows:

"CHAPTER XVI—ADJUSTMENT OF INDEBTEDNESSES OF MAJOR MUNICIPALITIES

"JURISDICTION AND RESERVATION OF POWERS

"Sec. 801. (a) This Act and proceedings thereunder are found and declared to be within the subject of bankruptcies and, in addition to the jurisdiction otherwise exercised, courts of bankruptcy shall exercise original jurisdiction as provided in this chapter for the composition or extension of the debts of certain public agencies or instrumentalities or political subdivisions. The court in which the petition is filed in accordance with subsection 804(c) shall exercise exclusive jurisdiction for the adjustment of petitioner's debts and, for purposes of this chapter, shall have exclusive jurisdiction of petitioner and its property, wherever located.

"(b) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control, by legislation or otherwise, any public agency or instrumentality or political subdivision of the State in the exercise of its political or governmental powers, including expenditure therefor: *Provided, however,* That no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

"DEFINITIONS

"Sec. 802. The words and phrases used in this chapter have the following meanings unless they are inconsistent with the context:

"(1) The term 'attorney' means an attorney licensed to practice law by any State and includes a law partnership.

"(2) The term 'claim' means a demand for performance of an obligation to pay money, whether matured or unmatured.

"(3) The term 'composition' means a plan for payment of less than the full amount of debts provided for by the plan, with or without the extension of time for payment of such debts.

"(4) The term 'court' means United States district court sitting in bankruptcy, and the terms 'clerk' and 'judge' shall mean the clerk and judge of such court.

"(5) The term 'creditor' means any person who owns a claim against the petitioner. With respect to such claims owned by a trustee under a mortgage deed of trust, or indenture, pursuant to which there are se-

curities outstanding, other than voting trust certificates, the term 'creditor' means only the trustee.

"(6) The term 'lien' means a security interest in property, a lien obtained on property by levy, sequestration or other legal or equitable process, a statutory or common-law lien on property, or any other variety of charge against property to secure performance of an obligation.

"ELIGIBILITY FOR RELIEF

"Sec. 803. (a) Any municipality with a population in excess of one million inhabitants is eligible for relief under this chapter, if the municipality is first specifically authorized by the State to file a petition initiating a proceeding under this chapter.

"(b) Any public agency or instrumentality or political subdivision subordinate to such municipality or whose responsibilities are restricted to the geographical limits thereof, including incorporated authorities, commissions and districts, for whose debts such municipality is not otherwise liable, is eligible for relief as a separate petitioner in the same proceeding in which such municipality seeks relief under this chapter if such agency, instrumentality, or subdivision is not prohibited from filing a petition by applicable State law.

"PETITION; PROPOSED PLAN AND STATEMENT OF REVENUES AND EXPENDITURES; FILING

"Sec. 804. (a) Any entity eligible for relief under section 803 may file a voluntary petition under this chapter. The petition shall state that the petitioner is eligible to file a petition, that the petitioner is insolvent or unable to pay its debts as they mature and that it desires to effect a plan of composition or extension of its debts. The petitioner shall file with its petition lists of claims outstanding and of persons who may be adversely affected by the plan, as set forth in section 809.

"(b) A petition shall be insufficient to invoke the jurisdiction of the court unless it is accompanied by (1) a good faith plan of composition or extension of debts which petitioner certifies is in its view fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors and (2) a statement of petitioner's current and projected revenues and expenditures adequate to establish that the budget of petitioner will be in balance within a reasonable time after the adoption of the plan.

"(c) The petition shall be filed with the court in whose territorial jurisdiction the municipality or the major part thereof is located, and shall be accompanied by payment to the clerk of a filing fee of \$100, which shall be in lieu of the fee required to be collected by the clerk under other applicable chapters of this title, as amended:

"STAY OF PROCEEDINGS

"Sec. 805. (a) A petition filed under section 804 shall operate as a stay of the commencement or the continuation of any court or other proceeding against the petitioner, its property or any officer or inhabitant of the petitioner, which seeks to enforce any claim against the petitioner; as a stay of any act or the commencement or continuation of any court proceeding to enforce any lien on taxes or assessments, or to reach any property of the petitioner; and as a stay of the application of any setoff or enforcement of any counterclaim relating to any contract, debt, or obligation of the petitioner.

"(b) Except as it may be terminated, annulled, modified, or conditioned by the court under subsection (c) of this section, the stay provided by subsection (a) of this section shall continue until the case is closed or dismissed or the property subject to the lien is, with the approval of the court, abandoned or transferred.

"(c) On the filing of a motion seeking relief from a stay provided by subsection

(a) of this section, the court shall set a hearing for the earliest possible date. The court may, for cause shown, terminate, annul, modify, or condition such stay.

"(d) The commencement or continuation of any act or proceeding other than described in subsection (a) of this section may be stayed, restrained, or enjoined pursuant to rule 65 of the Federal Rules of Civil Procedure, except that a temporary restraining order or preliminary injunction may be issued without compliance with subsection (c) of that rule.

"(e) No stay, order, or decree of the court may interfere with (1) any of the political or governmental powers of the petitioner; or (2) any of the property or revenues of the petitioner necessary for essential governmental purposes; or (3) the petitioner's use or enjoyment of any income-producing property: *Provided, however,* That the court shall enforce the conditions attached to certificates of indebtedness issued under subsection 811 and the provisions of the plan of compensation.

"CONTEST AND DISMISSAL OF PETITION

"Sec. 806. (a) Any creditor may file a complaint in the bankruptcy court contesting the petition for relief under this chapter or stating any objection he has to the plan. The complaint may be filed at any time up to ten days before the hearing on the confirmation of the plan or within such other times as may be directed by the court.

"(b) The court may, upon notice to the creditors and a hearing following the filing of such a complaint, dismiss the proceeding if it finds that the petition was not filed in good faith, that it does not meet the provisions of this chapter, that it has not been prosecuted with reasonable diligence, or that there is no substantial likelihood that a plan of composition will be approved by the court.

"NOTICES

"Sec. 807. (a) The clerk shall give prompt notice of the commencement of a proceeding under this chapter to the State and to the Securities and Exchange Commission. As creditors and other persons who may be materially and adversely affected by the plan are identified, the clerk shall give such persons notice of the commencement of the proceeding, a summary of the provisions of the plan and any proposed modification of the plan, and of their right to request a copy of the plan or modification.

"(b) The clerk shall also give notice to all creditors of the time permitted for accepting or rejecting a plan or any modification thereof. Such time shall be ninety days from the filing of the plan or modification unless the court for good cause shall set some other time.

"(c) The clerk shall also give notice to all creditors (1) of the time permitted for filing a complaint objecting to confirmation of a plan, (2) of the date set for hearing objections to such complaint, (3) of the date of hearing of a complaint seeking dismissal of the petition, and (4) of the date of the hearing on confirmation of the plan.

"(d) All notices given by the clerk shall be given in the manner directed by the court; however, the court may issue an order at any time subsequent to the first notice to creditors directing that those persons desiring written notice file a request with the court. If the court enters such an order persons not so requesting will receive no further written notice of proceedings under the chapter.

"(e) Cost of notice shall be borne by the petitioner, unless the court for good cause determines that the cost of notice in a particular instance should be borne by another party.

"REPRESENTATION OF CREDITORS

"Sec. 808. For all purposes of this chapter any creditor may act in person or by an attorney or a duly authorized agent or com-

mittee. Where any committee, organization, group, or individual shall assume to act for or on behalf of creditors, such committee, organization, group, or individual shall first file with the court in which the proceeding is pending a list of the creditors represented, giving the name and address of each and describing the amount and character of the claim of each; copies of the instrument or instruments in writing signed by such creditors conferring the authority for representation; and a copy of the contract or contracts of agreement entered into between such committee, organization, group, or individual and the represented creditors, which contract or contracts shall disclose all compensation to be received, directly or indirectly for such representation, which agreed compensation shall be subject to modification and approval by the court.

"LIST OF CLAIMS AND PERSONS ADVERSELY AFFECTED"

"SEC. 809. (a) The list of claims filed with the petition shall include, to the extent practicable, the name of each known creditor to be affected by the plan, his address so far as known to the petitioner, and a description of each claim showing its amount and character, the nature of any security therefor and whether the claim is disputed, contingent or unliquidated as to amount. With respect to creditors not identified, the petition shall set forth the reasons identification is not practicable, and shall specify the character of claim involved. The list shall be supplemented as petitioner becomes able to identify additional creditors.

"(b) If the proposed plan requires revision of assessments so that the proportion of special assessments or special taxes to be assessed against some real property will be different from the proportion in effect at the date the petition is filed, the holders of record of title, legal or equitable, to such real property shall be deemed persons adversely affected and shall be similarly listed.

"(c) The court may for cause modify the requirements of subsections (b) and (c) of this section.

"PROOFS OF CLAIM"

"SEC. 810. Unless an objection is made by any party in interest, the claim of a creditor that is not disputed is established by the list of claims filed pursuant to section 809. The court may set a date by which proofs of claim of unlisted creditors and of creditors whose listed claims are disputed must be filed. If the court does not set such a date, the proofs must be filed before the entry of the order of confirmation. The clerk shall give notice to each person whose claim is listed as disputed in the manner directed by the court.

"DEBT CERTIFICATES"

"SEC. 81. During the pendency of a proceeding for a plan of composition or extension under this chapter, or after the confirmation of the plan if the court has retained jurisdiction, the court may, upon good cause shown, authorize the petitioner to issue certificates of indebtedness for cash, property or other consideration, under such terms and conditions and with such security and priority in payment over existing obligations as the court may approve. Notwithstanding any other provision of law including section 819 of this chapter, the court shall have plenary jurisdiction of any action which may be brought against petitioner to enforce compliance with the terms of any such certificates of indebtedness.

"PRIORITIES"

"SEC. 812. The following shall be paid in full in advance of the payment of any distribution to creditors under a plan, in the following order:

"(1) The cost and expenses of administration which are incurred by the petitioner

subsequent to the filing of a petition under this chapter;

"(2) debts owed for services and materials actually provided within four months before the date of the filing of the petition under this chapter; and

"(3) debts owing to any person or entity, which by the laws of the United States (other than his Act) are entitled to priority.

"PLAN OF ADJUSTMENT"

"SEC. 813. The plan of composition or extension sought under this chapter may include provisions modifying or altering the right of creditors generally, or of any class of them, secured or unsecured, either through issuance of new securities of any character, or otherwise, may contain such other provisions and agreements not inconsistent with this chapter as the parties may desire, including provisions for the rejection of executory contracts and unexpired leases.

"VOTING ON ACCEPTANCE OF PLAN"

"SEC. 814. (a) A plan of composition or extension may be confirmed only if, of the creditors voting in writing to accept or reject the plan, those holding two-thirds in amount of each class materially and adversely affected have voted to accept: *Provided, however,* That no such acceptance shall be required from any class which, under the plan, is to be paid in cash the value of its claims or is to be afforded such method of protection as will, consistent with the circumstances of the particular case, equitably and fairly provide for the realization of the value of its claims.

"(b) Unless his claim has been disallowed, any creditor who is included on the list filed pursuant to section 809 or who files a proof of claim pursuant to section 810 is entitled to vote to accept or reject a plan or modification thereof within the time set pursuant to subsection 807(b). Claims owned, held or controlled by the petitioner are not eligible to vote.

"(c) The holders of all claims regardless of the manner in which they are evidenced, which are payable without preference out of funds derived from the same source or sources shall be of one class. The holders of claims for the payment of which specific property or revenues are pledged, or which are otherwise given preference as provided by law, shall constitute a separate class or classes or creditors.

"(d) If any controversy shall arise as to whether any creditor or class of creditors shall or shall not be materially and adversely affected, the issue shall be determined by the judge, after hearing, upon notice of the parties interested.

"MODIFICATION OF PLAN"

"SEC. 815. Before a plan is confirmed, changes and modifications may be made therein with the approval of the judge after hearing and upon such notice to creditors as the judge may direct, subject to the right of any creditor who has previously accepted the plan to withdraw his acceptance in writing, within a period to be fixed by the judge, if, in the opinion of the judge, the change or modification will materially and adversely affect such creditor; and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner.

"HEARING ON CONFIRMATION OF PLAN"

"SEC. 816. (a) Within a reasonable time after the expiration of the time within which a plan and any modifications thereof may be accepted or rejected, the court shall set a hearing on the confirmation of the plan and modifications, and the clerk shall give notice of the hearing and time allowed for

filing objections as provided in subsection 807(c).

"(b) Any creditor, or any other party in interest may file a complaint objecting to the confirmation of the plan. The complaint shall be served on the petitioner, and such other person as may be designated by the court, at any time prior to the date of the hearing on confirmation or such earlier date as the court may set.

"(c) Before concluding the hearing on confirmation of the plan the judge shall inquire whether any person promoting the plan or doing anything of such a nature, has been or is to be compensated, directly or indirectly, by both the petitioner and any creditor, and shall take evidence under oath to ascertain whether any such practice obtains. After such examination the judge shall make an adjudication of this issue, and if he finds that any such practice obtains, he shall forthwith dismiss the proceeding and tax all of the costs against such person, or against the petitioner, unless such plan be modified within the time to be allowed by the judge so as to eliminate the possibility of any such practice.

"(d) At the conclusion of the hearing, the judge shall make written findings of fact and his conclusions of law thereon, and shall enter a decree confirming the plan if he finds and is satisfied that—

(1) it is fair, equitable, feasible, and not unfairly discriminatory in favor of any creditor or class of creditors;

"(2) it complies with the provisions of this chapter;

"(3) it has been accepted by creditors as required in section 814;

"(4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable;

"(5) the offer of the plan and its acceptance are in good faith;

"(6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan and;

"(7) it appears from petitioner's current and projected revenues and expenditures that the budget of the petitioner will be in balance within a reasonable time after adoption of the plan.

If not so satisfied, the judge shall enter an order dismissing the proceeding. No case shall be reversed or remanded for want of specific or detailed findings unless it is found that the evidence is insufficient to support one or more of the general findings required in this section.

"EFFECT OF CONFIRMATION"

"SEC. 817. (a) The provision of a confirmed plan shall be binding on the petitioner and on all creditors, whether or not they are affected by it, whether or not their claims have been listed, filed, or allowed, and whether or not they have accepted the plan.

"(b) The confirmation of a plan shall extinguish all claims against the petitioner provided for by the plan other than those excepted from discharge by the plan or order confirming the plan.

"DUTY OF PETITIONER AND DISTRIBUTION UNDER PLAN"

"SEC. 818. (a) The petitioner shall comply with the provisions of the plan and the orders of the court relative thereto and shall take all actions necessary to carry out the plan.

"(b) Subject to the provisions of subsection (c), distribution shall be made in accordance with the provisions of the plan to creditors (1) whose proofs of claim have been filed and allowed or (2) whose claims have been listed and are not disputed. Distribution to creditors holding securities of record shall be made to the record holders as of the date the order confirming the plan becomes final.

"(c) When a plan requires presentment or surrender of securities or the performance of any other act as a condition to participation under the plan, such action must be taken not later than five years after the entry of the order of confirmation. Persons who have not within such time presented or surrendered their securities or taken such other action shall not participate in the distribution under the plan. Any securities, moneys, or other property remaining unclaimed at the expiration of the time allowed for presentment or surrender of securities or the performance of any other act as a condition to participation in the distribution under a confirmed plan shall become the property of the petitioner.

"(d) The court may direct the petitioner and other necessary parties to execute and deliver or to join in the execution and delivery of any instruments required to effect a transfer of property pursuant to the confirmed plan and to perform such other acts, including the satisfaction of liens, as the court may determine to be necessary for the consummation of the plan.

"RETENTION OF JURISDICTION

"SEC. 819. The court may retain jurisdiction of a proceeding under this chapter for such period as it determines is necessary to assure execution of the plan.

"REFERENCE OF ISSUES AND COMPENSATION

"SEC. 820. (a) The judge may refer any special issues of fact to a referee in bankruptcy, magistrate or another special master for consideration, the taking of testimony, and a report upon such special issues of fact, if the judge finds that the condition of his docket is such that he cannot take such testimony without unduly delaying the dispatch of other business pending in his court, and if it appears that such special issues are necessary to the determination of the case. Only under special circumstances shall reference be made to a special master who is not a referee in bankruptcy or a magistrate. A general reference of the case to a master shall not be made, but the reference, if any, shall be only in the form of requests for findings of specific facts.

"(b) The court may allow reasonable compensation for the services performed by any such special master who is not a salaried Federal employee, and the actual and necessary expenses incurred in connection with the proceeding, including compensation for services rendered and expenses incurred in obtaining the deposit of securities and the preparation of the plan, whether such work may have been done by the petitioner or by committees or other representatives of creditors, and may allow reasonable compensation for the attorneys or agents of any of the foregoing: *Provided, however,* That no fees, compensation, reimbursement, or other allowances for attorneys, agents, committees, or other representatives of creditors shall be assessed against the petitioner or paid from any revenues, property, or funds of the petitioner except in the manner and in such sums, if any, as may be provided for in the plan of adjustment. An appeal may be taken from any order making such determination or award to the United States court of appeals for the circuit in which the proceeding under this chapter is pending, independently of other appeals which may be taken in the proceeding, and such appeal shall be heard summarily.

"SEPARABILITY

"SEC. 821. If any provision of this chapter, or the application thereof to any agency, instrumentality, or subdivision is held invalid, the remainder of the chapter, or the application of such provision to any other agency or instrumentality or political subdivision shall not be affected by such holding."

OPEN COMMITTEE MEETINGS

The Senate continued with the consideration of the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

Mr. CANNON. Mr. President, I ask unanimous consent that the following Rules Committee staff people be granted the privilege of the floor during the consideration of the pending legislation: William Cochran, John Coder, Peggy Parrish, and Louise McPherson.

Mr. CHILES. Will the Senator yield?

Mr. CANNON. I yield.

Mr. CHILES. I ask unanimous consent, Mr. President, that during the consideration and votes on Senate Resolution 9 and all amendments thereto, and Senate Resolution 5 and all amendments thereto, the following staff members have the privilege of the floor: Jim Davidson, George Patton, Bob Rackleff, Claudia Ingram, Paul Hoff, Marilyn Harris, John Childers, Gary Klein, and Charles Morrison.

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

Mr. HATFIELD. Will the Senator yield?

The PRESIDING OFFICER. I yield.

Mr. HATFIELD. Mr. President, I ask unanimous consent that James Schoener and Larry Smith of the committee staff and Charles Morrison of the Government Operations Committee be granted the privileges of the floor during the debate on the pending legislation.

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

Mr. CANNON. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Senate Resolution 9 is before the Senate.

Mr. CANNON. Is there a time agreement?

The PRESIDING OFFICER. Time for debate on this resolution is limited to 1 hour to be equally divided and controlled by the Senator from Nevada (Mr. CANNON), the Senator from Delaware (Mr. ROTH), and the Senator from Florida (Mr. CHILES), with 30 minutes on any amendment, except one to be offered by Mr. ROTH, on which there shall be 1 hour, and one to be offered by Senator CHILES, on which there shall be 1 hour, and with 20 minutes on any debatable motion, appeal, or point of order.

Mr. CANNON. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. CANNON. Senate Resolution 9, amending the rules of the Senate relating to open committee meetings, was unanimously reported to the Senate by the Committee on Rules and Administration with an amendment in the nature of a substitute for section 1 of the resolution. The amendment proposes a different approach from that defined in the resolution as originally introduced by Mr. CHILES. It does not, however, and I emphasize does not, take away any right of any committee to hold every single meeting in open session.

While the amendment reported by the Rules Committee leaves to each standing

committee the right to adopt special procedures to meet any needs of its own differing from that of another committee, there is nothing in the proposed amendment to require a committee to hold closed meetings. There is a proviso that all meetings shall be open "unless the testimony to be taken at that hearing may be related to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations."

To the contrary of holding closed meetings, if any committee declines to adopt any changes in its own rules with regard to open and closed sessions, all of its meetings, with the above exception as to hearings, will be in open session unless it votes in open session to go into closed session at any specific meeting for consideration of a matter relating to national security, to reflect adversely on the character or reputation of a witness or any individual or divulge matters deemed confidential by other provisions of law or government regulations.

It is just not fair for anyone to make a statement that the amendment reported by the Committee on Rules and Administration repeals all requirements in the existing rules for open session, for example the rules requiring open session for the Committee on the Budget, unless that person acknowledges the fact that a committee would have to take further action by adopting rules of its own in order to hold closed meetings.

Under the change proposed by the Committee on Rules and Administration any committee could adopt a rule that would absolutely require every meeting, with the exception pointed out above, to be open regardless of what was considered in the meeting, unless contrary to law; and if it took no action at all, the meetings would be open.

In the case of the Committee on the Budget, if the committee amendment were adopted, that committee on the very next day could readopt the same provisions found in the Budget Act defining what meetings should be open and when it would be in order to move to go into closed session; and as I have already stated, if it took no action, all of its meetings would be open unless that committee in open session voted to go into closed session.

The main difference in the two proposals is to be found in the language of the amendment which leaves it to the committee to define its procedure without forcing each committee to operate under the same procedure by compulsion.

As I have already stated, the reported resolution requires no committee to close its doors or to hold closed meetings. It merely gives to each the right to do so if it feels its obligation to the public demands that procedure. Instead of requiring committees to hold closed meetings, the reported amendment by the Committee on Rules and Administration emphasizes the responsibility of standing committees and subcommittees

thereof to conduct their business in open session, but at the same time, reserves to each committee—which obviously is in a better position to know best what the public interest and the obligations of the committee to the public are—the right on any particular occasion to make decisions to accomplish such ends. “Any committee meeting at the commencement of a new Congress to adopt or to change its rules relative to closed or open sessions would be convened in open session, and could go into closed session only by vote of the committee.”

The resolution as reported to the Senate, if agreed to, would provide that each committee from the beginning of a new Congress would have to begin its first meeting in open session. It could then vote to go into closed session and adopt a set of standing rules as to which meetings should be open and which should be closed. This would become a standing rule of that committee until changed. But such action would not be taken by a committee of a previous Congress; any such action would have to be taken by each committee by a majority vote of the members of any said committee after its new membership had been appointed in that Congress. Likewise, if any committee failed or refused to adopt a set of standing rules as to whether or not its meetings were to be open or closed, that committee would have to begin each meeting in open session until it voted to the contrary; otherwise, all meetings would be open.

Any committee, particularly if its jurisdiction involved legislation not secretive in nature, would not have to worry about making any rule changes; all of its meetings would then be open. The proposed rule change emphasizes this point.

While all of the work of some committees might well be transacted in open session, the work of other committees might be of such nature that it would be essential for them to hold certain closed meetings. Much of the work of the Committee on Armed Services, the Committee on Foreign Relations and the Committee on Appropriations, to name some of them, might have need for closed sessions for certain purposes which the Senate may not now be in a position to anticipate. This resolution as reported would give committees handling such sensitive matters, particularly national security and rights of witnesses, the right to prescribe procedures best fitted to meet their own situation.

On the other hand, the resolution as originally submitted by Mr. CHILES would require a different procedure. Each committee meeting would always have to begin in open session; it might then vote to go into closed session. The resolution as referred to the Committee on Rules and Administration provides that “Each meeting of a standing, select, or special committee of the Senate, or subcommittee thereof * * * shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the mem-

bers of the committee or subcommittee present. * * *

The comparable language proposed in S. 5, to provide that meetings of Government agencies and of congressional committees shall be open to the public, as reported by the Committee on Government Operations recommends the same general procedure. Note that language: “Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions * * *

What does the above language in the two introduced measures mean? Under any parliamentary procedure in order for a committee to vote to go into closed session, unless specifically worded otherwise, the chairman or someone would have to make a motion or to put the question, stating why the committee should go into closed session, after which the vote would be taken in open session. To carry this to an extreme, in what predicament would the United States have found itself preceding and during World War II, when the subcommittees of the Committees on Appropriations of the Senate and the House of Representatives, met to consider the Manhattan Project to develop the atomic bomb, had they been forced to adopt a motion stating: “Shall the Subcommittee go into closed session to discuss the development of the atomic bomb?”

In this day and time, when things are changing so rapidly and becoming so complex, why should we not, in keeping with democratic procedure, allow a committee by a majority vote to make a decision as to whether or not a matter to be discussed by that committee merits closed consideration, with any action to be taken to be reported later to the press if the divulging of such information would not be deemed contrary to the best interest of our country.

It should be emphasized that the committee's recommendation would also require any rules changes adopted by a standing committee in this regard to be printed in the CONGRESSIONAL RECORD not later than March 1 of that year or not later than 60 days after the adoption of any such rule.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I yield 3 minutes to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I find myself in the unhappy situation of not being able to support my chairman, or the committee that has this bill before the Senate today; but I do believe that the “Government in the Sunshine Act” is just another step of many designed to bring the American people closer to their representatives and their Government. The fact that some 49 States have adopted similar measures in recent years

is an indication of the general public's desire to know more about their Government.

Mr. President, for too long the major decisions affecting the lives of millions of Americans have been made behind closed doors. The pictorial image of smoke-filled rooms, unfortunately, has not only been applied to political conventions, but to the Congress as well. Like most things in politics, image is a very important factor in cultivating the confidence of the voter. The Senate has a unique opportunity today to say to the citizens of America that their representatives have nothing to hide, and that the doors to the backrooms of all committees are going to be open to the general public, some for the first time in history.

It has taken almost 200 years to remove the cloaks of secrecy from the windows of Congress, and it is a step long overdue. The term, “Sunshine in Government,” is a fitting description for this legislation.

No citizen, whether an elected official or not, should be permitted to more information of the governmental process than another citizen. If the Senate should refuse today to open its doors as it has the opportunity to do, then such action might well lead observers to term this institution as the “imperial Congress” as they have done to the Presidency.

If the Senate should refuse to open its doors and then require the executive departments to operate in the sunshine, then the American people will have been provided with the perfect example of the double standard. If the Senate is going to refuse to accept guidelines for the closing of committee meetings, then in all fairness it should not require the executive departments to operate under the guidelines of S. 5.

Long ago, our Founding Fathers firmly decided against the idea of royal titles or a class structure. While a somewhat loose economic class structure has been established over the years, we can also say that no law or statute has endorsed or supported this sociological and economic phenomenon. The Constitution provides that every man and woman 18 years of age and older who is a citizen of the United States has the right to vote. Today, the Senate can take this one step further by formally adopting the principle that every citizen has the right to know what and how decisions are made in the legislative and executive branches of their Government.

Mr. President, as a member of the Senate Committee on Interior and Insular Affairs, I can attest to the fact that a committee can do its work, and very successfully, out in the open. We hold all of our meetings and markups in the open unless they concern committee personnel matters or the financial matters relating to the nominees before our committee. Mr. President, the Senate Budget Committee and the Senate Interior Committee have proven to the Senate that committees can operate in the sunshine with efficiency and dispatch. I am confident that the other committees in the Senate will also find this to be true and possible.

Mr. President, I strongly urge my colleagues to support efforts to restore the original language to Senate Resolution 9 and for the passage of S. 5. A vote in favor of these measures will be a vote of confidence in favor of the American people.

I thank the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself such time as I may require.

On January 15, 1975, I, along with nearly 40 other Senators, introduced legislation which would have required that all meetings of governmental agencies and congressional committees be open to the public, with certain clearly defined exceptions. A comprehensive regulation of executive branch and congressional meetings was contained in S. 5 as introduced. Regulations for meetings of Senate committees only were contained in the first provision of title one, which consists of the same language as the original version of Senate Resolution 9.

On September 18, these measures were reported from the Senate Committee on Rules and Administration in a form which not only would halt the advance of open and accountable government, but would also mark an unfortunate return to the politics of secrecy and concealment.

In reporting these measures, the Senate Rules Committee deleted all references to House-Senate conference committee meetings from S. 5, and greatly weakened the proposed reform in Senate Resolution 9.

The report on Senate Resolution 9 states, in part,

While the committee generally agrees with the concept of more openness as expressed in S. 5, it believes that in respect to congressional committees such purpose would more properly be served by direct amendment of the standing rules of the Senate.

Let us examine their amendments to see if they properly serve the purpose of reform.

As originally introduced, Senate Resolution 9 would have required all meetings, including hearings, of each Senate standing, select, or special committee to be public.

Under its terms Senate committees, however, would have been permitted to vote, in open sessions without the use of proxies, to close a meeting if one of five specific issues would be raised in the course of the meeting: namely, if the subject or testimony, first, "will disclose" national defense or foreign relations secrets; second, "will relate" to committee staff matters; third, "will tend to charge" a person with a crime or misconduct; fourth, "will disclose" an informer's identity; or fifth, "will disclose" commercial or financial secrets.

The Committee on Rules and Administration version of the resolution, on the other hand, permits the meetings to be closed if the subject "may relate" to national security, "may tend to reflect adversely" on an individual, or "may divulge" confidential matters. Lawyers will recognize immediately the significance in the wording. These Committee

on Rules and Administration version of the resolution permits an unacceptable degree of latitude in closing committee meetings. The interests of an informed public, and even an informed Senate, require more stringent guidelines to close committee meetings.

It is also important to note that in voting to close committee meetings, the Rules Committee version would permit the use of proxy votes. It is difficult to understand how a Senator not present at the meeting could be fully aware of the subject requiring the meeting to be closed. A Senator voting by proxy is not able to hear the arguments favoring or opposing an executive session. Our resolution as originally introduced did not permit the use of proxy votes. But these are not the only objections to the committee version of the resolution.

The committee version limits the open meeting rule only to standing Senate committees; our version made the open meeting rule applicable to special and select committee sessions as it sees fit. There is no safeguard in the committee version to prevent a Senate committee from adopting rules whereby virtually all meetings could be closed to the public. Not only does the committee version allow for an increased number of closed committee sessions, and a continuation of proxy voting, it also encourages a needless diversity in committee procedures when the intent of our reorganization acts has been to rationalize and standardize the legislative process.

The removal of all mention of legislative procedure from Senate Resolution 9 is also regrettable. Our version of Senate Resolution 9 contained procedures for keeping accurate transcripts of all committee meetings, as well as provisions by which the decision to close a meeting could be appealed to the respective House. Under those provisions, each House would have a select committee on meetings, composed of both its parties', leadership and presiding officer, which if it decided that a meeting had been closed without sufficient justification, could recommend to its parent body that the committee's decision be reversed and that the meeting be open, the transcript made public, or both.

The appropriate House would have to concur in this recommendation for it to take effect. S. 5 also proposed a joint select committee to propose remedial action for joint and conference committees. But, with no comparable language inserted in Senate Resolution 9, no transcripts of closed meetings need be taken, no avenue of appeal exists, and a meeting closed for whatever justification remains secret.

The language removed from S. 5 also contained provisions for open joint committees. Without that language, the deliberations, for example, of the Joint Committee on Atomic Energy could regularly be closed to public scrutiny.

If we are to prepare a comprehensive energy policy, the public needs to be informed of the deliberations of this important joint committee. S. 5 as it now stands could not guarantee the public's right to know. Moreover, S. 5 as reported from committee would continue the prac-

tice of closed conference committee meetings. It is in the House and Senate conferences that the final form of legislation is determined. In closed conference, major items in bills are retained or removed often without public knowledge and too frequently with little publicity.

Earlier in this session, both Houses went on record as favoring the concept of open conferences, but have done little to implement those promises. The removal of open-meeting joint and conference committee rules from S. 5 is another failure to implement well-advised reforms.

In my remarks made at the time S. 5 was introduced, I observed that

Secrecy in Government has become synonymous in the public's mind with deception by the Government.

The form in which S. 5 and Senate Resolution 9 were reported by the Rules Committee cannot help but continue this public perception because Congress fails to apply to itself the same standards that it requests of the executive branch. When are we going to admit that this kind of double standard is unacceptable? Now that people are particularly aware of the fact that things can go wrong in the governmental decisionmaking process, it is incumbent upon the U.S. Senate to show them that we are willing to eliminate the practices which have fostered ill-advised decisions.

We can show this willingness by rejecting the Rules Committee version of Senate Resolution 9 and again making the Congress subject to the same "sunshine" requirements that we must, and plan to, require of the executive branch.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, 2½ years ago, I joined Senators CHILES, HUMPHREY, and others in offering an amendment to require a general rule opening most Senate markup meetings to the public. That amendment was narrowly defeated, although we were successful in getting the Senate to permit individual committees to open their mark-up meetings at their own discretion. Today the Senate has an opportunity to reverse that mistake and join our colleagues in the House of Representatives in requiring committees to be open and in opening conference committees.

In my judgment, there are serious defects in the proposal of the Committee on Rules and Administration.

The most serious defect, in my judgment, in the Committee on Rules and Administration proposal, is its provision to allow individual committees to adopt rules different from the proposed general Senate rule favoring openness. This would encourage the development of a haphazard system of individual rules for individual committees. The legislation Senator CHILES and I are proposing would give the private citizen the same basic right of access for all committees.

When committees are closed to the

public, it should be because of the nature of the specific issue involved in that meeting, not because the prevailing sentiment in that committee is for open or closed meetings.

Everyone agrees that there are certain matters—where national security or defense secrets are involved, or personal privacy, or details of an on-going negotiation—that require confidentiality in the public interest, and I emphasize the words public interest. That is not the issue. We provide flexibility in such cases. The question here is whether any committee should be allowed to operate in secrecy when ordinary business is being transacted and when there is no compelling reason for confidentiality.

I agree with Patrick Henry who once said:

To cover with a veil of secrecy the common routine of business is an abomination in the eyes of every intelligent man.

The business of Congress is public business. We are accountable not just for the decisions we take as a collective unit, but we are also accountable as individuals for our votes in committees and conference committees, for the amendments we propose in committees, and for the positions we take. When part of the legislative process is unnecessarily hidden from the public eye, then part of that accountability is lost to the voter.

I believe that when we rid the government of unnecessary secrecy, there will be greater respect for the times when confidentiality is essential.

It is especially fitting that the "sunshine proposals" should come for a vote the day after when many local elections took place. Elections are the most basic institution of our participatory democracy. The rules change which Senator CHILES, I, and many others are proposing would guarantee that the voter would have the fullest possible access to the entire legislative process consistent with the need for protecting certain, limited, special categories of information. This rules change will help give the voter the information he needs to make intelligent decisions and help educate the public about the procedures of Congress. Most important of all, I believe and hope it will help bridge a chasm between Washington and the rest of the country and make the voter in Lewes, Del., or Crescent City, Calif., feel that the Federal Government is indeed his government.

Mr. President, I point out that in both committees on which I serve, the Committee on Government Operations and the Committee on Finance, the current practice has been to adopt an open rule. Despite the reservations many people on both these committees had at one time, I think it can be said with all fairness that we have found that the open rule has in no way inhibited the free discussion and the transaction of important legislative business. Instead, it has promoted an openness and the opportunity for everyone to know what those committees are doing.

For that reason, I urge my colleagues to reject the Rules Committee amendment to Senate Resolution 9 and restore the original language.

Mr. CHILES. Mr. President, I yield to the Senator from Maine.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. CHILES. Such time as is needed for colloquy.

Mr. MUSKIE. Mr. President, I rise principally on the basis of the experience I have had in the Committee on Government Operations and the Budget Committee in open meetings, including markup and conference sessions.

I had some of the misgivings that other Senators have had and have experienced on the floor of the Senate with respect to a consistent open rule, but under the experience we have had for the last 3 years, beginning with the writing of the Budget Control Act in the Committee on Government Operations 3 years ago—and since then in the Government Operations Committee and in the conduct of business in the Budget Committee—we have operated fully with an open meeting rule, consistent with the original text of Senate Resolution 9.

Despite the warnings last year that open meetings would inhibit frank discussion and compromise in the committee, I have found just the opposite. Open meetings have encouraged responsible decisionmaking. They have improved our access to public opinion, and they have broadened both the debate and public involvement in deciding where our tax dollars will be spent.

From the point of view of the media, I find that they have found these open sessions extremely enlightening in terms of understanding some of the complex issues and problems with which we have had to deal in this new budget process.

We in the Budget Committee also have had open conference sessions with the House Budget Committee on the first concurrent resolution. That, by traditional standards, surely was a hazardous undertaking. This was a new process which Congress had never undertaken before. We had gotten through our respective Houses successfully and survived; but in connection with the question of accommodating the kind of debate and compromise in conference which we had come to expect in the tough kinds of confrontation we have between the two Houses, there was some danger that the process might be perceived as extremely provocative, abrasive, divisive, chaotic, or what have you.

There was some fear that having open conferences with those risks was a hazardous undertaking. On the contrary, I think the press were impressed by the fact that we were able to disagree constructively, that we were able to debate our disagreements and reach constructive conclusions. I believe that the general reaction of the press, insofar as I was exposed to it, was most positive.

So I say to the Senate that, as the one committee which has operated under the open rule that was put into our charter, into the statute which created the process, the experience has been wholly positive, without any negative implications whatsoever.

It is on the basis of that experience, Mr. President, that I joined in cosponsoring Senate Resolution 9; and it is on the

basis of that experience that I urge the Senate to adopt that kind of open rule for all Senate committees. I see no risks in it.

I believe that the five reasons stated in Senate Resolution 9, in the original text, for closing meetings, are sufficient to protect any real need for closed meetings that anyone could conceivably conjure up.

I ask unanimous consent that those reasons be printed in the RECORD.

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

"(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disagree or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires that information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt."

Mr. MUSKIE. Mr. President, I intend to vote to reject the Rules Committee language contained in Senate Resolution 9 that would limit drastically the open Senate meeting provisions in the Government in the sunshine bill.

In doing that, I hope that we can restore the original language approved this summer by the Government Operations Committee, which would require open meetings by Senate committees, joint committees, and conference committees, except in certain circumstances.

As a long-time supporter of open committee meetings, I believe that failure to reject the current language of Senate Resolution 9 would mean a giant step backward in meeting our obligation to

open up the decisionmaking process in Congress.

I am especially concerned because the current language would repeal the provision of the Budget Reform Act that requires open meetings by the Senate Budget Committee.

As Budget Committee chairman, I can testify to the success of our present open meetings rule. I want to see that requirement continued.

Despite warnings last year that open meetings would inhibit frank discussion and compromise in the committee, I have found the opposite. Open meetings have encouraged responsible decisionmaking. They have improved our access to public opinion. And they have broadened both the debate and public involvement in deciding where our tax dollars will be spent.

Mr. President, it might help to remember the times we live in.

We have never, in modern times, seen public confidence in Government so low. We can congratulate ourselves for our conduct in exposing Watergate corruption, but we cannot rest until we take the affirmative steps necessary to restore public confidence in Government.

Louis Harris stated recently that 63 percent of Americans report that "the people running the country do not care what happens to you," up from 33 percent in 1966. Forty-one percent report that "I feel left out of things going on around me," up from only 9 percent in 1966.

During that same period, the number of Americans who expressed great confidence in Congress went from 42 percent to 13 percent, and in the executive branch, from 43 percent to 13 percent.

Finally, 85 percent of all Americans feel that most politicians are afraid to tell it like it is, to tell the public the hard truth about the key problems of today.

While Harris found deep frustration with Government, he also found a deep desire by people to participate in Government—to be let in on the hard facts, and have a chance to make an impact on Government decisions.

That deep frustration is very real, I can say from personal experience. I have seen it first-hand among the voters in Maine, as I am sure all of you have seen it in your own States.

I do not know many of those frustrated citizens who would be satisfied with the current language. It shows a clear double standard in stating, "OK, the executive branch better open up its meetings, but we will keep ours closed."

That kind of double standard certainly will not help restore confidence in Congress.

The public instead would be moved to ask, "What is the Senate afraid of? Is it afraid to tell us where it stands on issues? Is it afraid to show us how Government works? What has it got to hide?"

Indeed, Mr. President, what have we got to hide? If any of us here are afraid to tell people how things really are, then we are in the wrong business. We are certainly not cut out for a career of public service.

Remember also that we are not taking a perilous step into the unknown. By

adopting an open meeting requirement, the Senate would simply be catching up with the House, which requires all committee meetings to be open, unless a majority votes to close them. We would be catching up with several Senate committees, and with many State and local governments which long ago adopted and used successfully the principle of open meetings.

Once the current language of Senate Resolution 9 is rejected, I will urge adoption of the sunshine bill, S. 5.

We must enact a sunshine bill that opens up congressional committee meetings, that requires open meetings by executive agencies, including meetings to conduct hearings, and that prohibits ex parte contact in any on-the-record agency proceeding.

Once we have completed that task, we can be proud to have reaffirmed the general principle that the people must decide. We can be proud to have taken a simple, but profoundly important step toward restoring faith in Government.

Mr. President, I should like to ask the Senator from Florida one question, so that I might understand fully the meaning of the committee amendment.

Mr. CHILES. I yield.

Mr. MUSKIE. I have listened to the distinguished chairman, Senator CANNON, as to his interpretation of the committee language; and I was reassured at least by the general intent that Senator CANNON expressed. But as I understand this language, what troubles the Senator from Florida—and if it is correct, it will trouble me—is this: The committee language would permit any committee to close any meeting for any of the five reasons stated in the original text of Senate Resolution 9, or for no reason at all—simply because a majority of the committee wished to close that meeting. Am I correct?

Mr. CHILES. I think that is correct. It would also allow a committee, at the beginning of a session, in adopting its rules, to just adopt a rule that all its meetings would be closed, period.

Mr. MUSKIE. It could adopt a rule that would close its meetings for the session?

Mr. CHILES. For the session; that is correct.

Mr. MUSKIE. Without the necessity to reconsider that position at subsequent individual meetings?

Mr. CHILES. I think that is correct.

Mr. MUSKIE. That is the way I interpreted it. I ask the Senator from Nevada about that.

Mr. CANNON. I wish the Senator would ask me, as chairman of the committee, because I say that the interpretation is categorically wrong; and a reading of it will make very clear that it is wrong. The author of the amendment is here, and he can speak to it himself.

Mr. MUSKIE. May I read the language that troubles me and ask the Senator?

Mr. CANNON. Certainly.

Mr. MUSKIE. The language begins, "Each meeting," and then I go to line 22: shall be open to the public unless any such committee or subcommittee thereof in open session determines by a record vote of a majority of the Members of the said committee or subcommittee that the proposed meeting

shall be closed because of the nature of the matter to be considered by that committee or subcommittee.

What troubles me about that language is that the words "nature of the matter" are not defined. "Nature of the matter" undefined could mean anything that any Member suggested as a reason.

Is it that loose, may I ask the Senator?

Mr. CANNON. No. I say categorically that it is not that loose.

It relates back to the premise which is substantially the same as the premise of the Senator from Florida, which follows:

unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or government regulations.

In other words, we start with the premise that the meeting is open, and it does leave to each committee the right to adopt its rules at the beginning of the session, if it so desires, in which event it would have to take action in open session and specify under what terms and conditions, subject to this limitation, it could close the meeting by majority vote.

Mr. MUSKIE. I should like to follow my question with another.

The Senator from Nevada has said that the words "nature of the matter" are intended to be defined by the language on page 3, lines 18 through 22. Does that language also apply to meetings other than hearings? Because that language in parentheses on page 3 appears to modify only the word "hearings." I am concerned, also, with conferences and markup sessions.

Mr. CANNON. It does refer to both. Most of the committees already have prescribed the hearings to be open. "Meetings" is all inclusive, and includes the term "hearings."

The Senator has pointed out a problem that, in my judgment, is not precisely in this one, but it relates to the conference committees with the House which he mentioned earlier.

I ask this of the Senator: Did he ever, in connection with a conference with the House, have a caucus among some of the majority or minority members of the conference to try to determine the position?

Mr. MUSKIE. With respect to the Committee on the Budget?

Mr. CANNON. Yes.

Mr. MUSKIE. I think we probably did.

Mr. CANNON. I am sure that they did, and I am told that they did. This points up the fallacy and the difficulty of the whole proposition. I am serving, right now, as a member of the conferees on the Energy Committee, as is the distinguished Senator from South Carolina, who just came in.

Mr. MUSKIE. I am a member, too, although I have not been able to attend.

Mr. CANNON. We acted immediately, when that conference was organized, to open the meetings to the public. Then what did we do? We had to get confidential information that could be presented to make an assessment as to what our position would be. We had to find out the

position of the administration. We had to find out the position of the House. We have had caucuses, we have had one every day. I have one right here, on my schedule for tomorrow morning. We had to develop in closed caucus, if you will—we can call it anything we want, but we had to develop a position that would permit us to go into the conference and try to develop some legislation out of that conference.

I am simply saying that we are using a lot of fancy terms as window dressing and we are going right around and doing the same thing. Sure, that energy conference is open and the room is filled there. One cannot get in without walking in the back and going down the aisle and fighting one's way in. I have attended a lot of caucuses to try to develop a position, to consider the administration's position, to decide how far we can go, what kind of a compromise we can get, to be briefed by the staff people on the effect of these things. Then we go in and present our position in open conference, in open session—which I approve of. Any votes that we take will be voted there in open session.

Mr. MUSKIE. I think that is a matter that can be covered—matters similar to that are covered by the second exception to the original resolution, that a meeting can be closed for the purpose of discussing or taking testimony that will relate "solely to matters of committee staff personnel or internal staff management or procedure." It is a simple matter to add language that will cover the contingency that the Senator describes.

May I say that I think it was in the spirit of that that we held our caucuses—very few caucuses, I might say—in the conference on the Committee on the Budget.

If we go to the other side, there is some need for privacy in developing matters for negotiation. I would not challenge that. But I do not think the need for that kind of exception justifies adopting a rule that will permit broadening the exception, to closed meetings for frivolous reasons.

Mr. CANNON. But the Senate's proposal does not permit that. A lot of people have read into it things that it simply does not do.

Mr. MUSKIE. Let me read the next language, which troubles me more than the language we have just been discussing. This begins on line 4 of page 4:

... unless any such committee shall, following the appointment of its membership at the commencement of each Congress, adopt rules specifically prescribing a different procedure to protect its own needs and at the same time conform to the public interest ...

It seems to me that, on its face, that language would permit a committee to adopt a closed rule for the remainder of the session.

Mr. CANNON. I say to the Senator, that was not the intent and that is not our advice from our drafting people as to what it does. It certainly was not intended.

In other words, the intent was that a committee could adopt, at the beginning of a session, a rule with relation to these exceptions.

Mr. CHILES. Mr. President, I understand this is all on my time right now.

The PRESIDING OFFICER. The time of the Senator from Florida has expired and the Senator from Nevada has 20 minutes.

Mr. CANNON. Mr. President, if we need to carry it further, I shall yield further time on the bill.

Mr. MUSKIE. I do not need additional time myself, but I think the answer to that question would be very helpful to me. I am not challenging the Senator's intent, but that language that I just read is particularly troublesome to me. It is really of more concern than the earlier language, which I think the Senator probably has covered by interpretation. This language would seem to open the doors to closed rules, and that troubles me.

Mr. CANNON. I am advised by our drafters and by our Parliamentarian Emeritus that it relates back to previous language on line 18, page 3:

(unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or Government regulations),

That simply says that if a committee wants to adopt a rule at the beginning of the Congress to govern its procedures, it can do it then, rather than come in and say, "We have a hearing today and we want to consider the terms of the Manhattan Project and therefore, I will put a motion to have us go into closed session."

That is the sort of thing that I think would encumber the work of the committee by having to act each precise time it wants to go into closed session. If it has adopted a rule—for example, I serve on the Committee on Armed Services. I should think that the Committee on Armed Services would want to adopt a rule—which, incidentally, must be adopted and voted on in open session—at the beginning of the session that says that when a matter involves the national security of the United States, the chairman shall have the authority to call an executive session of the committee, and let the committee vote on that as a rule. If they approve it, then he would have that authority to say, "The hearing today involves matters involving national security or classified information"—which is the same thing—"and therefore, the hearing will be closed."

Really, the difference between the amendment of the Senator from Florida and the amendment of the Senator from West Virginia, or their positions, is very negligible. In both instances, the hearing would be open, the meeting would be open, unless action is taken to close it. Substantially, in both instances, the reasons for closure are the same.

The basic differences are two: One, the amendment of the Senator from West Virginia leaves out special committees and select committees that ought not to be in there. When we form a special committee on the floor of the Senate, we give them instructions.

I imagine that when we formed the select committee for the investigation of

the CIA, we did not want to write in there that they had to hold all their meetings in open session, because they certainly could not do it effectively, in my judgment. Therefore, those things ought to be considered at the precise time.

On the other hand, if we form a select committee to investigate the Small Business Administration or matters relating to small business, it would seem to me that those meetings ought to be held open. So that is one difference.

The other difference is this: the committee could act at the beginning of the session, in open session, to adopt a rule and say, "Under these conditions, we will now vote to approve a rule to permit that type of procedure." If they do not do that, and they would not do it under the amendment of the Senator from Florida, each time that they go into a meeting and start a meeting open, they define what the reason is that they need to close it and vote on it at that time.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. May I comment on that?

Mr. CANNON. First, let me give the Senator an opportunity to comment on that.

Mr. MUSKIE. Just 30 seconds, because I have used up more than my fair share of the time.

I still think that language is subject to the interpretation that I put upon it, and I think that either ought to be stricken or modified to indicate more clearly the intent which the Senator has just spelled out, and which I think is a vast improvement and expresses what the committee had in mind in the language of the bill. I think we ought to adopt a rule here today that will govern committees, that it ought not to be an open question at the beginning of each session of Congress. We should adopt it now and establish it so that we can become accustomed to it and use it and not leave it open to further juggling in subsequent Congresses. That is my own view of that language.

Mr. CANNON. I certainly would have no objection, though I do not know about the Senator from West Virginia, to inserting, after the word "interest", "in accordance with the limitations in this paragraph heretofore set forth."

Mr. MUSKIE. Why should the question be opened at each session of Congress?

Mr. CANNON. Because a committee may, from 1 year to 1 year, decide to change its basic rules. Almost every committee adopts rules to govern its procedure at the beginning of Congress. The matters relating, for example, to Armed Services Committee matters, 3 or 4 years ago, all would have been thought to be classified. Yet in my own Tactical Air Power Subcommittee, we have held a lot of our hearings open this year because we have been able to direct the administration to come up and prepare to testify in open session, and then only hold closed sessions when we had to go in for strictly security matters. So times change. This is why I do not like to see something fixed here. We want to leave that up to that committee and its members to determine.

You are going to have to assume that

every member of a committee is operating in good faith. I think you also have to assume that secrecy is one thing and confidentiality is another. We saw the results of secrecy in the Watergate affair, and that is what brought this whole thing on. We do not want to see that again.

But we must recognize that there has to be some confidentiality in matters. The Attorney General just a short time ago said, "A duty of complete disclosure would render impossible the effective operation of Government."

Mr. PERCY. Mr. President, would it be all right with the majority if I yielded myself a few minutes so I can make my opening statement and then we can get to go into the details of the bill?

Mr. President, the bills before us today, Senate Resolution 9 and S. 5, are the products of many long months of work by the Senate Government Operations Committee as well as the Senate Rules Committee. I would like to pay particular tribute to those members of the Government Operations Committee who have contributed so much to this legislation. Senators CHILES, WEICKER, and ROTH have been working on this legislation since the subcommittee stage and are to be highly commended for their efforts. Senators RIBICOFF, JAVITS, and BROCK also took active roles within the full committee and helped to draft this legislation. It has been a pleasure to work with all of them.

I would also like to compliment the staff of the committee, both majority and minority, and staff personnel from the Justice Department and the Office of Management and Budget who have worked long and hard in this effort.

I would like to divide my remarks into two parts—first, comments on Senate Resolution 9, and then later, when it is called up, on S. 5.

SENATE RESOLUTION 9

Using the original Senate Resolution 9 as a starting point, the Government Operations Committee included as title I of S. 5 this year strong provisions requiring the committees of Congress to be open except for certain specified reasons. Title I included all standing, select, and special committees of the Senate and any subcommittee of such a committee. Committee meetings would have to be open to the public unless the committee or subcommittee votes to close the meeting based on one or more of five specific grounds: First, national security; second, personnel matters; third, personal privacy; fourth, law enforcement secrets; or fifth, trade secrets. Joint committees are also included with the same reason for closing meetings. Conference committees are also mandated open unless the managers of either House vote to close them. In the case of conference committees, no specific reasons are necessary.

When S. 5 was referred to the Rules Committee, title I was split off from S. 5 and then reported out as Senate Resolution 9, which is before us today. However, the Senate Resolution 9 on the floor today is neither the original Senate Resolution 9 nor is it title I of S.

5 as reported by the Government Operations Committee.

The PRESIDING OFFICER. Will the Senator from Illinois suspend. On whose time is he proceeding?

Mr. PERCY. I yield 2 minutes on the resolution.

The PRESIDING OFFICER. On which?

Mr. PERCY. Senate Resolution 9, the resolution before us.

The PRESIDING OFFICER. It is the Chair's understanding that the time on Senate Resolution 9 is under the control of the Senator from Nevada. Does he yield to the Senator from Illinois?

Mr. CANNON. I do not have the time on both sides of it. I have it only on one side.

The PRESIDING OFFICER. The time on the other side, I am advised, has expired.

Mr. CANNON. Not on the resolution itself. That was on the amendment. The committee amendment is pending and there is time on the resolution under the unanimous-consent agreement.

Mr. PERCY. Is there not 1 hour on the resolution?

The PRESIDING OFFICER. There is 1 hour on the resolution. The time is equally divided between the Senator from Nevada (Mr. CANNON) and Senator ROTH and Senator CHILES, and their time has expired.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished chairman would have no objection, I would suggest that we expand the time a little bit.

TIME FOR DEBATE EXTENDED 30 MINUTES

Mr. President, I ask unanimous consent that the time allotted to Mr. CHILES be extended for an additional 20 minutes, and 10 minutes to the chairman.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Does the Senator from Florida yield to the Senator from Illinois?

Mr. CHILES. I yield.

Mr. PERCY. The Rules Committee version of Senate Resolution 9 covers only standing committees or any subcommittee of a standing committee. It does not cover select or special committees. It does not cover conference committees. It does not cover joint committees. It also eliminates a uniform set of rules for all Senate committees by stating that the above provisions shall apply unless the committee adopts a different set of rules at the beginning of each Congress "to protect its own needs and at the same time conform to the public interest." This would mean that any committee of the Senate could set whatever rules it wanted for itself. Not only would there be no uniformity among Senate committees, but committees could even set rules less conducive to openness than they now have.

Therefore, Mr. President, I feel that the Senate should reject the Rules Committee version of Senate Resolution 9 so that we can then go back to the original text of Senate Resolution 9 as the bill under discussion today. I will be working with my colleagues on the Govern-

ment Operations Committee today to attempt to have strong open committee provisions.

The Government Operations Committee adopted a strong open committee rule at the beginning of the 93d Congress which has permitted public access and exposure to the work of the committee. The work of the committee has not suffered due to openness. Indeed, I feel it has definitely been enhanced. I feel that no one need fear having his committee meetings open. But, in cases where national security, personnel matters, personal privacy, law enforcement secrets, or trade secrets are involved, a committee can vote to close its meetings. But the presumption in what we are trying to do today is openness, unless the necessity arises to close a meeting, not the other way around.

Mr. President, just in closing, I would like to say I have listened with great interest to some of the objections. It is very fortunate that the Government Operations Committee has operated under this rule all this year. It has the Permanent Investigating Subcommittee dealing with highly sensitive matters, and at no time were our procedures not adequate to meet the needs; and at no time have we been subjected to criticism.

I feel this period of testing we have had now with the Government Operations Committee in all of the work of our committee in many areas, highly sensitive, have definitely proven the value of this procedure.

Mr. President, I ask unanimous consent that John Pearson, of the staff of the Government Operations Subcommittee on Permanent Investigations be granted access to the floor during the debate and votes on Senate Resolution 9 and S. 5.

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

Mr. CHILES. Mr. President, I yield 3 minutes to the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I want to give very high praise to Senators CHILES, ROTH, and PERCY for making this resolution possible.

I rise in strong support of Senate Resolution 9 as originally introduced by Senator CHILES and in opposition to the substitute wording adopted by the Rules Committee.

As representatives of the people in a democracy, the Senate has a special obligation to conduct its business in a way that is fully open to the public. The public has a right to know what its representatives are doing when they conduct the people's business. Senate Resolution 9 would translate these principles into reality in compliance with the vote this year in both the Democratic and Republican caucuses.

Senate Resolution 9 is patterned very closely on the rules governing the meetings of the Senate Budget Committee which the Senate approved last year by a vote of 55 to 26. It would require all meetings, including hearings, of each standing, select or special committee to be open to the public. It would allow, however, Senate committees to vote in open sessions to close a meeting for certain specified reasons wherever neces-

sary. These grounds cover such matters as national security, invasion of personal privacy, staff personnel, trade secrets, and law enforcement investigations.

A similar provision was contained in title I of S. 5 which the Government Operations Committee unanimously reported on July 31.

The Government Operations Committee has conducted all of its full committee markups in open session for 2 years. As chairman of the committee, I firmly believe that the practice has been beneficial to the committee and to the public. I firmly believe that the practice has not inhibited the committee's discussion or unnecessarily lengthened its meetings.

As a matter of fact, just to the contrary. Every member of the committee realizes that it is open, and there is very little time wasted. The discussions are pertinent and to the point and, from my experience as chairman of the committee, I find that our work has been expedited instead of having been delayed.

Open meetings allow the press and the public to learn exactly what action the committee takes and why. The chance for news leaks and distorted accounts are eliminated. Any chance that secrecy will lead to public distrust or suspicion is avoided.

Other committees have also adopted open meeting rules. The Senate Committee on Banking, Housing and Urban Affairs, and the Committee on Interior and Insular Affairs have had similar rules since 1973. The Senate Budget Committee has followed a rule of openness since it was created last year.

These committees have successfully considered a number of important bills in open sessions such as the Urban Mass Transportation Act (S. 662), the National Housing Act (S. 1271), strip mining legislation (S. 7), and Outer Continental Shelf legislation (S. 521).

The experience in the House indicates that the great majority of the committee meetings may be open to the public. In 1972, about half of all committee meetings in the House were closed. Since the House changed its rules in 1973 to create a presumption of openness, however, about 90 percent of its meetings have been open. This shows that openness is widely applicable to all committees regardless of the nature of their work.

As a participant in a number of open conference committee meetings last year I also know that open meetings do not hinder the work of conferences. Twelve conferences successfully met in open session in 1974. The House has already approved a rule that would make conference committees open unless the managers for either the House or Senate voted to close them.

Legislatures in some 35 States have laws making the deliberations of legislative committees open to the public.

Clearly open government is not a notion that must be limited to just one House or to just one type of committee.

Today the Senate should not miss its opportunity to also go clearly and definitely on record in favor of a rule of openness.

This rule of openness should be generally applicable to all Senate committees. The Senate should agree on the general reasons which justify a committee closing its meeting and establish the principle that each meeting should be open unless it falls within any of these reasons. Senate Resolution 9 as originally introduced would do all this. At the same time the resolution will allow any committee to conduct its business in private where necessary.

The rules governing hearings presently require a committee to meet in the open unless it must close the meeting for one of three specified reasons. To my knowledge, committees have had no difficulty operating under this rule. There is no reason why the Senate should have significant difficulty operating other committee meetings under a similar rule.

The full Senate has always considered, amended, and passed legislation in public session. There is no reason why the Senate's preliminary, but equally important consideration of the same legislation in committee should not also be open to the public.

Senate Resolution 9 will still let each committee close a meeting where necessary. But only approval of Senate Resolution 9 as originally introduced will put the Senate as a whole in favor of openness in the Senate as a whole. This is the way it should be. The people have a right to know whether the entire Senate is willing to take forceful action to open its committee proceedings to the public, not just whether a few committees are willing to do so.

Senate Resolution 12, a companion resolution to Senate Resolution 9, would establish the same important principle of openness for conference committees. At the same time, it preserves the right of the Senate managers to close any conference it feels must be closed. It makes equally good sense.

In 1913 Woodrow Wilson characterized legislative secrecy in the following way:

Those are private processes. Those are processes which stand between the people and the things that are promised them, and I say that until you drive all of those things into the open, you are not connected with your government; you are not represented; you are not participants in your government. Such a scheme of government by private understanding deprives you of representation, deprives the people of representative institutions. It has got to be put into the heads of legislators that public business is public business.

I strongly urge the Senate to vote for a meaningful policy of openness.

I strongly urge the Senate to support Senate Resolution 9 as originally introduced, and to adopt a rule requiring conference committees as well to be open to the public.

Now, Mr. President, I see my distinguished chairman of the Finance Committee here, and I know there were great questions raised by many members of the Finance Committee concerning open sessions.

Yet, as I look back at the open sessions we have had—and I would say the inclination of our chairman of the committee is to have as many open sessions

as possible—it has not delayed the work of the Finance Committee either; these complex matters in open session have expedited the work and, I believe, the open sessions have brought better work from the committee than closed sessions.

Mr. LONG. Mr. President, will the distinguished Senator yield?

Mr. RIBICOFF. Yes.

Mr. LONG. Mr. President, I am happy to continue the open sessions as long as we have a rule that that does not preclude us from doing certain things we should do.

For example, the proposal that was made by the Senator and his cosponsors in the beginning—

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. LONG. Mr. President, I ask that I be allowed 1 more minute.

The PRESIDING OFFICER. The Senator from Nevada is yielding. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, there is more than meets the eye here. For one thing, this proposal should be amended to conform to the rules of the Senate. The rules of the Senate place a burden on the Presiding Officer to clear the galleries if they are engaging in a demonstration that prevents the Senate from moving in an orderly fashion, and this proposal should be similarly amended.

I have never seen a case where the Presiding Officer was forced to clear the galleries, but if the Presiding Officer does not have that power, then it is almost a standing invitation for someone to break up any meeting by just conducting a disorderly demonstration. That should be taken care of.

Furthermore, this proposal fails to make clear that a closed meeting should be held where we are discussing the negotiating position of the United States in an international conference.

The Senator is well aware, for example, that those who come to tell us what we hope to achieve in these trade negotiations should be expected to tell us not only what the position of the United States is, but what the fallback position would be, what we think we would settle for if we cannot get what we are asking for.

I really do not think that they could hope to protect this Nation's interest and discuss these matters with us unless they could do so confidentially, otherwise, I think they would have to refuse to tell us.

Mr. RIBICOFF. If the Senator will yield, I agree with him, but I believe the committee took care of that by one of the exceptions:

Matters relating to trade secrets or financial or commercial information.

It is my feeling that that, together with—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. STONE. I seek 3 minutes.

Mr. CHILES. I yield 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The

Senator from Florida is recognized for 3 minutes.

Mr. STONE. Mr. President, the chairman of the Rules Committee has just attempted to make a distinction without a difference in saying that secrecy is bad, but confidentiality is good.

That is the same thing that the most recent President was trying to do in calling the shield of secrecy "executive privilege."

What it is is attempting to call something confidentiality and in reality claiming legislative privilege.

When this Senator, with the chairman of the Interior Committee, sought to open the energy conference now in progress to the public, several protested that opening such a sensitive conference—it is probably the most vital conference that we have had this year—that opening it to the public would bring on grandstanding and outside pressures and a delay of the work.

Instead, within 1 day after the conference was open and commenced, Chairman HARLEY STAGGERS of the House side, and the full conference, complimented all of the conferees.

The fact was that we were moving and we were moving rapidly, effectively and efficiently.

I understand how uncomfortable it must be in trying to dive into the ice cold pool of total openness. But in the State of Florida, where we have done that, we find that after a couple of laps of the pool, it gets to be very comfortable.

The fact of the matter is that the grandstanding that otherwise is predicted is put at a minimum because the public and its observers through the press catch it for or what it is.

So the junior Senator from Florida urges the defeat of this amendment and the sustenance and the passage of the basic resolution.

The PRESIDING OFFICER. The time has expired.

Mr. CHILES. I yield 4 minutes to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from Florida.

First of all, I join my colleagues in commending Senator CHILES, Senator STONE, Senator ROTH, and Senator PERCY for pursuing this matter with the diligence that they have, for also carrying their arguments to the caucuses of both the Democrat and Republican parties in the Senate earlier this year.

I think Senator STONE, by his statement refusing to participate in meetings which are closed, has pointed up this issue in a way which is increasingly understood and appreciated by the American people.

Mr. President, I vigorously support the efforts of the Senators to restore Senate Resolution 9 to the meaningful "sunshine" reform it should be if the Senate is to function as an open institution in our open form of government.

The question before us is a simple one—whether the public business of the Senate is to be carried out in public.

I believe that the time is overdue for our Senate committee meetings and our Senate conferences on legislation with

the House to be carried out in open sessions open to the public; subject only to the strict exceptions provided in Senate Resolutions 9 and 12 as originally introduced, and in S. 5 as reported by the Committee on Government Operations.

Secrecy is the enemy of democracy. It is also the servant of delay and incompetence, of obstruction and arbitrariness and corruption. Even worse, secrecy breeds the appearance of these serious evils, even when they may not exist in fact.

In ways like these, secrecy and the aura of secrecy undermine the confidence of the public in Congress and the institutions of our government, at a time when public confidence in Congress and government is already touching historic lows. We have to take a stand to stop the slide. We cannot afford to sink still lower.

Perhaps the most surprising thing about today's debate is that the debate is taking place at all. The reform efforts of recent years have taught us that Congress can function better, that Congress can improve its self-respect, and the respect in which the public holds us, by reforming our procedures and opening up our actions to public scrutiny and attention.

In a variety of ways, we have been moving in the Senate in recent years toward changes and reforms in areas like campaign financing, lobbying, and the control of the Federal budget. We are breaking the stranglehold of seniority on the committee system and committee chairmanships. We have formed an independent commission to study our Senate procedures and recommend reforms, and we are opening up government agencies to responsible requests for information from the public in the Freedom of Information Act.

Now we can take another major step toward improving the quality of action by Congress at two of the most important stages of our responsibility—our committee markup sessions, where the vast majority of the real business of Congress is carried out, and in our conferences with the House, where the final shape of bills is hammered out before they are presented to the President for his signature.

None of us need have any reservations about the impact of these reforms. A number of Senate committees and a number of Senate-House conferences have already experimented with open meetings and that point has been elaborated during debate. They have found the experience not only satisfactory but desirable—not least because committee members are more likely to arrive on time for committee sessions, and to arrive better prepared to do committee business. As a result, committee work is expedited, sessions are more productive, and Congress is better served.

The Budget Reform Act already requires that sessions of both the House and Senate Budget Committees must be open to the public. As the Senate Budget Committee has recently reported, the experience with open meetings has been so successful that these two new companion committees have agreed to open their

Senate-House conference sessions to the public, although they are not required to do so by the statute. In the case of Senate committee markup sessions, the CHILES proposals are carefully drafted to require all sessions to be open, except in the limited range of situations where closed sessions may be appropriate—such as national defense and confidential aspects of foreign policy, trade secrets, and other sensitive financial information, committee staff personnel matters, criminal investigations and charges of misconduct, and personal privacy considerations.

These exceptions will apply only if a majority of the members of a committee or subcommittee present at a markup session determines that they are applicable. The exceptions are carefully drafted to give generous protection to the legitimate needs of congressional business and the confidentiality of sensitive information. But they accomplish these goals without allowing the exceptions to swallow up the principle of openness, and without falling into the error of delegating too much latitude to each committee to close its business to the public.

In the case of conference committee sessions, the reforms proposed by the Roth amendment will require conference meetings to be open to the public unless a majority of either the Senate or House conferees votes to close them. As originally introduced, the provisions on open conference meetings contained exceptions similar to those applicable to Senate committee meetings. But the House of Representatives has already adopted a rules change for its conferees similar to the pending Senate proposal. Implementation of the House change is contingent on Senate action. Although I would have preferred to apply the same restrictive exceptions to open conference meetings as we are applying to open Senate committee meetings, I believe we should act at this time to adopt the Roth amendment. By such action, the open conference requirement will take effect immediately, without requiring further action by the House.

It is an understatement to say that these reforms are overdue. Unlike other institutional reforms in recent years, the Senate is well behind the House of Representatives on this issue. We are also well behind the States—49 of the 50 States now have open meetings laws, and more than two-thirds of the State legislatures require open committee meetings.

In fact, the Senate is in danger of being the caboose on this open government reform. By acting now to pass these measures, we can at least end that stigma, if not avoid it. And in the process, we shall become more accountable to our constituents than we have ever been before.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

If neither side yields time—

Mr. CHILES. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. What is the time situation now, Mr. President?

The PRESIDING OFFICER. The Chair says that as far as time on the bill is concerned, there are 14 minutes for the proponents and 11 minutes for the opponents. Half an hour on the committee amendment has not been used.

Mr. CANNON. Then, Mr. President, would it be in order to yield back the time on the committee amendment, at which time the committee amendment would be open for further amendment?

Mr. LONG. Mr. President, I ask unanimous consent that Mike Stern be granted privilege of the floor.

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

Mr. STEVENS and Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Chair is seeking to respond to the Senator from Nevada.

The Parliamentarian advises that if all time is yielded back on the committee amendment, then the committee amendment would be ready for a vote, unless there is an amendment to the committee amendment.

Mr. ROBERT C. BYRD. Mr. President—

The PRESIDING OFFICER. The Senator from West Virginia.

Does the Senator yield to the Senator from Alaska for a parliamentary inquiry?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I just wanted to inquire of the Chair whether it was possible to offer an amendment to the committee amendment before all time is yielded back in this situation.

The PRESIDING OFFICER. The Chair understands that the time would have to be used or yielded back before an amendment would be in order to the committee amendment.

Mr. CANNON. I am prepared to yield back the remainder of the time on the committee amendment.

Mr. CHILES. I am prepared to yield back the remainder of the time.

Mr. CANNON. If the opposition is willing, I am prepared to yield back the remainder of the time on the committee amendment in order that amendments would be in order.

Mr. CHILES. As I understand, the distinguished Senator from Nevada wishes to offer an amendment to the committee amendment and feels he cannot do so until time is yielded back?

Mr. CANNON. That is what the Parliamentarian has just said.

Mr. CHILES. If that is correct, though I do not understand it, I am prepared to yield back our time.

Mr. ROTH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. The committee amendment has not been accepted yet; is that correct?

The PRESIDING OFFICER. That is correct. The committee amendment has not been acted upon.

Mr. ROTH. Once there is a vote on it, if it is accepted, then it is open to amendment; is that correct?

The PRESIDING OFFICER. No. If the amendment should be agreed to, then it would not be subject to further amendment except by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President—

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is this an amendment to the committee amendment?

Mr. ROBERT C. BYRD. It is.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CANNON. Yes. I understand the Senator from Florida is willing to yield his time back, and I am willing to yield my time back on the committee amendment.

Mr. CHILES. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHILES. If the time is not yielded back, it would still be in order, once time had expired, would it not, for them to seek to amend the committee amendment?

The PRESIDING OFFICER. That is correct.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The amendment will be stated.

The legislative clerk read as follows:

On line 8, page 4, after the word "interest," insert the following: "in accordance with the limitations set forth above in this paragraph in parenthesis."

Mr. TAFT assumed the Chair at this point.

Mr. ROBERT C. BYRD. Mr. President, the purpose of this amendment would be to address the point raised by the distinguished Senator from Maine (Mr. MUSKIE) earlier during the colloquy so as to make clear that that portion of section 1(b), paragraph 1, relating to the adoption of a rule by any committee following the appointment of its membership at the commencement of each Congress would be based upon the justification set forth in the parentheses beginning on line 18, page 3, of Senate Resolution 9.

In other words, any standing committee or subcommittee at the beginning of each Congress could, following the appointment of its membership, adopt a rule specifically prescribing a different procedure to protect its own needs and to conform to the public interest, to wit, "Unless the testimony to be taken" at any hearing or meeting "related to a matter of national security or tended to reflect adversely on the character or reputation of the witness or any other individual, or divulge matters deemed confidential under other provisions of law or Government regulations."

Mr. President, I believe the matter is

clear. The Senator from Maine raised the question. I think it was a logical question and was a point well taken. This amendment is intended to abet that point and to clarify the language so as to make it clear that committees in adopting rules at the beginning of any new Congress could provide for closed sessions only under the circumstances as set forth in the verbiage contained in the parenthesis.

Mr. ROTH. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. If I understand what the Senator is trying to do, it is to apply the limitations on page 3 that are in the parenthesis to the following sections where there is a different procedure.

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. But if I also understand, so long as it falls within those limitations—I am not saying that it would—the committee rules could provide that a chairman alone could close the committee as long as it was within those restraints. Is that correct?

Mr. ROBERT C. BYRD. No, that would not be correct.

Mr. ROTH. Let me ask it a little differently.

Mr. ROBERT C. BYRD. The committee would have to authorize it.

Mr. ROTH. I appreciate that. A new committee is formed with its new members and they adopt the rule, according to the procedures set out in the section—

Mr. ROBERT C. BYRD. By a record vote.

Mr. ROTH. By a record vote—

Mr. ROBERT C. BYRD. And in open session.

Mr. ROTH. That the committee subsequently could be closed for national security purposes by action, let us say, of the chairman and ranking member together.

Mr. ROBERT C. BYRD. No.

Mr. ROTH. That is not correct.

Mr. ROBERT C. BYRD. If the committee authorized that, but that would be—

Mr. ROTH. That is what I am saying. Comes January and we have a new Armed Services Committee. They, in open session, by a majority rule, vote that the procedure will be henceforth during the current 2 years that the chairman and the ranking member can decide whether or not to close the committee for national security purposes. That could be done subsequently in closed session, if they wanted to do it.

Mr. ROBERT C. BYRD. Not the original action.

Mr. ROTH. I am not talking about the original action. I am talking about subsequent action. So it would be perfectly possible for one man to make that decision if the committee was willing to delegate that authority to the chairman.

Mr. ROBERT C. BYRD. If the majority of the committee, by a record vote in open session, authorized the chairman to do that, then that would be a rule of the committee for that Congress.

Mr. ROTH. In other words, there would be no limitations on the kind of procedures that could be set up.

Mr. ROBERT C. BYRD. Pardon?

Mr. ROTH. There would be no limitations on the procedures. I mean could a chairman not do it, or by a simple majority, or by less than a quorum?

Mr. ROBERT C. BYRD. Whatever the committee authorized.

Mr. ROTH. Whatever the committee originally authorized.

Mr. ROBERT C. BYRD. Whatever the majority of the committee originally authorized. But once in closed session a majority of the committee could also vote to open that session.

Mr. ROTH. Mr. President, it seems to me that that opens the door very, very wide. We could give very broad authority to one or two people to make as a general rule a closed session.

As a matter of fact, if I understand this, there would be no limitation as to how often they have to act on that. We are really closing the door very substantially by this proposed change.

Mr. ROBERT C. BYRD. No, the door is not being closed substantially or otherwise. In the first place, the majority of the committee would have to vote in open session by record vote to authorize the chairman to go into closed session and only then would he be authorized to go into closed session under certain well-defined limitations that are set forth in the language of the committee substitute.

At any time after such committee went into closed session, a majority of the committee would have the right to vote to open the session again. I call attention to the fact that under rule XXXV of the Standing Rules of the Senate, any Senator may ask that there be a closed session of the Senate. He does not have to state his reasons. It need only be that, in his opinion, ample and proper reasons exist to request a closed session. If that Member is seconded by a second Member, the Senate automatically goes into closed session, and the Chair orders the doors to be closed and the galleries to be cleared. Once in closed session, of course, a majority of the Senators can vote to go back into open session.

We are not requiring, in the committee substitute, that kind of a rule to apply to committees or subcommittees. But I want to call it to the attention of the distinguished Senator from Delaware that the present Standing Rules of the Senate do allow two Senators to put the Senate into closed session without any explanation of their reason, and that once in closed session, the majority may vote to go back into open session.

Under the rule proposed here by the committee, any committee could, at the beginning of a new Congress, establish a rule to authorize closed sessions to meet certain circumstances that might arise during the course of that Congress, and at any time a majority of the committee wished to open the sessions of that committee it could vote to do so, even though the matter thought to be sensitive was still under discussion.

The language I have proposed in my amendment to the committee substitute would clarify the intent of the subcommittee and the committee as to the meaning of the amendment. It would bring out that clear intent, and make it comport with the intent that the dis-

tinguished Senator from Maine expressed concern about, and that he felt ought to be the intent, although he did not agree with the chairman or with me, for that matter, as to what the clear intent of this verbiage is. This amendment would serve to clarify that.

Mr. MUSKIE. Mr. President, may I say, if the Senator will yield, the Senator from Maine does approve it to that extent, with one reservation, which I think represents the difference of view between the distinguished Senator from West Virginia and myself, which is that in my view we have had experience under the open rule that is sufficient to adopt it as a permanent rule, and the Senator believes, for the reasons he has expressed, that the committees ought to be given more flexibility than that. I think that, now, is the difference between us. But I think his amendment clarifying the limitations under which the Senate committees could exercise that flexibility has improved the language of the committee substitute.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia yield to me for a comment?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. I think the Senator's amendment to the committee amendment is a good one. But, addressing myself to the basic question which is raised in the choice between the original text and the proposed committee amendment, it seems to me that rule XXXV of the Senate points up a difficulty which I think many Senators may be overlooking.

It is recognized in all of these versions that there are some matters which legitimately should be handled and discussed in closed session: matters involving national security, matters that tend to defame or impugn the integrity of individuals, and so on.

Rule XXXV recognizes that the discussion and debate on whether or not a particular matter fits in that category is a matter to be discussed by the Senate in closed session. In other words, any Senator, with the support of another Senator, can close the doors of the Senate and call the attention of the Senate to information or details justifying why the matter should be handled in closed session.

I do not understand how, if a Senator believes that the matter about to be discussed involves national security, he is supposed to be able to convince his colleagues in open session that the matter involves national security. It seems to me that the arguments he would have to present would be of such a nature that they should be presented in closed session. If we recognize that the Senate as a whole would decide that kind of a question in closed session, it seems to me we are making it awfully difficult for a committee to make a similar decision which could be just as important.

I would not be quite so concerned if the so-called sunshine resolution followed the guidelines and provisions of Senate Rule XXXV. In other words, all meetings of the committees should be open unless upon motion of one Senator seconded by another, the committee would go into closed session to consider whether

the committee should proceed in closed session, and no other business could be transacted except to decide that motion.

Of course, as the Senator from West Virginia has pointed out, a majority could immediately turn around and vote to open it up, not having been convinced that there was justifiable reason to be in closed session.

With that kind of a question, I have difficulty in accepting the original version. I think the committee version is better, unless we would conform to the Senate rule in terms of the Senate as a whole.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired. The Senator from West Virginia has 15 minutes remaining.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CHILES. Would the Senator from Delaware agree if perhaps the Senator from West Virginia would be willing to consent? I do not think it goes as far as Senate Resolution 9 goes, and I would still oppose it, but I would think if we could adopt it by unanimous consent, we would be in a position of moving to the adoption of the committee amendment as amended.

Mr. ROTH. That would be agreeable.

Mr. GRIFFIN. Mr. President, I would object. I wonder if the Senator from Florida would address himself to the question I have raised. Because we would then be in a position of voting on the committee amendment, and would be at a point where it would be difficult to consider this question again.

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

Mr. GRIFFIN. I am glad to yield.

Mr. ROTH. Is the Senator suggesting that the original language would be acceptable to him, if we added an additional provision, I guess it would be section 5, providing that two members of a committee could close a session only for the purpose of deciding whether or not there should be a closed session? Is that what the Senator is suggesting?

Mr. GRIFFIN. That would certainly be an improvement. My question is, if you need a majority vote of the committee in open session to close the committee meeting, how do you, in open session, convince your colleagues that the matter they are about to take up involves national security? Are we supposed to do that in open session? That is the kind of situation in which we are going to put all committees of the Senate. I realize it is not very important in many committees. Maybe the Committee on Public Works never would have that kind of a problem. But other committees do.

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

Mr. GRIFFIN. I am glad to yield.

Mr. MUSKIE. We have not had experience with all contingencies covered by the five positions in the original text, but we had experience with some.

For example, with respect to item 2, which has to do with matters of committee staff personnel or internal staff management or procedure, when such matters arise involving a frank discussion of possible candidates for commit-

tee staffing, in my case the chairman advises the committee that that is the nature of the discussion that we are about to undertake and that I would recommend that we close the session for that purpose. We do not actually get into the detail of the matter. We do not have to make a case, deciding the substance of why we go into closed session. I would think that what was proposed to be discussed is classified information, and that the chairman advising the committee that what he wants to put before them is certain classified information is sufficient in and of itself to justify a vote to go into closed session. I do not think we have to go into great detail about the discussion that will take place. So I do not think it is quite as complicated as might appear on the face of it.

On the other hand, I think the Senator from Delaware, perhaps, has a useful suggestion to obviate the kind of problem that disturbs the distinguished minority whip. I certainly would be interested in pursuing that because it could conceivably, in some circumstances, create difficulties of persuading a majority to make a decision on closing the meeting.

Mr. GRIFFIN. There is nothing personal in this. But there are Senators who do not believe that any session should be closed—maybe I am wrong on that—and who would be very reluctant to go along only with the suggestion that something involves national security. They would want to be convinced. Are we going to convince them in private? Maybe that is what would be done. But that is going to be against the sunshine rule. We have to convince them in open public session.

Mr. MUSKIE. What would happen, if either side of such an issue were operative, is the committee might well make it possible for itself to act. The situation would clarify itself.

But I have no objection pursuing the suggestion, provided that going into closed session for the purpose of discussing the merits of one of these conditions is limited to that.

Mr. GRIFFIN. I can conceive of the situation, for example, where the reputation of an individual might be involved in a hearing, and the question might be much more difficult than the question of whether national security is involved. It might take a good deal of factual information and argument to convince the committee, particularly in a difficult case, that it would not be fair to the individual, and would be an unwarranted invasion of his civil rights, or whatever. It might not be able to make the case in open session without doing the very damage that should be avoided.

Mr. MUSKIE. I would agree. The Senator is raising a legitimate point. I think it is manageable along the lines of the suggestion of the Senator from Delaware. Of course, if the original text of Senate Resolution 9 becomes the pending business, I assume the Senator from Delaware would pursue his suggestion.

Mr. ROTH. That would be the intent of the Senator from Delaware.

If there is no further debate, Mr. President, I am ready to yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

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

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

TIME LIMITATION AGREEMENT: H.R. 10029—MILITARY CONSTRUCTION APPROPRIATION

Mr. MANSFIELD. Mr. President, the Senate has already agreed to allow 1 hour on an amendment to be offered by Mr. CULVER and 1 hour on an amendment to be offered by Senator PROXMIRE. The first is relative to Diego Garcia; the second is relative to the Defense Medical School.

I am referring to the military construction defense appropriations bill which will follow the disposal of the pending business.

I ask unanimous consent that there be a time allocation of 1 hour on amendments to that bill, 30 minutes on amendments to amendments, motions or appeals, and 1 hour on the bill itself.

The PRESIDING OFFICER. Is there objection?

Mr. NUNN. Mr. President, reserving the right to object, does this mean that any amendment offered on the Diego Garcia amendment would also have 1 hour.

Mr. MANSFIELD. Yes, and the amendment would have to be germane. Therefore, I ask that the regular procedure be followed.

Mr. NUNN. I have no objection.

The PRESIDING OFFICER. The Chair advises the rule requires germaneness of amendments in any case when a general appropriations bill is involved.

Mr. MANSFIELD. Yes, I have made that request that all amendments be germane.

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

The text of the agreement is as follows:

Ordered, That, during the consideration of H.R. 10029 (Order No. 428), 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, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 30 min-

utes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment, debatable motion, appeal, or point of order, the time in opposition thereto shall be controlled by the Minority Leader or his designee.

Ordered further, That, on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Majority and Minority Leaders, or their designees: *Provided*, That the said Leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

OPEN COMMITTEE MEETINGS

The Senate continued with the consideration of the resolution (S. Res. 9) amending the rules of the Senate relating to open committee meetings.

ADDITIONAL STATEMENTS SUBMITTED ON COMMITTEE AMENDMENT IN NATURE OF A SUBSTITUTE

Mr. HANSEN. Mr. President, today the Senate will consider and vote on matters which affect the openness of Senate committees to the public. I support openness in Government and am a cosponsor of S. 5, the Government in the Sunshine Act.

Openness in Government, in my opinion, is in the best interest of the people of this great Nation, who are affected by what we do here, and in the best interest of the Government itself, which in these times is largely responsible for implementing the laws passed by the Congress.

We are a nation that places great importance upon the free interchange of ideas in the public forum. This belief is deeply rooted in our democratic system of government. It seems to me that this belief, as it pertains to the legislative process, is enhanced by making our committee meetings open to the public.

This is not to say that all meetings of Senate committees are to be open. I recognize that there is certain subject matter which must remain confidential, such as an issue that pertains to national security. However, generally speaking, the meetings, markups, and hearings of the Senate committees and subcommittees should be open. At the beginning of the 93d Congress, the Senate Committee on Interior and Insular Affairs, of which I am a member, conducted open hearings and meetings. It has worked.

It concerns me that in recent years, the public's confidence in its Government has waned. It seems to me that there is no better way to restore the public's confidence in Government than by opening up the legislative deliberative process.

As a cosponsor of S. 5, I support the Government in the Sunshine Act. I support it as it was favorably reported by the Senate Committee on Government Operations on July 31, 1975.

The Government Operations Committee report summarized S. 5 in the following way:

The bill requires Congressional committees and all Federal agencies subject to the legislation to conduct their meetings in the open, rather than behind closed doors. As a result of this legislation, the public will, for the first time, have the right to observe most of the meetings held by all Congressional committees, and by 47 Federal agencies.

The vote of the committee was unanimous in reporting the bill out.

Title I of S. 5 would require that all meetings of standing, select or special committees of both the Senate and House be open to the public. This includes meetings of subcommittees. There are specific exceptions to the openness requirement. For example, where a majority of the committee votes to close the meeting because of national security, foreign policy, or personal privacy. Additionally, title I would require conference committees between the Senate and House to be open except when a majority votes to close. Joint committee meetings between the House and Senate are subject to the same rules on open meetings as conference committees.

Briefly, title II of S. 5 would require meetings of multimember Federal agencies, and of their subdivisions, to be open. Again, there are certain exceptions to the openness requirement.

The following Federal agencies will probably be affected: the Consumer Product Safety Commission; the Federal Farm Credit Board within the Farm Credit Administration; the Federal Home Loan Bank Board; the Federal Trade Commission; the Indian Claims Commission; the National Council on Quality in Education; the Occupational Safety and Review Commission; the Railroad Retirement Board; and the U.S. Civil Service Commission. For those who argue against the closed, arbitrary actions of Federal agencies, this could be a partial solution.

As stated previously, I favor both parts of S. 5 because it opens meetings of committees of Congress—this includes markups—and meetings of Federal agencies.

Because title I of S. 5 deals with Senate procedure, this bill was referred to the Senate Committee on Rules and Administration. On September 18, 1975, the Rules Committee struck title I from S. 5. The Rules Committee stated the changes pertaining to Senate committees should be effectuated by direct amendment to the Standing Rules of the Senate, rather than a bill which must be approved by the House and signed by the President. Although I find the Rules Committee position has some merit, it is my thought that the need for openness in Government, on balance, should be effected at this time and procedure should give way to the substantive advantages of openness.

The status of Senate Resolution 9 must also be noted here. Senate Resolution 9, as introduced, would have required the same open meeting requirements for standing, select or special committees that are found in title I of S. 5. The Senate Rules Committee reported Senate Resolution 9 out of committee with a substitute amendment. This substitute authorizes a closed session if

voted upon by a majority of the standing committee or subcommittee. This is a substantial departure from the concept of openness as expressed in S. 5 and Senate Resolution 9 before the amendment. Rather than a step forward, the action of the Rules Committee is a step in the opposite direction.

In concluding, I believe in openness of Senate committee and subcommittee meetings, markups, and hearings. In order for openness to become a more meaningful concept in this body, I intend to vote consistently with the philosophy and spirit of S. 5 as originally introduced and reported favorably out of the Senate Operations Committee.

Mr. BEALL. Mr. President, I rise to state my strong opposition to the actions of the Rules Committee in substantially weakening Senate Resolution 9, legislation now before us which is designed to open up congressional processes to greater public scrutiny.

As an original cosponsor of S. 5, the "Government in the sunshine" bill, I consider the amendments offered by the Rules Committee to be a giant step backward, and thus I hope my colleagues will join me in rejecting this attempt to reverse the commendable trend toward openness in our governmental processes.

Mr. President, last spring I conducted a survey of my constituents to determine their views on many of the major issues facing our Nation today. The final question on this survey was, "Do you have confidence in the Congress to deal effectively with today's problems?"

Of the 119,000 answers I received, over 63 percent responded with a resounding and disturbing "No." I believe that part of the reason for this obvious lack of confidence is due to the fact that, to most Americans, Congress seems to do its work behind locked doors.

In my judgment, it is time to unlock those doors. The people of this country will not be able to fully evaluate the effectiveness, the integrity, and the worthiness of their elected representatives until they are permitted to observe the full legislative process.

Originally, title I of S. 5 directed that Senate committee meetings be held in open session, unless the committee voted to close that session on one of five very specific grounds: National defense and foreign policy, personnel matters, criminal or civil investigations, personal privacy, or trade secrets. However, it was decided, and I believe rightly so, that since the Constitution provides that "each House may determine the rules of its proceedings," this problem could best be handled in the Senate through a simple resolution, thus making unnecessary action by the House of Representatives or the President on the measure.

However, the Rules Committee in reporting out Senate Resolution 9 has cut the heart out of this measure by permitting any committee to adopt rules to close its sessions at the beginning of a new Congress, or in fact to shut its doors in the future for any reason whatsoever.

Mr. President, this is a superficial approach to a very serious matter. Instead, we in the Senate must establish a stand-

ard of openness, and only deviate from that standard when absolutely necessary, and then only for certain specified reasons.

Further, as a member of the Senate Budget Committee, I object to the fact that the Rules Committee by this action would repeal the existing rule of openness in our committee. This action has been taken without the knowledge or support of the Budget Committee, and in fact runs against my experiences to date in the committee. The Budget Committee has been operating under the mandatory sunshine provision of the Budget Act for over a year, and I have seen no evidence where our discussions have been inhibited in any way.

I also want to take this opportunity to voice my support of the amendment sponsored by Senator ROTH, which I have cosponsored, which will open up House-Senate conference committees. I have long felt that conference committees are the most overlooked part of the legislative process, and by opening their deliberations to the public eye, our citizens can better understand the immense importance of their work.

Mr. President, S. 5 requires that Government agencies open their meetings to the public view. I ask the Senate to act favorably on this bill. But before we can take that action, we must first get our own house in order by passing Senate Resolution 9 as originally offered, without the debilitating amendments which the Rules Committee has proposed.

I urge my colleagues to let the sunshine in on our work.

Mr. CLARK. Mr. President, I first want to commend the distinguished senior Senator from Florida (Mr. CHILES) on the outstanding leadership he has provided in the struggle to achieve open government. Without his perseverance and determination, this historic debate might never have taken place. The distinguished Senator from Delaware (Mr. ROTH) is also to be applauded for the long hours he has worked to bring us to this point.

Mr. President, I hope no one is confused about the vote we are about to take.

I hope no one thinks that in voting for the Rules Committee amendment to Senate Resolution 9 he is voting for open government. He is not.

I hope no one thinks that in voting for the committee amendment he is voting to improve the rules of the Senate by providing increased public access to the decisionmaking process. He is not.

And I hope no one thinks that in voting for the committee amendment he is voting to improve the public's horribly low regard for the Congress of the United States. He is not.

The Rules Committee proposal would allow each Senate committee to establish its own policy as to whether meetings should be closed or open. They are saying, in effect, that the Senate, as a body, has no responsibility for deciding whether the American people will be allowed to see what their elected representatives are doing.

The Rules Committee proposal would even repeal the Budget Act requirement

for open meetings of the congressional Budget Committees. They are saying that this provision, adopted by the Senate on a 55-to-26 vote last year, is now null and void.

The Rules Committee proposal ignores the experience of the House of Representatives, where, since the adoption of an open meetings rule in 1973, fewer than 10 percent of the committee meetings have been closed to the public. Opponents of opening up committee meetings in the House made the contention that it would interfere with House business and decrease efficiency. But this has not been the case. Common Cause made a survey of House Committees last year and found the committees were doing at least as much work as they had done under the old system. But the Rules Committee proposal says, in effect, that the Senate—for some reason—has a greater need for secrecy than the other body of Congress.

Mr. President, we have a long way to go in the effort to restore public trust and confidence in the institutions of Government. Passage of the original version of Senate Resolution 9 will surely help. Adoption of the Rules Committee proposal, however, can only make matters worse, and I urge its defeat.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. METCALF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The result was announced—yeas 16, nays 77, as follows:

[Rollcall Vote No. 468 Leg.]

YEAS—16

Buckley	Goldwater	Scott,
Byrd,	Griffin	William L.
Harry F., Jr.	Hruska	Stevens
Byrd, Robert C.	Long	Talmadge
Cannon	McClellan	Williams
Case	Pell	Young

NAYS—77

Abourezk	Culver	Helms
Allen	Dole	Hollings
Baker	Domenici	Huddleston
Bartlett	Durkin	Humphrey
Bayh	Eagleton	Inouye
Beall	Eastland	Jackson
Bellmon	Fannin	Javits
Bentsen	Fong	Johnston
Biden	Ford	Kennedy
Brock	Garn	Laxalt
Brooke	Glenn	Leahy
Bumpers	Gravel	Magnuson
Burdick	Hansen	Mansfield
Chiles	Hart, Gary	Mathias
Church	Hart, Philip A.	McClure
Clark	Hatfield	McGee
Cranston	Hathaway	McGovern

McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood

Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman

Stafford
Stevenson
Stone
Taft
Thurmond
Tower
Tunney
Welcker

NOT VOTING—7

Curtis	Metcalf	Symington
Hartke	Scott, Hugh	
Haskell	Stennis	

So the committee amendment, as amended, was rejected.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a perfecting amendment to the resolution.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an amendment:

On page 2 line 4 after the word "present" insert the following: "in accordance with the provisions set forth in Rule XXXV and paragraph 2 of Rule XXXVIII of the Standing Rules of the Senate relating to closed sessions."

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order. There are 15 minutes on each side on the amendment. Who yields time?

Mr. ROBERT C. BYRD. I yield myself such time as I may require.

May we have order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Mickey Barnett of my staff be granted floor privileges during the remainder of the debate on this bill.

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

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia allow me to be a cosponsor? I hope it will not lose him any votes.

Mr. ROBERT C. BYRD. Yes; I ask unanimous consent that Mr. GRIFFIN and Mr. CANNON be permitted to be named as cosponsors.

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

Mr. ROBERT C. BYRD. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. The Senate has just rejected the committee substitute which would have been an improvement over the present standing rule contained in paragraph 7(b) of rule XXV of the Standing Rules of the Senate.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. I regret that the attendance on the floor was not good during the discussion of the committee amendment. The committee amend-

ment, nevertheless, has been voted down. For the record I should point out again that the committee amendment was an improvement insofar as opening up the sessions of standing committees of the Senate are concerned—over the present rule.

The present rule, paragraph 7(b) of rule XXV of the Standing Rules of the Senate, only deals with standing committees. The committee substitute which has just been voted down dealt with standing committees and any subcommittees thereof.

The present rule of the Senate provides that meetings for the transaction of business of each standing committee—saying nothing about the subcommittees—"shall be open to the public except during closed sessions for marking up bills or for voting."

In other words, under the present Standing Rules of the Senate any meeting of a standing committee for marking up a bill or for voting shall be closed, except in two instances: One, when the committee, by majority vote, orders it open or when a committee, by standing rule, decides that such closed sessions shall be open to the public.

So under the present rules of the Senate, markup sessions are closed—period—unless a committee, by rule, determines that such sessions shall be open or, in the alternative, a majority of the committee votes to open those committee meetings.

Now, the committee substitute, that Senators have just overwhelmingly voted down, provided that each meeting and markup session of a standing committee or any subcommittee shall be open to the public unless any such committee or subcommittee in open session determines by a record vote of a majority of the members of the committee or subcommittee that the proposed meeting shall be closed because of the nature of the matter to be considered. That language sets forth certain circumstantial situations in which the meetings of the committee might be closed or the meetings of a subcommittee might be closed.

It also allows committees and subcommittees at the beginning of each new Congress to adopt a rule, if the committee desires to do so, embracing circumstances in which the committee meetings throughout that new Congress would be closed.

It was the committee's position that each committee of the Senate should be able autonomously to make its own rules with respect to closed sessions based upon the nature or subject matter of the legislation coming before each committee, rather than having the Senate as a whole establish a rule for all committees.

Now that the committee substitute has been voted down, however, the amendment I have offered would seek to perfect the language of the resolution introduced by Mr. CHILES, for himself and others, so as to address the point raised by the distinguished Senator from Michigan (Mr. GRIFFIN), to wit, that in the event a committee or a subcommittee would wish to meet in closed session to discuss certain matters of a security nature, or dealing with foreign relations of the United States, or relating solely to

matters of committee staff, personnel, and so on, and so on, or matters which would tend to charge an individual with a crime or misconduct, or matters that would disclose the identity of any informer or law enforcement agent, or any information relating to the investigation or prosecution of a criminal offense, such committee would not have to reveal the nature of that subject matter in open session, but could go into closed session and determine whether or not continued closed session of that committee to discuss that particular sensitive subject would be justified.

As I stated earlier today, under rule XXXV of the Standing Rules of the Senate, any Senator may put the Senate into closed session if he can get one other Senator to second his motion. He does not have to disclose his reason, he does not have to explain why he thinks the Senate should go into closed session. He merely demands a closed session and upon a second of that motion by another Senator, the Chair will automatically clear the galleries, close the doors, and the Senate then will proceed to discuss the matter in closed session.

A majority of Senators, once the Senate is in closed session, may vote to open the Senate.

Under the language of the Chiles resolution, if it is not amended by my amendment, a committee may go into closed session if that committee or subcommittee determines in open session by record vote by a majority of the members of the committee or subcommittee, that the matters to be discussed or the testimony to be taken, of such portion or portions, will disclose such and such matters that should be discussed only behind closed doors. In other words, committee members would have to have an open discussion and a public airing of the very national security matters that ought to be discussed in closed session before the committee can even vote to go into closed session.

My amendment merely brings the committee procedure into conformity with the rules of the Senate, thus allowing any member of that committee to demand a closed session and, if that member is seconded by another Senator, that committee will go into closed session to discuss whether or not the subject matter merits open session or closed session, and the majority of the committee will then determine the proper action.

I hope that Senators will accept this amendment. I think it would improve the language of the amendment offered by the distinguished Senator from Florida (Mr. CHILES).

I think it would protect committees that do have jurisdiction over national security matters or other sensitive matters and would allow them to make a determination as to whether or not a session ought to be closed or open to the public without revealing in open session, the nature of the sensitive subject matter to be discussed.

Mr. THURMOND. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. As I understand what the Senator is advocating, it

is that with a committee, a Member of the Senate, a member of the committee, could ask that a session be closed, then if he is seconded, which is similar to the entire Senate where a member can ask that the Senate go in closed session if the motion is seconded—

Mr. ROBERT C. BYRD. Exactly, and under rule XXXVIII of the Standing Rules of the Senate, once the Senate is in closed session to discuss a nomination, or whatever it may be—I believe it pertains mostly to nominations—the Senate may by a majority vote determine that that particular subject shall be considered in closed executive session. In which case, all subsequent proceedings with respect to the particular subject shall be closed.

That brings up another point. Under the language by Mr. CHILES, as I understand it, each day that the committee meets, if it met on Monday and decided that the subject matter was of a nature that would require a closed session, it would vote to go in closed session. If it met on Tuesday, again on the same subject matter, it would have to make that same determination and vote to go into closed session. If it met on Wednesday on the same subject, it would have to make the same determination and vote to go into closed session.

But under the amendment I have offered, once that committee, by majority vote, determines that the subject matter is of such a sensitive nature as to require a closed session, that vote by that committee, that one vote, will determine that each proceeding daily thereafter dealing with that particular subject matter would also be closed until such time as the majority of the committee votes to open or until the sensitive matter is disposed of.

Mr. THURMOND. As I understand it, under the Senator's amendment the majority of the committee at any time after they are in closed session could open up the meetings?

Mr. ROBERT C. BYRD. Yes.

Mr. THURMOND. Just as the majority of the Senate could open up the Senate?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. THURMOND. The same way?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. THURMOND. That appears to be a very reasonable amendment. I shall be pleased to support it.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. Tower). Who yields time?

Mr. CHILES. Mr. President, I would like to ask the distinguished Senator from West Virginia if he will yield for a question.

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. What I am trying to determine is, once two Senators, or a Senator seconded by another Senator, made the motion that the committee go into closed session so that it could discuss a proposition, one of the five exemptions—

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. Would that session then remain closed until a majority voted to open, which would be the provisions that

we have in the Senate, or would it be, as Senate Resolution 9 now requires, that you have to vote in an open session to close for one of these reasons?

Now, as the Senator from Maine has explained, what has happened in the Budget Committee, and we have closed some sessions of the Budget Committee when we were talking of purely staff personnel, or on the budget, or the committee matters, he simply said, "Today we want to discuss some staff matters," and we went into a closed session.

What I am concerned about, if the Senator's language would just have two members being enough—with a second—to close a session and if henceforth we would have to take a majority vote to open it up, and that majority vote could be in the closed session, I guess, we would be going against what the thrust of Senate Resolution 9 is, and Senate Resolution 9 is to not have the secret information come out in advance, but to at least have a public vote on the fact that we are going to close a session for one of the purported reasons. At least, that it was for one of the five reasons.

My concern, as I say, and I do not completely understand the language of the Senator, is if he would require a majority vote to henceforth open up the session, then I think he has gone backwards from the Senate rules amendment which would have required a majority vote in an open session to close. Now we would have to have a majority vote in a closed session to open up.

Mr. RIBICOFF. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. RIBICOFF. I do not believe there is a difference of opinion between the Senator from Florida and the Senator from West Virginia. Could this be resolved by having the vote to open or close after the preliminary discussion has been had in an open session? Would the Senator from West Virginia object to that?

Mr. ROBERT C. BYRD. No, I would be very agreeable to that modification of the amendment. I think the Senator from Florida has raised a pertinent point. I would be agreeable to the Senator's resolution, if this amendment were adopted so as to give the same protection to a committee that the Senate Rules now give to the Senate as an entire body in the discussion of sensitive matters. I would also be agreeable that once the committee goes into closed session—and there is a discussion of the necessity for closed session—for the committee then to vote in open session, as the Senator from Connecticut has suggested, on whether or not the meeting would be open or closed. I think just a little change in the verbiage could provide that, although I do not believe it is needed.

Mr. CHILES. If the Senator is in agreement to that, I think we are on the same wavelength. I have no objection, if the Senator is concerned that we would have to air these matters before we could close the meeting. I do not think as a practical effect we have to do that. But if the Senator is concerned about that, I would have no objection that a Senator could make a motion, it could be seconded, and then we could close the session for a

discussion as to whether they qualified for one of the five. Then they would go into open session and take that vote.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. CHILES. It might well be that we could go to another amendment—

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. I yield such time as we need.

It might well mean that we could go to another amendment and just work out the language or perhaps the Senator thinks we can work it out right now. I think we are kind of saying the same thing right now.

Mr. ROBERT C. BYRD. I disagree with the distinguished Senator that without this language the chairman could go into closed session. The chairman cannot go into closed session, under Senate Resolution 9, without this amendment. He would have to have a majority of the committee to go into closed session. The language says, "Each meeting of the standing, select, or special committee of the Senate shall be open."

Mr. CHILES. That is not exactly what the Senator from Florida said. The Senator from Florida says when we are taking up an issue dealing with national security, I think it is a practical thing that the committee would go along with that.

Mr. ROBERT C. BYRD. Not automatically under this.

Mr. CHILES. I have said I am willing to go along with the Senator's amendment as long as we come back out and in open session take the vote.

Mr. ROTH. Will the Senator yield?

Mr. CHILES. I yield.

Mr. ROTH. As I said earlier, I think the Senator from Michigan raised a valid point, and an amendment was in order to take care of the situation where we did not want to discuss in the reason for needing to close the committee meeting.

If the Senator from West Virginia would care, I have language which I think basically accomplishes what he proposed to do, but I could not really offer it as a substitute to his.

What I provide is that after line 15 we would add the following language:

Notwithstanding paragraph (b), on a motion made and seconded to close the door of a standing, select or special committee, the chairman shall direct the audience to be cleared, provided that discussion while the door of such committee is closed shall be limited only to the question whether the committee should vote pursuant to paragraph (b) to close the remainder of the meeting on that day for the reasons specified in paragraph (b)

On the motion of one person and seconded, that would enable the meeting to be closed to consider whether or not the committee or subcommittee should go into closed session. It seems to me this accomplishes in rather simple fashion the concern that has been well expressed this afternoon. If the Senator from West Virginia would like to consider this language—

Mr. ROBERT C. BYRD. I have language at the desk which accomplishes the purposes set forth by the Senator.

Mr. ROTH. Let me ask the Senator from West Virginia one question: Once they decide to close on a particular subject matter, could they keep it closed indefinitely or would it be only for that day?

Mr. ROBERT C. BYRD. No; a majority of the committee could vote against having closed sessions.

Mr. ROTH. What I am asking is this: If under this language there is a reason to close for one of the reasons listed, let us say on Tuesday, what happens on Wednesday? Would they continue to be closed or would they have to again vote to close it?

Mr. ROBERT C. BYRD. A majority of the committee could determine in that first closed session that this subject matter is of such a nature that any meetings dealing with that subject matter should be closed. A majority of the committee could determine that all subsequent meetings, as long as they dealt with only that subject matter, would be closed. A majority of the committee at any point thereafter could vote to open such meeting. This would remove the necessity of going through the same motions and the same votes every day as long as the committee was considering that particular sensitive subject matter.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. LONG. It seems to me that the Senator's amendment makes it completely clear. I can explain it as far as the Finance Committee is concerned. Let us say we are meeting to talk about the trade negotiations going on in Geneva. If this Nation proceeds to tell what its back-up position is, what we would hope to settle for, if we cannot get what we are asking for, we have lost the starting point to begin with. We are back to the fall-back position for starters rather than negotiating where we might have gotten even better than that. So as a practical matter, if those who come down to tell us about that cannot talk about it in a closed session, there is just not going to be any meeting. Just forget about it. We are just wasting our time.

What we can do, of course, is just walk across the hall and say, "This is no longer a meeting of the Finance Committee. Anybody who wants to chat with this man, come on over and we will talk to him. We will agree that this is a confidential meeting and nobody will talk about what goes on in this room."

But as a practical matter, why not just say, "We are going to meet to talk about the negotiations in Geneva. Obviously, that is a confidential matter. We will be glad to give a vote."

What is the point in meeting and talking about it and then opening the doors and saying "Come on in, Press." We will call the roll. "Now get out." It kind of offends people, to tell the truth, to invite them in and run them out again. We might as well say "This is going to be a closed meeting."

Suppose somebody does not want it to be closed and insists that it be open. Then we can vote and decide that. If a majority votes that it be an open meeting, we will do the business that the majority wants to do.

Mr. ROBERT C. BYRD. Under the present rule, rollcalls taken in committee are made public.

Mr. LONG. That is correct.

Mr. ROBERT C. BYRD. If the committee votes to go back into open session or if it votes to stay in closed session, that rollcall vote, under the present rule, is made public.

Mr. LONG. I do not know why I would want to vote to tell the press to come over here, we are going to have a vote, and then we call the roll and tell them to get out. They do not know what the discussion was or what was voted on. They do not know what it is all about. What is the point of bringing them over to have a rollcall?

If we are going to have the meeting open, invite them over to come see the proceedings. If we are not going to have it open, what is the point? If we know it is going to be a closed meeting to begin with, why not put it in the paper that it will be a closed meeting?

If you cannot have a closed meeting, there is not going to be one.

Mr. ROBERT C. BYRD. I agree.

Mr. President, I modify my amendment as follows. I do not think this language is necessary, because the present rules would provide for it anyway, but we can nail it in, and it would accomplish the wishes of the distinguished Senator from Florida:

Provided the vote to stay in closed session is made public.

The PRESIDING OFFICER. Will the Senator send his modification to the desk?

Mr. ROBERT C. BYRD. Will the clerk please read the entire amendment as modified?

The assistant legislative clerk read as follows:

On page 2, line 4, after the word "present" insert the following: "in accordance with the provisions set forth in Rule XXXV and paragraph 2 of Rule XXXVIII of the Standing Rules of the Senate relating to closed sessions, provided the vote to stay in closed session is made public."

Mr. ROTH. Mr. President, I have one question I would like to ask. If the Senator will refer to rule XXXV, it speaks of any business which may, in the opinion of a Senator, require secrecy; so it is somewhat broader than the language we have just adopted by a vote. We have enumerated those areas where they could close down. I do not know whether the Senator intended that difference, or whether—

Mr. ROBERT C. BYRD. This language would not negate the conditions set forth in the Chiles resolution.

Mr. ROTH. And that would be the purpose of going into closed session.

Mr. ROBERT C. BYRD. Exactly.

Mr. CHILES. Mr. President, I think I have indicated, as the Senator from Delaware has indicated, that we think the Senator from Michigan has a point. We are willing to try to do something on this point. The Senator from Delaware has some language that I think would take care of that, which would say, at the end of the provision, that on a motion made and seconded, there could be a closed discussion for the purpose clearly set forth of determining whether one of

the five causes would lie, and then they would go back into open session. This is a result of our clear desire to take care of the problem of the Senator from Michigan. The language proposed by the Senator from West Virginia is talking about rules of the Senate that are to protect the Chamber itself, with a motion made and seconded, and then the Chamber is closed, with reference to rule XXXV.

I will say to the Senator from West Virginia that if the Senator wants to pass over this matter temporarily and take up another amendment, I will sit down with him and try to work something out.

To say that on a motion made and seconded, thereafter the meeting remains closed, if they take that vote in a closed session, even though they later announced the vote, I think it goes against the thrust of what we are trying to do here. I think it is confusing as to whether it does apply to the five particular grounds that we have set forth, and I would have to reluctantly resist the amendment we now have.

I am willing, as I say, to work something out on the proposition, so that we can do it. I am perfectly willing to do that; but I think the language we have here, I am not sure how far it goes, but I do not like a situation in which any two Members, by making a motion, can automatically go into closed session, and then the burden is on the majority to open up that session. I think that is exactly the reverse of what we were trying to do in Senate Resolution 9, by putting the burden on the majority to close the session.

Mr. ROBERT C. BYRD. Mr. President, I am perfectly willing to shift the burden to say that the meeting shall be open unless a majority votes to close it.

Mr. CHILES. Does the Senator from West Virginia have any problems with the language of the Senator from Delaware, or with language like that that we can come up with, without referring back to a rule that relates to open sessions of the Senate?

Mr. ROBERT C. BYRD. I think the language of the amendment I have presented is clearer, because it refers to rules of the Senate that are already well-known to us—rules XXXV and XXXVIII. It makes it eminently clear as to the conditions that would require closed meetings.

Let us eliminate, for the moment, the language that I have sent to the desk, and say:

May be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present

And here is where the amendment comes in—then again quoting:

that the matters to be discussed or the testimony to be taken at such portion or portions will disclose matters necessary to be kept secret.

It is perfectly clear that the record vote by the majority of the members of the committee or subcommittee present in order to close that meeting would be based on this premise, to wit, that the matter to be discussed would disclose the enumerated matters necessary to be kept secret.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

Mr. CHILES. 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. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my amendment may be temporarily laid aside and that Senator Long may offer an amendment.

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

Mr. LONG. Mr. President, I call up my amendment, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) proposes an amendment.

The amendment is as follows:

On page 5, after line 15, insert the following:

"Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order."

Mr. LONG. Mr. President, I yield myself such time as I require.

Mr. President, this amendment simply places in the chair of a committee the same duty and right that exists in a presiding officer of the Senate.

When the galleries are in disorder, all presiding officers know that it is their duty to say that these people in the galleries are here as the guests of the Senate. They are required to maintain order and, if they will not maintain order, then the Chair will have to clear the galleries.

I have been around here for 26 years, and I have observed the Senate from the time I was 14. I can never recall a time when a Chair was forced to clear the galleries, but the fact that the Chair had the power to clear the galleries was adequate to allow the Chair to simply say that if the galleries continue this disturbance we will have to clear the galleries, and so the people then maintain order.

Without this provision in the rules, some group of militants, who are very much opposed to what a committee is trying to do, would have it within their power to keep the committee from reporting its legislation by constant turmoil, screaming, shouting, and engaging in various other kinds of disorderly conduct.

I would hope that this power in the

Chair would never have to be used, but it ought to be there, because the mere threat of it is enough to maintain order in most cases. It has been adequate in the Senate for the last 50 years, and I think it would have been an oversight if we failed to provide a committee with what it would take to maintain order.

It is the first duty of any committee to maintain order so it can do its business. This would simply give the committee what it requires in order to do that.

This is patterned after the rules of the Senate.

I hope there will be no objection to the amendment.

Mr. CANNON. Mr. President, as manager of the bill, I have no objection. I do not know whether the people in favor of the Chiles amendment have an objection to it or not.

Mr. LONG. I have discussed this with the distinguished sponsor.

Mr. CHILES. Mr. President, on the basis of the discussion that has been made by the Senator from Louisiana, I do not think we would have any objection to this amendment. I feel that is sort of an inherent power that resides in a chairman anyway. He has the power, through the Sergeant at Arms or the policemen that are in those committee rooms at any time, to usher people out who are disorderly. So I think that power resides there now, and so I really do not see any objection to it.

Mr. ROTH. Mr. President, I have great sympathy with what the distinguished chairman of the Committee on Finance is trying to accomplish.

Let me ask a question or two. If it becomes necessary for the chairman to clear the room—

Mr. LONG. The committee room.

Mr. ROTH. The committee room, yes—and there were a difference of opinion, for purposes of illustration, say, between the majority of the committee and the chairman, would the chairman have the sole say under those circumstances?

Mr. LONG. I have no objection to that. The committee can always vote its chairman down if it wishes, so I have no objection to that. One could appeal the ruling of the chair and vote the chair down.

Mr. ROTH. I am satisfied, if that is the Senator's intent, to have the record show that.

Mr. LONG. As a matter of fact, if the amendment is agreed to and on studying this if the Senator from Delaware, the Senator from Florida, or anyone can think of some better language to achieve the same purpose, I would be happy to have the amendment reconsidered and modified in that fashion. All I wish to do is to maintain the power in the committee so that it can maintain order and act.

If we have the power to overcome a riot, then people are not going to do that to us. If we do not have the power they might try it.

Mr. ROTH. I agree with what the chairman is trying to do. I have no objection.

Mr. CANNON. I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, before the Senator yields back the time, since

we are limited on time as far as the bill is concerned, and there is no question the Senator's amendment is going to be adopted, I wonder if he will yield me a few minutes to talk on a related matter.

Mr. CANNON. Yes.

Mr. CASE. Why not vote now and have the time on the amendment afterward, unless there is going to be a shortage of time.

Mr. LONG. It will be on my time.

Perhaps the Senator from Nevada will yield time as well.

Mr. CANNON. I am glad to yield some of my time on the amendment. I think we are running short on the bill.

Mr. GRIFFIN. I will do it either way.

Mr. CANNON. Better take it on the amendment because we are going to be short of time on the bill.

Mr. LONG. How much time remains?

Mr. CASE. I agree with that. I think we ought to vote first.

The PRESIDING OFFICER. (Mr. BROCK). The amendment of the Senator from Louisiana has 8 minutes remaining.

Mr. LONG. Why do we not ask unanimous consent, after the amendment has been agreed to, that the Senator from Michigan be recognized for 10 minutes.

Mr. GRIFFIN. All right.

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

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GRIFFIN. Mr. President, I do not have an amendment, but an amendment could easily be drafted to address the matter I am about to discuss. The Senator from Louisiana put his finger on an oversight of considerable importance.

Now, let me read from rule XXXV of the Senate Rules.

On a motion made and seconded to close the doors of the Senate, on the discussion of any business which may, in the opinion of a Senator, require secrecy, the Presiding Officer shall direct the galleries to be cleared; and during the discussion of such motion the doors shall remain closed.

I call attention to the fact that insofar as the Senate as a whole is concerned this body is not limited to the five categories which the drafters of this particular resolution have enumerated, I raise the question: Have they thought of everything?

Mr. ROBERT C. BYRD. That is a good idea.

Mr. President, will the Senator yield?

Mr. GRIFFIN. Yes.

Mr. ROBERT C. BYRD. That was the reason why I thought this amendment ought to be tied to rules XXXV and XXXVIII of the Standing Rules of the Senate. Once they get in closed session, they could determine whether or not—

Mr. GRIFFIN. I wonder if the amendment the Senator has offered will take care of that concern? The amendment would make it possible for one Senator, if supported by a second Senator, to have a closed session. But I suppose that if his case does not fit within the five listed categories, then theoretically, a majority could say, "You're right. We should not be talking about this matter in a public session, but your case does not fit within the rules." That would be perhaps an unusual situation, but it could happen.

Mr. ROBERT C. BYRD. Mr. President, the point that the Senator is making is a valid one.

Under the language of the resolution as it now stands, the committee could be put into closed session only for those reasons that are specified, and the discussion of them would have to be first in open session. The language of the amendment that is now drawn will allow two Senators to put the committee into closed session.

Let us take for granted that the authors of the resolution perhaps have not been able to foresee all possible contingencies. Once that committee is in closed session, if there is a contingency that has not been foreseen by the authors of this resolution, and if it is a valid one and serious enough, a majority of the committee, I think, would say, "Well, we ought to vote that this discussion be in closed session."

Mr. GRIFFIN. Even though the rules did not allow it?

Mr. ROBERT C. BYRD. Even though the language of the rule did not foresee that particular emergency or that particular contingency.

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

Mr. GRIFFIN. I am glad to yield.

Mr. ROTH. I point out that one can always think of some extreme situation that might arise which might not be covered. But, after all, the Senate is in session, and the committee can always come to the Senate floor, if there is some unusual set of circumstances, to make an exception.

Mr. ROBERT C. BYRD. That would have to be by unanimous consent. Otherwise, it would change the rule of the Senate that requires written notice one day in advance.

Mr. ROTH. If one had to move that day, that is correct. But, frankly, the Senate usually moves on unanimous consent, so I do not find that that concerns me too much. I doubt that there are many situations in which it would have to be done the same day.

The question was asked by the distinguished Senator from Michigan whether any consideration was given to this matter. I will say that we did give careful consideration to discussion of this matter in the Committee on Government Operations. It was felt that the language was adequate and covered most situations.

If experience shows that there should be modification or change, as a general rule there is nothing to prevent that being done. We agreed with the original concern of the Senator. I think it was a justified one, and we are hopeful that we can reach agreement on that. But this is not written on cement. We still can change, if experience shows that we have to broaden it.

Mr. GRIFFIN. In many bills or resolutions of this part, it is common to spell out the most obvious situations but then to add a more general category which would give a majority on a committee some flexibility to handle a situation which obviously should have been covered. For example, what about a matter involving the security of the Capital

of the United States? I wonder if that would be covered?

Mr. CHILES. If the Senator will yield, the Senator from Florida will tell him why he is smiling.

Mr. GRIFFIN. I yield.

Mr. CHILES. If I close my eyes, I am listening to the debate on the sunshine bill in the Florida halls as it took place a few years ago. I never found anybody there who really was against the proposition of sunshine, but there were always a few who had just a few things that were not cleared up, and there were just a few more amendments that needed to be made and a little more study that needed to be done. There were always a few knots that had not been tied.

We have tried to think of the legitimate reasons that anyone conceivably could raise, but the Senator suggests this one, or that if we just want to close a meeting, that is the catchall.

We cannot ever spell out everything. We have operated in the Budget Committee. The Senator has heard the chairman of the Budget Committee say that he has had no problems with it, nor have any of the other members of the committee.

Mr. GRIFFIN. With all due respect, the Budget Committee is not the Committee on Foreign Relations or the Committee on Armed Services or the CIA Committee. Some committees have problems that are quite different from those of the Budget Committee.

Mr. CHILES. No, but we deal with budgets of all those agencies. We deal with the budgets and look at them.

It is just a question that at some stage we have to determine that we have covered the waterfront.

Mr. SPARKMAN. Mr. President, does the Senator from Florida have the floor?

Mr. CHILES. No, I do not.

Mr. ROBERT C. BYRD. Mr. President, it was for this particular reason that the committee substituted the following language, which I think is more embracing, more far reaching:

Unless the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or government regulations.

The committee, in its deliberations, made the effort to bring out language that would be flexible enough to deal with situations that are not necessarily foreseen in the language of the Chiles resolution. The committee sought not to be too detailed and too specific, so that in the event circumstances should arise that were not foreseen by the language of the resolution, the committee would not be inhibited from acting to protect either individuals or the Nation, whichever the case might be.

Mr. President, I withdraw my amendment and offer a modification in the nature of a substitute.

The PRESIDING OFFICER. The modification will be stated.

The legislative clerk read as follows:

On page 2, line 1, strike all beginning with the word "if" down to and including the word "portions" on line 5 and insert: "On a motion made and seconded to go into closed session to discuss only the matters enumer-

ated in paragraphs (1) through (5) followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such portion or portions".

Mr. ROBERT C. BYRD. Mr. President, the amendment I have sent to the desk, and now hold in my hand, removes the objections that were raised by Senators with respect to the language of the previous amendment, which pointed specifically to the provisions in rules XXXV and XXXVIII of the Standing Rules of the Senate. Yet, it will accomplish the same purposes. It allows a single Senator to move to go into closed session. It allows the committee to go into closed session if that motion is seconded. It requires an immediate discussion of the sensitive matter and requires an immediate vote in open session, following that discussion, as to whether or not the nature of that subject matter is such as to require closed sessions of the committee thereon.

The conditions under which the majority of the committee could vote to close are limited to those that are set forth in paragraphs numbered 1 through 5 of the resolution offered by Mr. CHILES.

Mr. CHILES. Will the Senator point out to me the provision in that that will make it clear that only in the event of a motion and a second, when they went into the closed session, they could discuss whether the matter fell within one of the five paragraphs and therefore could be considered—

Mr. ROBERT C. BYRD. Yes, the word is "only".

On a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (5)

That has to be followed immediately by a record vote in open session. The only matters that can be discussed in that preliminary closed session would be these matters set forth in paragraphs (1) through (5) of the able Senator's resolution.

Mr. CHILES. May the Senator from Florida see a copy?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I suggest the absence of a quorum, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I modify my amendment and ask that the clerk state the amendment as modified.

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The legislative clerk read as follows: On page 2, line 1, strike all beginning with the word "if" down to and including the word "portions" on line 5 and insert: "On

a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (5) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such portion or portions".

Mr. GRIFFIN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. Does that mean that if the committee has a meeting and someone makes a motion that they go into closed session, they then have a discussion and decide the Member is bringing up a matter that really should be decided in closed session, then they go into open session again and vote and then go back into closed session?

Mr. ROBERT C. BYRD. Yes. I do not see the necessity for going back into open session, because the present rules of the Senate provide that the votes of any committee shall be made public, but in order to conform with the wishes of the authors of the original resolution, I agreed to have the verbiage that way.

Mr. GRIFFIN. Does the CIA Investigating Committee have to go through this every day, because I understand they have very few open sessions, and I think most people would agree they are operating pretty responsibly.

Mr. ROBERT C. BYRD. I would hope that later, after we can act on this amendment and some other amendments, I could prevail upon the authors of the resolution to accept an amendment to delete the words "select or special committees."

Originally, a select committee of the Senate was intended to be a committee in which the membership was to be selected by the Senate itself. The membership of a special committee was to be designated, on the other hand, by the majority leader, the Vice President, or some other individual. Today, it is a distinction without a difference.

But in the resolution creating select and special committees, the Senate may make such provision as to open or closed meetings if it wishes to do so.

I doubt that we ought to have a standing rule of the Senate that would provide for open meetings of select and special committees when such committees might be of the nature of the CIA Investigating Committee or the Ethics Committee, and such committees ought not to be restricted by the Standing Rules of the Senate. They ought to be guided by the resolution which creates them.

So I shall offer an amendment later to strike those four words, although I may or may not be successful.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. As I understand now, as we have the amendment, it is clear that what we are doing is allowing on a motion and a second that you would be able to go into a closed session purely to discuss whether there was reason under the five exemptions to close the session, to discuss those subjects and, as soon as you had that discussion, you would go back into open session and take a vote.

Mr. ROBERT C. BYRD. Yes, the Senator is correct.

May I ask the Senator—

Mr. CHILES. Under this it would be further clear that it would not be necessary—he would not have to go into a closed session under this feature. You could discuss it in open or would it have to be closed session?

Mr. ROBERT C. BYRD. I do not understand the Senator's remarks.

Mr. CHILES. Even though the motion was made and seconded, and you went into the closed session, you could come back, you might decide you did not need to go into a closed session, so no vote would be necessary, you would just be back in open session to take up the business.

Mr. ROBERT C. BYRD. Well, the committee would have a vote.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. I do not yield time at the moment.

The PRESIDING OFFICER. Who yields time? The Senator's time is running.

Mr. ROBERT C. BYRD. Yes, my time is running, I realize that.

The requirement of the amendment—in the context of the resolution—would be that it would have to be on a record vote in open session by a majority of the Members. They could, by that vote, decide to stay in open session. I think if a Senator is going to demand that there be a closed session, and that demand is seconded, there is justification for a record vote one way or the other to determine whether or not the matter is serious enough to have a closed session or an open session.

Mr. CHILES. I think we can accept the amendment.

Mr. ROBERT C. BYRD. Before I yield back my time I want to ask the Senator, in order to establish some legislative history, whether or not, in his opinion, under the language of my amendment—and this language would not vary his language in this respect—a committee would be required repeatedly to go through this proceeding if day after day its discussions dealt with the same sensitive subject matter?

Mr. CHILES. I would say that that proposition ought to be considered separately. I think that would be separate from this amendment we are dealing with, and we should consider it separately.

Mr. ROBERT C. BYRD. I agree with the Senator because his language says "each meeting shall be open."

Mr. CHILES. Right.

Mr. ROBERT C. BYRD. So even with the adoption of this amendment the committee would have to daily go through this same proceeding, even though it might be discussing the same subject matter, in order to have a closed session after the first day. In other words, it could not vote on that first day's meeting in closed session that all subsequent sessions dealing with that same subject matter would be closed.

Mr. CHILES. I think that would be correct. I think it is correct.

Mr. GRIFFIN. Would the Senator from Florida intend that to apply to the CIA

investigating committee, and they would have to do this every day?

Mr. CHILES. The way this would now state it, it would read that way. I think the Senate at any time it set up a select committee it could, if it wanted to, provide an exemption for that select committee or set certain rules for that select committee if it so desired to do.

Mr. CANNON. Mr. President, will the Senator yield for a further question?

Mr. CHILES. Yes.

Mr. CANNON. Would this affect the situation where a committee is frequently polled on a particular issue? Many times you are unable to get a quorum and a committee is polled or a subcommittee is polled on a written issue.

Would the Senator's proposal affect that situation in any way?

Mr. CHILES. I think that would be covered by the general rules. Most of that polling we do is illegal now. It violates the rules now. I do not think this would make it legal.

Mr. ROBERT C. BYRD. Mr. President, I will offer an amendment later to attempt to make it possible for a committee at one meeting to determine that subsequent daily meetings of that committee, as long as they deal with that same sensitive subject matter, could be closed without repeatedly going through this procedure. That amendment may carry or it may not.

I yield back the remainder of my time on this amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from West Virginia.

The amendment, as modified, was agreed to.

AMENDMENT NO. 968

Mr. ROTH. Mr. President, I call up amendment No. 968.

The PRESIDING OFFICER. The clerk will report.

The legislation clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes for himself and others amendment No. 968.

Mr. ROTH. Mr. President, I ask unanimous consent to dispense with the further reading of the amendment.

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

The amendment is as follows:

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

Sec. . (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public."

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows:

"CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

Mr. ROTH. Mr. President, amendment No. 968 would require House-Senate conference committees to be open to the public except when a majority of either the House or the Senate managers present voted to close the conference. Similar language has already been adopted by the House, so that if the Senate passes this amendment and the resolution, open conference committees would become the rule, not the exception.

The PRESIDING OFFICER. Will the Senator yield for a question from the Chair? Is this an amendment on which the Senator desires 1 hour?

Mr. ROTH. That is correct.

The PRESIDING OFFICER. I thank the Senator.

Mr. ROTH. The rationale for open conferences is exactly the same as for open Senate markup meetings. Openness increases the accountability of Members of Congress to the voters; it gives the private citizen and the press the same access to the legislative process as any lobbyist; it will increase the accuracy of public understanding of the legislative process and of the pros and cons of the issues at stake. In my judgment, it will strengthen the bonds between the citizen and the Congress.

There is no logical reason to exclude conference committees from the general practice of opening up the legislative process. If the rest of the legislative process is to be open—from hearings, to markups to floor debate—then why close the last, the least representative, and in many ways, the most important part of the entire legislative process—the conference committee? Very often the most difficult and most controversial compromises are left until the very last. If there is a public right to know, then it certainly includes the conference committees.

Both the Republican and Democratic conferences in January passed resolutions endorsing the concept of open conference committees. As I said, a similar rule has already been adopted in the House. A number of important bills have been dealt with in open conference—including the Budget Reform Act and the Energy Research and Development Administration Act. Currently the Standby Energy Authorities Act, S. 622, is being considered in open conference.

Two and a half years ago, when I offered an amendment to require that most markup meetings of Senate committees be open to the public, some Members who opposed the amendment were afraid that open markups would prevent effective handling of legislative business. But those members of individual committees which did open their markups to the public found that this was not the case. Today, I am afraid that some Members are afraid that if conference committees are open to the public, Congress cannot operate effectively and responsibly. I personally believe that just the opposite will be true. It will not be as cozy or convenient, but Senate proced-

ures are not established to be convenient or cozy.

I am greatly concerned about the future of our democracy. We are a democracy under pressure. Polls indicate that people are disenchanted with the basic institutions of American democracy—the Presidency, the political parties, and the Congress. It is in no way demeaning Congress to recognize that, frankly, there are many people in this country who do question whether Congress can operate effectively and openly.

We are the first to insist, along with the public, that the President be open and frank. The public demands the same of Congress. We have many substantive issues to address. We cannot afford to be diverted by procedural issues. When Congress makes decisions in secret, that in itself becomes an issue. It draws attention away from the merits of the action that we are taking or not taking. At this time, it is important that the real issues of energy, the economy, and foreign policy be addressed squarely and openly. When there is a compelling reason for secrecy, I believe that the American public will understand. When there is not, we should have the courage to say publicly what we think about these issues in open deliberations.

I urge my colleagues, in the interest of better, more democratic government, to support this amendment to open most Senate-House conference committees to the public.

Mr. President, there are many cosponsors of amendment No. 968, Senator CHILES being the primary sponsor with me:

Senator Bill Brock.
Senator Dick Clark.
Senator J. Glenn Beall.
Senator Joseph R. Biden, Jr.
Senator John C. Culver.
Senator Phillip A. Hart.
Senator Vance Hartke.
Senator Floyd K. Haskell.
Senator Ernest F. Hollings.
Senator Hubert H. Humphrey.
Senator Edward M. Kennedy.
Senator Patrick J. Leahy.
Senator Charles McC. Mathias, Jr.
Senator Frank E. Moss.
Senator Charles H. Percy.
Senator William H. Proxmire.
Senator Robert T. Stafford.
Senator Adlai E. Stevenson.
Senator Robert Taft, Jr.
Senator Lowell P. Weicker, Jr.

In closing, I would just like to emphasize, Mr. President, two points. One is that this language has been adopted by the House and, for that reason, I think it is important that the Senate act.

I think it is also important to recognize that under our proposed language a majority of the Members of either the Senate or the House has the right to close a session, so we protect the rights of both Houses.

Mr. CHILES. Mr. President, I join with my distinguished colleague from Delaware and support his amendment, that we do provide that conference committees will be open unless a majority of the Members of either House would vote to close the conference meeting. I think that this is an important step forward that we can take.

We do have a clear history now that in those conferences that have elected to be open, they have proceeded and they have been able to carry out the business and do it well and the public was better able to view and understand the legislative process.

When we now find that this is one of the most important parts of the legislative process, very little or not very well understood by the public at all, that regardless of what the two legislative bodies do, then we have this caucus which many times ends up in rewriting legislation, in writing almost new legislation for the first time, and many times they see a bill that is passed by the Houses and they read what has happened to that bill and suddenly they see what comes out and, in effect, becomes law as a result of a conference, and they cannot understand it.

Under this process, of course, where the conferences are open, they would better be able to understand. They would be able to see what is a part of our legislative process, of the give and take between the House and the Senate, and, in effect, a part of the checks and balance system that was designed. It would certainly, I think, add to their confidence and their understanding of how the process works.

While we might well say, and some people do, "Well, on many conferences they are opening themselves up anyway, so you don't need this." What I saw happen recently to one of the conference, both the House and Senate said, "We were willing for it to be open, but the other side was not." Well, it ended up being closed and both sides trying to blame the other as to why it was not open.

If we were to adopt this amendment, and I think we should, then at least we would know which side elects to close the conference and we would have a roll-call vote on why they have elected to close the conference. It might well be, if there are sensitive matters to come up, that it should be voted to close the conference; if so, that can take place.

I think the distinguished Senator from Delaware has also said, and I certainly emphasize the fact, that the House has already passed this rule and now stands waiting upon the Senate. So they are ready to go to open conferences, unless one side or the other votes, and they are simply waiting for us to adopt this rule.

I think it is certainly a step we should take.

Mr. HUMPHREY. Will the Senator yield?

Mr. CHILES. I yield to the Senator.

Mr. HUMPHREY. I am pleased to hear the remarks of the Senator from Florida, and also the sponsorship and the remarks of the distinguished Senator from Delaware, because it just tells me that finally we are coming down to the point where it really counts in the matter of open sessions.

Regrettably, in the past, in some of the conference committees, word got out to the press, so and so did this, so and so compromised that, a deal was made here, and so forth, and there was no way of ascertaining the truth or even protecting one's flanks.

This way, two things, it will either be open so everybody can be there, or, if it is not, we will have a rollcall vote and find out who desires to close it, and if it is to be closed there will be justifiable reasons because that will be debated, and it will work.

We had a conference committee not long ago. I believe the distinguished Senator from Iowa (Mr. CLARK) remembers our conference on the school lunch program. It was quite a conference. We had a hard battle with the other body, with the House of Representatives, and we came out, we thought, with a reasonably good piece of legislation.

Subsequently, it was returned to conference for a reduction. Again an open conference.

I think these open conferences are desirable and I do not think they are going to hurt anything, particularly if we have the proviso that if there is a highly sensitive matter that we have the right to exercise our vote and do that responsibly, or if there is a personal matter where an individual's reputation is involved in other open meetings, then we also have, again, the opportunity to go on record as to what our views are in terms of opening or closing.

But what we are trying to do here is establish the general rule of openness, and that general rule will be found, I think, to apply with no difficulty of any measurable degree. Quite frankly, the difficulties of the open rule will be less than the difficulties of the closed rule which generally permit one simply to rush out of the conference, get his favorite reporter and say that this is what I did, or what happened, and stick it to somebody over here and say, "Do you know who sold us out?"

That I do not go for any more and I say that it has got to stop. It does not help anyone.

This way, we are all on record and can be counted one way or the other.

Sometimes there is trouble, but so what? What is new?

Mr. CHILES. I thank the distinguished Senator from Minnesota.

I yield to the Senator from Massachusetts.

Mr. KENNEDY was recognized.

Mr. ROTH. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. ROTH. I would like to find out how much time we have remaining.

The PRESIDING OFFICER. The Senator has 18 minutes.

Mr. ROTH. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I associate myself with the remarks made by the Senators from Delaware, Florida, and Minnesota. I believe one of the very unfortunate experiences that we saw a few years ago was in what happened to the effort made by the Senate to end the Vietnam war. A series of amendments was added to various Senate legislation and sent to conference with the House of Representatives. The conferees would meet, and out of that conference would come the information that a particular amendment had been dropped. We were unable to find out who made the effort to change the expressed view of the Senate, or the reasons for the change. We

were unable to find out how extremely important and valuable efforts by the Senate were undermined. I think open meetings by the conferees might well have led to a different result.

Let me mention some other examples. I have served on a number of conferences, but one in which I believe the whole sunshine process could have been of great value was a conference committee on which I served with both the chairman of the Rules Committee and the Senator from Iowa. That was the conference on the campaign financing bill. This, I believe, was an extremely important piece of legislation. The Senator from Nevada and the Senator from Iowa, along with others, including the minority leader, Senator SCOTT of Pennsylvania, were extremely active in the development of that legislation, and we went to conference on that measure.

Mr. President, the kind of consideration that was given to the Senate's position was unbelievable. In an effort by the Senator from Iowa and myself to open up the meeting, we were only able to get two votes. And then, behind closed doors, the Senate positions were just hammered down by the House Members, particularly on the points of extending campaign financing reform to congressional elections and providing an election enforcement agency to police the law. The Senate had gone on record that what was good enough for Presidential elections should be good enough for the Members of the House and Senate. But the House conferees resisted, and we wound up with a double standard in the present law.

The disdain that was demonstrated by the House conferees on this issue, and the cavalier attitude that was taken on this enormously important and significant reform, would never have occurred, if the meetings had been open, if the public and the members of the press had been there to record the actions that were taken.

A dramatic contrast is another conference I attended, with members of the Judiciary Committee on the Freedom of Information Act. We were working out differences with the House Members in a variety of areas. We considered national security issues, the classification of various files, criminal investigations, and a number of other extremely sensitive matters. These discussions were conducted in an open, sensitive exchange. The legislation that we ultimately accepted was a tribute to the House and Senate Members who participated. It reflected to me very clearly that, even in dealing with complex, important, sensitive issues, the openness of these conferences is essential if we are to proceed in a sound legislative manner.

I hope the amendment that has been put forward, and which is supported by the Senators from Delaware and Florida, will be agreed to. The case for it has been effectively made here by those who have had experience in various conferences. This is a position on which we cannot turn our backs. I am hopeful that the amendment will be approved.

Mr. CLARK. Will the Senator yield 2 minutes?

Mr. ROTH. I am happy to yield 2 minutes to the Senator from Idaho.

Mr. CLARK. I join with my colleagues in support of this amendment. I believe most of the essential points have been made, but I would like to briefly mention two factors which I feel have not been made.

First of all, the two caucuses, the Democratic caucus and the Republican caucus, discussed this subject very carefully at the beginning of the year. Both adopted a positive position, I believe by significant votes, on opening both meetings of the Senate and conference meetings.

Secondly, a point which I think has not yet been made is that we have already tried this. It is not simply a question of whether it will work or not. In fact, in the last Congress some 12 separate conferences committees were, in fact, conducted in public view. The conferences were in varying combinations made up of a number of four Senate committees and five House committees. The success of those initial open conferences has continued with a number of open conferences this year, which Senator KENNEDY and others have referred to. So we have some basis for making a decision to open conference committees.

If there is some evidence that these conference committees have not worked effectively, that these open meetings have somehow stood in the way of the legislative process, then it certainly would seem that this is the time to hear about it. If, on the other hand, they have worked as well as reports have indicated, then certainly that ought to weigh in our consideration.

Lastly, often the opponents of open conference committees have made the argument that it will then prevent, if we have these open meetings, Members from coming down on the floor and offering rather irresponsible, perhaps politically motivated, amendments which they know very well are going to be dropped in conference.

Well, that may be the case. If these committee meetings are opened, perhaps it would embarrass Members who never intended to have their amendments taken seriously. But if that is the case, so be it. That ought not to be the practice in the Senate, for people simply to come down and offer amendments which they know could not be accepted in legislation.

That is a good place to stop the practice, and I think it is another good reason not to support closed meetings. It is another reason for opening the conference committee meetings.

Mr. CANNON. Mr. President, may I say to my colleague I favor the opening of the conference committees. He suggested if anyone had any evidence of the fact that they do not work they ought to say so now. I said so earlier today and pointed out how they do not work. Even the distinguished Senator from Maine admitted that even though his conference committee is open, the conference with the House, they did have some caucuses during the process of the meeting.

I pointed out that the same thing has happened in the energy bill. I am a con-

feree and I voted to open the conference. We did open it. But we have had a caucus of the majority members practically every day during the weeks that we have been in conference. We have to be able to get information of a confidential nature, information that cannot be brought out for the first time in a conference and expect to resolve something.

I just could not let that go by without saying that it does not work the way it is intended. I can assure the Senator of that from firsthand experience. In caucuses or meetings across the hall, whatever you call them, we will have to be able to continue to get information for the conferees representing the Senate to try to present a unified position, to try to understand how far we can go in negotiating, to try to understand what the administration's position is, and so on.

I think a lot of it is simply window dressing, but I do offer that information.

I yield 3 minutes to the Senator from Texas.

Mr. TOWER. I thank my friend from Nevada. It looks as though no one wants to speak against this. I know it is a very popular cause to advocate. I would be dishonest, I believe, if I did not speak out on this.

In my view, there is probably nothing more calculated to turn the legislative process into a shambles than trying to open these conference committees. To begin with, how can we hold an open session in St. 146 or EF-100 when we barely have enough room to get the conferees and the staff in there? How will we do it? We will be forced into going to large chambers to hold the conference committees and that will delay the conference committee process.

There are a few other things. We already have 16 or 17 House conferees on a lot of these conferences. If we open them up to the public and they get a little chance to politicize, they will put every member of the committee on the conference.

Further, far from people being honest, being open or candid in an open session, I think it is going to politicize these conference committees.

Talk about people being there to see whether lobbyists are going to unduly influence Senators, the lobbyists themselves will be sitting there, eyeballing you. If old George Meany is sitting there, or one of the other labor lobbyists, looking down your throat, what are you going to do?

I believe all these matters ought to be seriously considered. I think what we would do is make the legislative process, or the expedition of legislative business, far more difficult, if we adopt this measure. I hope it will be defeated, but I have no illusions about that.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Committee on Rules and Administration, by a rollover vote of 7 to 1, tabled Senate Resolution 12, amending the Standing Rules of the Senate to provide for open meetings of conference committees.

The assignment of a conference committee is to resolve differences between the versions of a measure as approved by each House. The conference committee, by its very nature, is a creature designed for the sole purpose of resolving such differences. This makes the role of the conferees an assignment of compromise.

Conferees historically have met in closed session, and I am sure the decision for this procedure did not arise solely out of a desire to be secretive. Every action taken by a conference committee must be made public because the new language agreed upon by the conferees, and that is all a conference committee does, must be presented to each House for approval. Therefore, when the report is made to each House for action it is made available to the entire public.

Even though for nearly 200 years conferees have been meeting in closed session there is no rule or requirement for such procedure. In fact there have been exceptions through the years when the conferees did meet in open session, and, as a rule, following each important meeting of a conference committee, a press conference is held to inform the press what progress was made at the meeting.

The reason conferees have concluded to meet in closed session through the years is apparently based on experience that it is easier to resolve compromises behind closed doors.

When the last House to pass a bill adds an amendment or amendments to a bill passed by the other House the conferees of the House adding the amendment have the choice of insisting on the amendment, receding from its amendment completely, or the conferees must reach some kind of a compromise thereon. Somebody must give, somebody has to yield, somebody has to lose, and the loser's efforts to reach a compromise will be impaired if he cannot be totally candid as he can be in a closed session.

Compulsory open sessions would inevitably, in the debate and struggle for a compromise: First, stimulate sectional or interstate jealousies where conference action on a matter appeared to enhance that of another State or area while appearing to detract from that of another State or area; second, jeopardize individual members who may be required to make choices in public which would be legislatively necessary but politically unwise and maybe not best for the country; and third, render virtually impossible the climate or state of mind essential to compromise.

The attitude of Members toward an introduced bill seemingly does not become aggravated as emotionally as when the bill has passed both Houses and attains the state of almost becoming law. At that stage of the game the state of mind of the parties involved are more apt to become intense and, if resolved in public debate, could mean that compromise would be impossible much more so than in a closed session.

It is clear then an inflexible rule could prevent the harmonizing of the relative interests of States, congressional districts, and of the Nation, not to mention the interests of individual conferees.

Mr. President, the distinguished Senator from Iowa (Mr. CLARK) has stated

that in his opinion a rule providing for open conferences will obviate the necessity, in so many instances, of having to vote on the floor of either body on politically motivated and unwise amendments. I hope the Senator is correct, and I do not question the sincerity of his judgment; but I doubt that his judgment is correct. I realize that my own judgment may also be in error.

I feel that in many instances the conferences have served the purpose of eliminating amendments that were purely politically motivated and unwise, and as a result conferences have prevented many bad laws from being enacted. I am sure that every Senator in this body has on one occasion or another voted for an amendment which he knew was unwise, which he knew was inordinately costly and unjustified, but which he knew would be dropped in conference. I think every Senator has done that. I am sure that I have done it. When I was in the House of Representatives I used to say, "Thank God for the Senate." After coming to the Senate I have said many times, "Thank God for the third house, the conference committee."

As I say, I hope the Senator is correct, but I doubt that it will work that way. I imagine that Senators will continue to offer amendments for political mileage, and will realize that they are not going to be conferees; perhaps, and that whether or not the conference drops the amendment they are going to offer it on the floor and get a vote on it. In my judgment, the Senators who go to conferences are going to bear an even heavier burden in the future of eliminating those bad amendments than they have had in the past.

Also, I believe that Senators who act as conferees ought to go to conferences and uphold the position of the Senate on a particular matter in disagreement.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROBERT C. BYRD. Will the Senator yield me another 2 minutes?

Mr. CANNON. I yield the Senator 2 additional minutes.

Mr. ROBERT C. BYRD. But an open conference may make it difficult for that Senate conferee to stand by the position of the Senate. He may feel that it is absolutely necessary for him to support the position of the other body, rather than the Senate position, in order to protect himself, his section of the country, or his State.

So I think there are many problems involved here which do not appear to the naked eye, but which are real to those of us who have served on many conferences throughout the years.

It is good politically to vote for open conferences. I can understand the imagery that is created in the minds of the public as to Senators who vote against closed conferences and those who vote against open conferences. If the conferees want conferences to be open, that is fine; but I do not believe that the Senate ought to vote for a rule to require that conferences be open.

We also have to keep in mind that

conferences are matters that are participated in by both bodies, and that the Senate, by changing its rules here today, cannot automatically force upon the House of Representatives mandatory open conferences.

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

Mr. ROBERT C. BYRD. I am attempting to say, Mr. President, that if this amendment carries, and it probably will, it will not carry with my vote, but if it does carry, the country is going to see more and more bad laws emanate from conferences that are forced to be open, because Senators going to open conference will not always act as statesmen, but will sometimes act as politicians—to the country's detriment.

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

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. CANNON. I yield the Senator 5 minutes.

Mr. LONG. Mr. President, I address what I am going to say to the Senator from West Virginia.

The important thing in a conference is that we reach an agreement. One of the difficulties that I foresee is a situation where we have a lot of amendments on a major piece of legislation, and those who sponsor such amendments are oftentimes very sincere saying of their handiwork: "This is the best piece of legislation ever offered in the history of mankind." It relates to a pride of authorship. A man has an idea, he thinks it is a wonderful idea. He is identified with it, and has campaigned for it throughout the country.

When a person sits there in the room, hears a debate and is satisfied that a better argument could have been made for his amendment than was made, he then feels that there is no way that the Senator can satisfy a fellow that everything has been done that could be done. The author of the amendment is satisfied that if he had been one of those Senate conferees he would have made the conferees agree to his amendment. Oftentimes it might have been that way because he would have probably insisted on that above all. Above everything else, he would have insisted on his amendment.

I can foresee great difficulty in some situations reaching agreement on some of these different things because, when we cannot get the other side to take some of our amendments and we have to compromise, then a fellow feels if the conferees had made the kind of fight he would have made for his amendment they would have come back with that amendment.

I can think of some of the days when I was a junior Senator here, and I first began to be on these House-Senate conferences on the revenue bills. I would have an amendment on the bill that I thought was one of the finest ideas that had been generated in the history of the Republic, and then, when the conference dropped it out, I filibustered here in the Chamber. Sometimes I would

keep the Senate in session 3 days running. I felt confident if they had fought for my amendment that it would have passed. That was a problem that occurred by just opening it to the Senator from Louisiana, putting him inside that room to make a fight on that amendment. The Senator from Louisiana kept the Senate in session days on end fighting conference reports because if he had his way the conferees would have stayed by him and stopped at nothing other than success on the amendment of the Senator from Louisiana.

Other Senators can certainly be expected to take that attitude. Go attend to the conference, sit in the room and then if anything is compromised contrary to what one thinks it ought to be, especially where his amendment is concerned, he is satisfied that the fight was not adequate; therefore, he is in here fighting the conference report. I can see the kind of difficulty we can get into on some of this. The purpose ought to be to make it possible for the two sides to graciously get together without wounding too many feelings so that people can come in and report that they have done the best they could do, all things considered, and I really fear that we are really getting ourselves into a very difficult situation.

I agree with the Senator that in a great number of conferences it would not make much difference, but I can see some of the crucial ones where it might greatly impede the ability of the Senate to legislate.

Mr. KENNEDY. Mr. President, will the Senator from Delaware yield 2 minutes?

Mr. ROTH. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. The Senate already has gone on record in favor of open sessions for markups. As important as that reform is, I do not think it is as important as open conferences. Obviously, any one who fails to achieve his views in the markup sessions has another opportunity to prevail, in the open forum of debate on the floor of the U.S. Senate. But we do not have that kind of recourse from the results of conferences with the House of Representatives. That really is the final court of appeal for the position of the Senate.

I feel strongly, if we had to make a choice, and thankfully we do not, that the open conferences are more important than open markup sessions. There is no real appeal from the results of the conference. We have an opportunity to reject a conference report, but everyone is completely familiar with how complex, difficult, and reluctant we are to reject a conference report because of one or two particular items. So the conference is the final arbiter of these issues. Therefore, I think the conferences have a greater need for openness, and I am hopeful that the amendment will be accepted.

I thank the Senator.

Mr. ROTH. Mr. President, I yield myself 2 minutes.

I endorse what the Senator from Massachusetts says. I think this is really the most important part of the entire legislative proposal to open up. If we do not make that the general rule, at this stage, it seems to me that we are really not accomplishing what the American people want, and that is to understand fully how the legislative process works.

I find it hard to understand the reservations that are given from time to time. We heard last year and 2 years ago about the problems with opening up the markup sessions. I really cannot say that I have seen any difficulty develop with that rule in the committee where it has been adopted.

I will say the same thing for the Senate Chamber. We debate here. We have votes here, and they are always open, with rare exception.

Of course, I should point out again that my amendment is very broad. It is really quite simple. It permits closing in those cases where it is necessary. I emphasize again that it protects the right both of the Senate and the House of Representatives. It does not require joint action. It also only requires action on the part of the majority of those present. So it is not a very rigid rule.

But I think to take this step will be far more significant than anything else we have done from a legislative point of view in opening up Government.

THE PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I ask for 3 minutes to respond to some of the comments that have been made by the opponents of this amendment. I support the Roth amendment or open conference committees.

As I said earlier in my opening statement, the Committee on Government Operations is not asking the Senate to adopt any rules that it has not conformed to itself. We have had a trial run on this for some time now. I am particularly appreciative of Senator CANNON being in the Chamber because he has raised some very serious objections.

I must say, when I first approached this whole openness and sunshine approach to doing business, it went against the pattern to which I had been accustomed in corporate life. I could not imagine holding a board meeting in the open. We had an annual meeting of stockholders, and that is out in the open, but we never discussed anything that could not appear on the front page of any paper. The sensitive matters we discussed in a closed board meeting.

So I approached this subject some time ago with concern. Yet, we felt it was worth trying in the Committee on Government Operations.

This amendment is on the subject of open conferences, and we have had at least two conferences that I can think of where I had some concern going into a conference. One was on the Federal Energy Administration Act, because this dealt with a whole new area of Government control over a major segment of our economy, the energy industry which

affects everyone. I really wondered whether emotions in that conference might be such that we could not conduct our business properly. Then I wondered whether Senators and Congressmen would really speak frankly, openly, and discuss the matter as if we were in a closed session.

In that conference and in the one we had on the creation of ERDA and NRC which determines the whole thrust of our investment in energy research and development and nuclear power, I was absolutely astounded how well those conferences went. They were extraordinarily well attended, better attended than any other conferences I had been involved in. There was absolute respect by everyone in those packed rooms for the unusual situation they were in.

I think the public came out feeling that the conference process was not a secretive, behind the closed door one, but that they were in a room where history was being made and legislation was really being written affecting their lives and the lives of this country.

They respected that. I talked to a great many of the visitors later, some of whom the decisions went against, and they said they walked out of that room with a tremendous respect for the deliberative process, the intelligence level of the Congressmen and Senators participating, the probing nature of their questions, and the way solutions were arrived at when they were contesting points of view. Those conferences went on for days. I became convinced. I went into the conference as a skeptic but I came out absolutely convinced about openness. However, we have never hesitated in our Committee on Government Operations and particularly in the permanent Investigations Subcommittee to close the meeting whenever someone's reputation would be on the line.

THE PRESIDING OFFICER (Mr. STONE). The Senator's time has expired.

Mr. PERCY. I ask for 1 additional minute.

Mr. ROTH. Mr. President, do I have any time remaining?

THE PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. ROTH. I yield 1 minute to the Senator.

Mr. PERCY. Whenever we have dealt with matters that we felt affected highly sensitive areas, where the work of the Senate and the committee would be impaired, we never hesitated to close the doors. I have never found a Senator who was reluctant to vote to close them and justify it when we really could; nor have I, in the experience we have had in the Government Operations Committee, seen evidence of any criticism by anyone when we moved to close a meeting, because people know that, on the whole, we try to hold those meetings in the open.

So I support the amendment. I am sympathetic with the concerns that have been expressed. This dialogue has been extraordinarily helpful and useful. Others have those concerns. From our experience on Government Operations, I would vote for the amendment.

Mr. HASKELL. Mr. President, the question for us today is, Shall the Senate restore the original provisions of S. 5 as introduced by the distinguished Senator from Florida (Senator CHILES) and the distinguished Senator from Delaware (Senator ROTH)?

It is appalling to me that this question has become an issue. The fact that it has suggests some of us have learned absolutely nothing from the lessons of the past few years. It suggests that some of us either do not know or do not care how we are perceived by the people of this country and how much congressional secrecy has contributed to that perception.

Mr. President, I do not believe there is any reasonable argument against the original provisions of S. 5, the Sunshine Act. To be sure, an argument has been offered to the effect that open committee meetings will chill and inhibit the process—that we cannot conduct the public's business in public.

That is utter nonsense. Those of us who serve on the Senate Interior Committee know that better than most. Perhaps one of the reasons I feel so strongly about this matter is that my first Interior Committee meeting early in the 93d Congress was also the one at which the Interior Committee became the first Senate panel to open markups to the public. It was also the first to open conferences to the public.

It is no revelation that openness has worked on Interior. No one has to apologize for the record of this committee since we opened the doors. We have not abandoned hard work for posturing because the public we serve is watching. Hard bargaining and debate have not suffered from the public presence. And no one has to wonder what interests and forces shape the legislation which the Senate Interior Committee reports to the floor, for that legislation takes shape in full public view.

The Senate Budget Committee has had a similar experience with openness, which is a provision of the legislation that established it.

I have enough confidence in my colleagues to believe that they will not act much differently in public or in secret committee sessions. But it is not what happens in secret sessions which is dangerous; it is what the public thinks happens. We cannot afford any suspicions, any questioning of motives. The Nation cannot afford it, either.

Certainly we have learned that much during the past 3 years. Or have we? If we have, what are we doing debating the value of openness in Government and the right of our constituents to know what we are doing at every stage of the process?

Mr. President, we have enacted campaign reforms to reduce the influence of special interests. It now remains for us to eliminate the abuse, the potential for abuse and the appearance of abuse which will persist so long as we continue to conduct the public's business behind hearing room doors closed to the public.

We can accomplish that by supporting the original sponsors of S. 5 in their ef-

forts to restore the original, tough provisions of that bill.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. CANNON. Mr. President, unless someone else desires time, I am willing to yield back the remainder of my time.

Mr. ROTH. I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, is an amendment to the Roth amendment now in order?

The PRESIDING OFFICER. It is in order.

Mr. GRIFFIN. I sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 2, after line 5, insert:

4. (a) In committees of conference, a manager on behalf of the Senate may give his proxy to another manager on behalf of the Senate provided such proxy shall comply with Section 190a(d) of the Legislative Reorganization Act of 1970.

(b) In committees of conference, a quorum for the transaction of business by the managers on behalf of the Senate shall consist of a majority of such Senate managers.

5. The caption of rule XXVII is amended to read as follows: "Conference Committees; Reports; Open meetings; Proxies; Quorum".

Mr. ROBERT C. BYRD. Mr. President, I am in sympathy with the Senator's amendments, but are these amendments germane?

The PRESIDING OFFICER. By the previous order, there is a requirement that all amendments must deal with open committee meetings, and this amendment does not so deal. Therefore, it is not in order.

Mr. GRIFFIN. Does the Chair so rule?

The PRESIDING OFFICER. The Chair rules—

Mr. GRIFFIN. Will the Chair listen to any argument?

The PRESIDING OFFICER. The Chair will listen.

Mr. ROBERT C. BYRD. Mr. President, I will not raise a point of order at this point. I would like the Senator to discuss his amendment. I would support the amendment; but under the agreement, I do not think we can allow this amendment to come in.

The PRESIDING OFFICER. The point of order will not be in order until the time has expired.

Mr. ROBERT C. BYRD. I will make the point of order at the proper time.

Mr. GRIFFIN. Mr. President, if the Senator from West Virginia is correct, that the amendment is subject to a point of order, it is unfortunate. The Roth amendment does deal with committees of conference. Without question, the conference committee is a most important step in the legislative process. It seems to me to be very important to the Senate as an institution if we are going to conduct conference committee sessions

in public, to see that credit will be reflected on the Senate.

I offer this amendment with some recent experience in mind. The committee on conference having to do with the energy legislation has been meeting. We have the ridiculous situation of one-fourth of the membership of the U.S. Senate—25 Members—having been appointed to serve on the conference committee.

The other day, a very controversial and important matter was presented to that conference committee for a vote, and a number far short of a quorum, so far as the Senate managers were concerned, was present. The chairman of the Senate conferees, ultimately exercised proxies, which I believed were general proxies and did not conform with the Reorganization Act.

One of the reasons why I offer this amendment and call this situation to the attention of the Senate is that upon inquiry of the Senate Parliamentarian, the informal ruling was provided that a quorum of the Senate managers was not necessary to take a vote; that one Senator, with a handful of proxies, even though there are 25 members of the conference committee on behalf of the Senate, could sit there and transact the business of the Senate.

Regardless of whether that makes sense otherwise, it certainly is not going to look very good to the public if we have our conference committees operating in that way. I think it would make good sense to adopt a rule in connection with this change that a quorum would be necessary.

I wonder whether the Senator from West Virginia, who serves on the Rules Committee with me—perhaps I should address my question to the chairman of the Rules Committee, since he is in the Chamber—would agree that the matter of proxy voting and what constitutes a quorum might be appropriate matters for the Rules Committee to address itself to—particularly now that we are out in the sunshine.

Mr. CANNON. I certainly think it would be proper for the committee to address itself to the question that the Senator has raised. I was inclined to support the proposition he has stated. I think he makes good sense. But if it is not germane, that is something else. Many of these matters properly should be considered, I suppose, by the Rules Committee.

Mr. GRIFFIN. I hope so. Not only is it in the interest of sound legislative procedure to provide that a quorum be present in order to transact business, but also it would make the Senate look a little better in the sunshine of the public scrutiny that we are providing for ourselves.

I offer this amendment because it is a fair assumption that the amendment of the Senator from Delaware probably will be adopted.

I hope the Chair will see its way clear to find the amendment germane.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Illinois?

Mr. CANNON. I yield 1 minute to the Senator.

Mr. PERCY. Mr. President, I am sympathetic with the objectives, but I agree with the Senator from West Virginia (Mr. ROBERT C. BYRD) that we simply could not open up this measure. We could go through the whole Senate and find ways to improve our operating procedures.

Mr. ROBERT C. BYRD. Not only improve them, but we also could make them much worse.

Mr. PERCY. I do not think this is the time or the place to do it. There will be the proper time. The distinguished Senator is on the Rules Committee. I certainly would support and back many of the things he has proposed, but I think the rule of germaneness should apply. Otherwise, we would never finish this measure.

Once having accomplished this, perhaps we will find that we will have to improve many of the procedures as we operate, and perhaps it is all for the good. Perhaps we will have to show up on time at the meetings.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. If no one desires any additional time, I yield back the time.

Mr. GRIFFIN. I yield back my time.

Mr. ROBERT C. BYRD. Mr. President, it is not that I am not in sympathy with the Senator's amendment, but I feel that, under the unanimous-consent agreement, his amendment did not agree with open and closed meetings of committees, subcommittees, and conferences. Therefore, the amendment is not germane and I shall have to make that point of order. Otherwise, other amendments could come in that likewise are not germane.

Mr. GRIFFIN. Mr. President, I recognize the argument and technically, the argument is right. I think it is unfortunate that we restricted ourselves to this extent in the unanimous-consent agreement. We should have had an agreement with more latitude, enough to take care of the problems that we are creating along the way as we are making the amendments to the rules of the Senate that are being voted upon. Recognizing that, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is on agreeing to the amendment of the Senator from Delaware.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) and the Sena-

tor from North Carolina (Mr. MORGAN) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from California (Mr. TUNNEY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would each vote "yea."

The result was announced—yeas 81, nays 6—as follows:

[Rollcall Vote No. 469 Leg.]

YEAS—81

Abourezk	Garn	Mondale
Allen	Goldwater	Montoya
Bartlett	Gravel	Moss
Beall	Griffin	Muskie
Bellmon	Hansen	Nelson
Bentsen	Hart, Gary	Nunn
Biden	Hart, Philip A.	Packwood
Brock	Haskell	Pastore
Brooke	Hathaway	Pearson
Buckley	Helms	Pell
Bumpers	Hollings	Percy
Burdick	Hruska	Proxmire
Byrd	Huddleston	Randolph
Harry F., Jr.	Humphrey	Ribicoff
Cannon	Inouye	Roth
Case	Jackson	Schweiker
Chiles	Javits	Sparkman
Church	Johnston	Stafford
Clark	Kennedy	Stevens
Cranston	Laxalt	Stevenson
Culver	Leahy	Stone
Dole	Magnuson	Taft
Domenici	Mansfield	Thurmond
Durkin	Mathias	Welcker
Eagleton	McClure	Williams
Fannin	McGee	Young
Fong	McGovern	
Ford	McIntyre	

NAYS—6

Byrd, Robert C. Scott,	Tower
Long	William L.
Metcalf	Talmadge

NOT VOTING—13

Baker	Hartke	Stennis
Bayh	Hatfield	Symington
Curtis	McClellan	Tunney
Eastland	Morgan	
Glenn	Scott, Hugh	

So Mr. ROTH's amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated by the clerk.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an amendment: On page 1, line 6 strike out the words "that a portion or portions of any such meeting" and insert in lieu thereof "that a meeting or series of meetings by a subcommittee thereof on the same subject".

On line 5 of page 2 strike out "portion or portions—" and insert "meeting or meetings—".

Mr. TALMADGE. Mr. President, may we have order so that we can hear what is going on.

The PRESIDING OFFICER. Will the Senate kindly come to order. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. Presi-

dent, may I have the attention of Senators?

The PRESIDING OFFICER. Will the Senate come to order? Will Senators kindly limit their attention to the Senator from West Virginia?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I would like to take advantage of the opportunity to speak to a fairly full representation of the Senate for once today. Inasmuch as we have a good number of Senators here now, I ask unanimous consent that the time on any remaining amendment be limited to 10 minutes, to be equally divided between the mover of the amendment and the chairman of the committee.

Mr. JAVITS. Mr. President, reserving the right to object, does that apply to S. 5 or S. 9?

Mr. ROBERT C. BYRD. Only Senate Resolution 9.

The PRESIDING OFFICER. Does the Senator's request cover the current amendment of the Senator?

Mr. ROBERT C. BYRD. It covers my own amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. I object. I do not know what amendments will be offered at this time.

Mr. ROBERT C. BYRD. All right.

Mr. PERCY. Mr. President, I have an amendment. It is fully acceptable to me. Could we poll the membership to see who has amendments?

Mr. ROBERT C. BYRD. I think we know.

Let me explain my amendment.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. I will close it up in 5 minutes.

Mr. President, the Senate has rejected the committee amendment and up to this point has approved of the resolution offered by Mr. CHILES and other Senators, as amended by my own amendment. As it now stands, any standing committee of the Senate, select or special committee of the Senate, or subcommittee thereof, or one member of any committee, may demand that the committee go into closed session and if that demand is sustained by a second, a committee will go into closed session to determine whether or not closed meetings are justified in that they would involve discussions about any one or more of the five paragraphs enumerated, (1) through (5) of the resolution.

As the resolution now stands, if a committee were, on Monday, to determine that it should go into closed session on Monday because of the sensitive nature of the subject matter, on Tuesday it would have to go through this whole proceeding again, even though it were talking about the same subject matter.

On Wednesday, it would have to go through the same proceeding again, even though it were talking about the same subject matter.

My amendment would allow the committee, once it went into closed session and made a determination that the subject matter was of such a nature to re-

quire closed discussions, to authorize closed sessions daily until such sensitive subject matter were disposed of, thus saving the time of the committee and obviating the necessity of going through the same proceedings day after day after day when the subject matter were sensitive and had been determined so by the committee in the first instance.

Mr. GRIFFIN. If the Senator will yield for this observation, he omitted that in the procedure, even though the committee does discuss in closed session whether or not it is advisable to have the meetings in closed session, they must go into open session first to take the vote.

Mr. ROBERT C. BYRD. Yes; Senators have required today that when the committee goes into closed session to determine that the subject matter is sensitive to the extent that closed sessions are required, the committee then has to go back in open session to so vote, even though the present rules of the Senate require that such committee votes be made public.

Mr. GRIFFIN. I think it is important for Senators that have not been on the floor to realize that.

It seems to me the Senator's amendment is particularly applicable to a committee like the CIA Intelligence Committee. Do we want this committee to go through this folderol every day?

Mr. ROBERT C. BYRD. Every day.

Mr. GRIFFIN. Even though they are considering the same sensitive matter?

Mr. ROBERT C. BYRD. Have a closed session, go back to open session to vote a closed session, then go back into closed session every day. My amendment would obviate that.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I can see the point that the Senator is raising by virtue of his amendment. The concern the Senator from Florida has with the amendment as it is now stated is that one could hold, again, one meeting, like at the beginning of the year, and say, "We are going to be dealing with the subject of this particular matter," and with a majority vote then one could attempt to close the meetings of that committee for the rest of the year.

I wonder if the Senator would agree to language, following the first paragraph that he has where that is on the same subject, and add:

For a period of no more than 14 days.

Mr. ROBERT C. BYRD. Well, I say this, and I hope the Senator will not misunderstand me. I say with all due respect to the Senator that I believe if a committee acted otherwise, the majority of that committee could be charged with bad faith.

Mr. CHILES. I think, though, when we say for a period of no more than 14 days, we are really getting to the point that the Senator from West Virginia is raising on having to do with every day.

In almost every instance, that is going to cover a bill that we are debating on a subject matter, and I do not think it is going to be a great inconvenience in a committee if once they have had the debate and they are going more than

14 days, they simply take a vote, they do not have to go through any process.

Mr. ROBERT C. BYRD. Mr. President, I have no quarrel with this. I do not think it is necessary at all. I do not know what the Senator means by 14 days, whether he means 14 days of committee sessions or 14 calendar days, but it is all right with me, whatever the Senate wants to do on this.

I do think this amendment would be an improvement over the language in the resolution.

Mr. CHILES. If the Senator would agree to that language, then I would certainly agree to his amendment.

Mr. ROBERT C. BYRD. Would he suggest 14—

Mr. CHILES. Calendar days.

Mr. ROBERT C. BYRD (continuing). Calendar days.

All right, including Sundays and holidays.

Mr. PASTORE. Vote.

Mr. ROBERT C. BYRD. Mr. President, I accept the modification.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 1, line 6 strike out the words "that a portion or portions of any such meeting" and insert in lieu thereof "that a meeting or series of meetings by a subcommittee thereof on the same subject for a period of no more than 14 calendar days".

On line 5 of page 2 strike out "portion or portions—" and insert "meeting or meetings—".

Mr. PASTORE. Vote.

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the contingencies that are set forth in the committee bill, quite possibly, do not include any and all emergencies that might arise requiring a closed session.

If Members will look at the Senate resolution on pages 2 and 3, Members will see the five sets of contingencies that will justify closed meetings of the committees.

I would propose to offer an amendment adding a paragraph numbered (6), which would read as follows, and if Senators will look on page 3, beginning with line 21 and going into line 22, they will find this language:

I propose to amend the bill by adding a paragraph (6) which would include that very language so that there is a type of catch-all language that would take care of situations that are not now envisioned by the first five paragraphs.

Mr. LONG. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. As the Senator knows, an amendment will be offered by Senator

PERCY which has to do with opening up the sessions of the joint committees. I discussed this matter with the Senator from Illinois. Much of the activity of the Joint Committee on Internal Revenue and Taxation is dealing with somebody's tax return. Under the law, that is confidential information and cannot be divulged.

The Senator has language which perhaps could be seized upon to contend that this should be a closed meeting, but as a practical matter, the language that the Senator is suggesting would take care of that. Obviously, I do not think anybody, by Senate rules, wants to be required to break the law of the land, and the law of the land does not permit us to divulge the confidentiality of a tax return which is not otherwise public. Would this language take care of that?

Mr. ROBERT C. BYRD. Yes.

That is all I have to say. I hope the Senators will accept my amendment.

The PRESIDING OFFICER. Is the Senator offering that as an amendment?

Mr. ROBERT C. BYRD. Yes; I am.

The PRESIDING OFFICER. Can the Senator send that to the desk?

Mr. ROBERT C. BYRD. Yes; for the benefit of the clerk, this would add a paragraph numbered 6 on page 3, following line 15, beginning on line 16, and it would consist of the verbiage in the parens that I have marked on lines 21 and 22 of page 3.

The PRESIDING OFFICER. Who yields time? Do Senators yield back their time?

Mr. CHILES. Mr. President, I yield such time to myself as I might need to discuss the amendment. I am not sure this amendment fits the argument which has been raised that we need sort of a catchall provision for something that we have no thought about. This particular amendment says "may divulge matters deemed confidential under provisions of law or other governmental regulations."

I do not see how that really hits any of the speculative matters that people were trying to raise at one time that might not be covered. It seems to me, for example, on a person's income tax return, that would be covered where we speak in paragraph 3 about a clearly unwarranted invasion of the privacy of an individual. So we have taken care of that exception.

I really do not know what the language means.

Mr. LONG. Will the Senator yield?

Mr. CHILES. Yes.

Mr. LONG. How about a corporate tax return? A corporation is not an individual.

Mr. CHILES. It also provides in section 5, "will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to" given persons. I think it would be covered under that, too.

I do not think we are going to pass a rule that is going to be able to contradict a privilege of law that we now have by another statute, and we are not purporting to do that.

I do not know what the amendment means. I do not know what it seeks to do. I do not know what it seeks to add to the bill.

Mr. LONG. No one wants to vote for a Senate rules that requires a Senator to break the law. Just to state the obvious, we ought to make it clear that by this rule we are not trying to make somebody break the law because, obviously, he could not very well do it anyway. We could not make him do that. Why would we want him to break the law and then have him say "I did that because the Senate rule required me to do it."

We would be better off to say, "If it is the law you are talking about and somebody would be required by a Senate rule to break the law, we make it clear that there is nothing in this rule that would make you break the law because you would have no business doing that."

Insofar as the regulations are involved here, the Senator may be referring to the regulations of the Internal Revenue Service, for example, which protect the rights of the individuals. We would not want to break that.

Mr. CHILES. I wonder if the Senator from West Virginia would agree to a modification that would say "or may divulge matters" and strike the word "deemed" and insert in lieu thereof "required to be kept confidential under other provisions of law or Government regulations"?

Mr. ROBERT C. BYRD. That is fine with me.

The PRESIDING OFFICER. The amendment is so modified.

Mr. ROTH. I do not believe I have any objections to this amendment, but I would like to have the Senator explain more precisely what he means by Government regulations. Are those just regulations that would be issued such as the CFR's, or would it be almost any order put out by the military or anyone else? What do we mean by the word "regulations"?

Mr. ROBERT C. BYRD. Whatever they are, they would protect confidentiality. That is what we are talking about. For any Senator to raise an objection to an open meeting I would think he would have to produce evidence that whatever matters are going to be discussed are required to be kept confidential under other provisions of law or Government regulations.

Mr. ROTH. I guess I am asking the Senator from West Virginia does the word "regulations" have any precise meaning?

Mr. ROBERT C. BYRD. I do not think so.

Mr. ROTH. Would it be just a letter that was issued, say, by the chief of an agency?

Mr. ROBERT C. BYRD. I think that would not be a regulation. It would be a matter that the committee could determine. I do not think I have to determine right here what a regulation is. This precise language has been lifted out of the standing rules of the Senate dealing with committee hearings. That is where this language came from.

Mr. LONG. Will the Senator yield on that point?

Mr. ROTH. Yes.

Mr. LONG. It seems to me the question before the committee would be "Will we respect this regulation or will we

not?" I can recall when President Eisenhower issued a kind of regulation that nobody in the entire executive branch could tell anything to a congressional committee unless the President had given them consent to do so.

We did not have any respect for that regulation and refused to abide by it. Conceivably, if these people have a regulation that says that they will not divulge this confidential information and we want them to divulge it, we are going to have to let them divulge it in a closed session. Otherwise, they would stand on the regulation and say, "If I break that regulation, I will be fired anyhow."

Mr. ROBERT C. BYRD. May I cite to the distinguished Senator from Delaware the verbiage in the present Legislative Reorganization Act? Section 133 A, paragraph (b):

Each hearing conducted by each standing, select and special committee of the Senate, except the Committee on Appropriations, shall be open to the public except when the committee determines that the testimony to be taken at that hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual or may divulge matters deemed confidential under other provisions of law or Government regulation.

That is the language in the present law—not just in the Standing Rules of the Senate—and it deals with committee hearings.

All the committee was trying to do in bringing out the language that the committee substituted today was to use the very verbiage that is now in the Legislative Reorganization Act dealing with hearings and apply it to committee markup meetings. The Senate voted down that committee substitute. I am attempting to use the same language now as a bit of additional protection so as to include situations not now foreseen.

Mr. ROTH. As I said in the beginning, I was not saying that I objected, but I am trying to get a better feel for what the Senator from West Virginia intended.

In essence, is the Senator saying "confidential under other provisions of law or Government regulations issued pursuant thereto"? I mean would these be regulations issued pursuant to law?

Mr. ROBERT C. BYRD. I am not going to tweekle-dum and tweekle-dee all night over this.

Mr. ROTH. I find this rather important.

Mr. ROBERT C. BYRD. I know the Senator does, but let the Senator ask the Senators who drew up the Legislative Reorganization Act what they meant. I have lifted the language precisely out of that law.

Mr. ROTH. The Senator is proposing the amendment, though.

Mr. ROBERT C. BYRD. But I am using the same identical language, and "Government regulations" means here what "Government regulations" means there. It will be the same for committee markups and meetings as it already is for committee hearings.

Mr. ROTH. All I am asking the distinguished Senator from West Virginia is, if this language is already used, does it

have any defined meaning? I gather it really does not, even though the language has been used before.

Mr. ROBERT C. BYRD. I do not know that it is a word of art. I doubt it.

Mr. ROTH. Would an executive order be a Government regulation issued by the President?

Mr. ROBERT C. BYRD. I suppose it could be. That would be something the committee could determine at the time.

Mr. STEVENS. The committee could vote on it.

Mr. ROTH. I realize it could.

SEVERAL SENATORS. Vote!

THE PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. ROTH. I yield back the remainder of my time.

THE PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia, as modified.

The amendment, as modified, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I have one additional amendment, which would be to strike—I send the amendment to the desk and ask that it be reported.

THE PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1, line 3, after "standing" strike ", select, or special".

Mr. ROBERT C. BYRD. Mr. President, this amendment would delete from the language of the resolution the words "select or special" with reference to Senate committees. It is the feeling of myself and those on the subcommittee who reported out the committee substitute that a Senate rule dealing with open sessions should deal only with standing committees and subcommittees, not with select or special committees.

The Senate, in creating a select or special committee, can, by the creating resolution, specify whether or not the committee should operate under closed sessions or open sessions, or leave it up to the committee to do whatever it deems best. I do not believe we ought to enact a standing rule of the Senate today governing the proceedings by which select or special committees will act in respect to open or closed sessions.

Mr. CHILES. Mr. President, I have to oppose this amendment. If we adopt the House amendment, most of the special and select committees that we have operating today would not be under the rules that we are providing for standing committees. I see no reason why we should not have the same rules for the Select Committee on Nutrition and Human Needs, the Select Committee on Small Business, the Special Committee on Aging, or the Special Committee on National Emergencies and Delegated Emergency Powers. All of them should open their meetings and conduct them in the open, just as we are providing for standing committees.

In the event that we have a special committee that is going to be brought into being by resolution or by legislation, we could at the time provide, if we

wanted to, some special rules. But we have accommodated the provisions so they would not have to close their meetings every day. They now have 2 weeks on the subject matter, in which to keep the meetings open; and even on our intelligence committees they can go for 2 weeks on one particular subject, and that is as long as they are going to need to go on any particular subject having full sessions.

I think this amendment would greatly weaken the resolution by putting under a different rule the select committees. We are seeing more and more that some of the select and special committees are becoming committees of great importance. Certainly the Committee on Aging is, and certainly its meetings should be open.

The other point is that most of the select committees do not even have markup sessions, because they are not marking up legislation, so why in the world should they need to close their meetings, or, in the event they do, why should they not follow the same rules and procedures that we have for other committees?

I oppose the amendment, and I hope we can defeat it. And, Mr. President, if this is a proper time, I ask for the yeas and nays on the amendment.

THE PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, is there still time on the amendment?

THE PRESIDING OFFICER. There is time remaining on the amendment.

Mr. GRIFFIN. Will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield. How much time does the Senator wish?

Mr. GRIFFIN. Three minutes.

Mr. ROBERT C. BYRD. I yield the Senator 3 minutes.

Mr. GRIFFIN. Mr. President, I think when we get to the rollcall vote, without taking up other amendments, we are going to want to get out of here. I would like to ask a question for the purpose of legislative history.

It was pointed out by the Senator from Louisiana, when he talked about these categories—and I read one of the categories:

will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person.

One of the oldest arguments in the law is whether or not a corporation is a person. Almost any bill that uses the word "person" must define the word to make it clear whether or not a corporation is a person. I do not know what is intended here by the drafters of this resolution, but obviously the trade secrets that we will be talking about, in many instances, will be trade secrets of a corporation or business association of one kind or another, rather than an individual person.

I could offer an amendment; but perhaps legislative history will suffice. At least, I would like to know if there was an intention to say that trade secrets of a corporation, if they were trade secrets, would be disclosed.

Mr. CHILES. I think the intent would be the same intent as has been held to be the law in most instances, especially where you are talking about trade secrets, that you would be talking about corporations as well as individuals.

Mr. GRIFFIN. I thank the Senator for that legislative history. I think it is important to have it in the record.

Mr. PERCY. Mr. President, will the Senator yield me 1 minute, to comment on the Byrd amendment?

Mr. ROTH. I yield the Senator 1 minute.

Mr. PERCY. Mr. President, I shall oppose this amendment. I serve on two select committees, the Select Committee on Aging and the Select Committee on Nutrition and Human Needs. I see no reason on earth why they should ever have closed meetings. We are dealing with older people, we are dealing with food stamps, and we are dealing with critical issues that affect people. I think that is all the more reason that the meetings should be open, as a standard procedure, unless there is some special reason that they should be closed.

There are operating procedures established in this legislation whereby they can be closed if there is reason to. But I see no earthly reason that they should be closed as a general procedure.

Mr. ROBERT C. BYRD. Mr. President, I agree with the Senator as far as those particular committees are concerned; but take the Ethics Committee. That is quite a different matter.

What I am saying is that when the Senate creates a special or select committee, I think it should be up to the Senate, based on what the work of that committee is to involve, to determine whether or not the meetings will be open or closed, or whether to leave it up to the committee. I think we ought not to adopt a Senate rule here that mandates a special or select committee, to be created in the future, to do one thing or another.

Mr. PERCY. I think the whole purpose of our legislation, however, is to place the burden of proof or require the preponderance of the evidence to show that they should be closed, but have the prevailing factor be that they should be open. Then those who want them closed have to take the initiative, rather than the other way around.

I say again, as to the Committee on Ethics, there is no question, if a committee meeting involves a question as to the integrity, reputation, or character of an individual to be discussed, it should be closed, and there would not be any problem about having such a meeting closed.

Mr. ROBERT C. BYRD. What about the Special Committee on Investigation of CIA?

Mr. PERCY. I would think the same thing would apply. The amendment specifically provides that national defense and foreign policy are matters that permit closed meetings.

But I say respectfully that if we had a little more openness about intelligence gathering in the past and we had found out how much we were spending on it

and who was doing it, we might not have all the difficulties we have today. It was this utter cloak of secrecy, in which the CIA said in effect: "This was none of your business", that has led to the present problems. This is our business; it is our Government's business, and the people of this country are depending on us to watch. The only way they can have absolute assurance we are watching is to know what is going on. We all know we do not know in the Senate what is going on in many of these committees. We would be much better informed if we had a good deal more openness about the way we conduct our business.

Mr. ROBERT C. BYRD. Mr. President, the Senate, creating the committee, could make that determination.

I yield back my time.

The PRESIDING OFFICER. The question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The clerk will suspend.

Mr. PASTORE. Mr. President, I should think in view of what has been said here today that the Senator should withdraw his amendment. If we create a special select committee where it is all confidential and secretive, we can say so at that time. But to be consistent, if we are going to open it up, leave it all open. I would hope that the Senator would withdraw this amendment.

Mr. ROBERT C. BYRD. Mr. President, in deference to the able Senator from Rhode Island, I withdraw the amendment.

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

Mr. STEVENS. Mr. President, I call up my amendment No. 1041, which is at the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk reads as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment as modified to add a new section at the end of amendment No. 1031.

The amendment is as follows:

At the end of section 1 insert the following: "Each committee shall prepare and keep a complete transcript of electronic recording adequate to fully record the proceedings of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of said members vote to forego such a record."

Mr. STEVENS. Mr. President, let me state briefly what this is for. I found in some of these executive sessions that have been open we have people who are there taking notes and we have no record. We have members of the audience who are stating our intent in regard to a particular amendment, according to their information, which was contrary to that of the person who offered it. It seems to me that, if we are going to open these meetings—and I supported opening them—we ought to have a record of what transpired so there could be no question as to who was involved.

I see my good friend from Illinois here.

We share almost the same name and are on the same conference committee right now.

Confusion can arise in terms of these proceedings unless there is a record.

I have checked, and ten of the committees of the Senate already maintain a record of the meetings that are, in fact, open to the public. We should set a standard that all of them should maintain a record unless a majority of the Members vote otherwise.

I am hopeful the managers of the bill will accept the amendment.

Mr. ROBERT C. BYRD. Mr. President, is this amendment germane?

Mr. STEVENS. I have checked with the Parliamentarian, I will say to the Senator from West Virginia, and was informed that it was. It pertains to the recording proceedings of open meetings.

Mr. ROBERT C. BYRD. But under the agreement no amendments would be germane if they did not deal with the subject of open or closed meetings.

Mr. STEVENS. I specifically address that.

Mr. ROBERT C. BYRD. I am in sympathy with the Senator's amendment. I am for it. I do not wish to open the door to any nongermane amendments, though.

The PRESIDING OFFICER. The Chair advises that in the broad sense the amendment can be considered within the unanimous-consent agreement as being germane in that it provides for transcripts regardless of whether the meetings are open or closed and provides for the ability to dispense with them.

Mr. CHILES. Mr. President, we think that is a good amendment and we certainly accept the amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. ROTH. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PERCY. Mr. President, I am quite agreeable to a 10-minute time limitation on either side if that would be acceptable. I send an amendment to the desk.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 10-minute limitation on the pending amendment, the time to be equally divided in the usual manner to each side on the amendment.

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

Mr. PERCY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PERCY. 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 Resolution, add the following:

SEC.—(a) Rule XXV of the Standing Rules of the Senate is amended by adding

at the end thereof the following new paragraph:

"8. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(i) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(ii) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

"In the case of public hearings, the proceedings may be broadcast by radio or television, or both, as the committee may determine, and under such rules and regulations as that committee may adopt."

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXV is amended by inserting immediately below item 25.7 the following:

"25.8 OPEN JOINT COMMITTEE MEETINGS".

Mr. PERCY. Mr. President, I shall explain my amendment briefly.

This is a simple amendment to complete the circle of coverage of open meetings in congressional committees. It would apply to joint committees of the Senate and House of Representatives precisely the same rules for open meetings as are contained in S. Res. 9 for standing, select and special committees of the Senate. The only stipulation would be that this change in the Senate rules covering joint committees would not go into effect until a similar rule has been adopted by the House.

Under my amendment the general rule for joint committees would be openness just as the general rule for individual committees of the House and Senate is openness. Meetings could be voted closed for specific cause, under exactly the same criteria as we have already established for Senate committees.

In my mind there is no difference between the activities of the joint committees of the two Houses and the activities of the standing, select, and special com-

mittees of the Senate. Joint committees conduct hearings, take testimony, consider legislation, and make reports to their respective Houses. There is no reason whatever why these joint committees should be exempt from the general rule that is applied to all other committees. Their meetings should be conducted in the open and in full view of the public they serve.

This is an amendment I offered in the Committee on Government Operations, and which was adopted unanimously by that committee.

Mr. President, fully adequate experience has already been gained for the procedure called for in this amendment. The House committees have been operating under an open meetings rule for nearly 3 years now. The Senate Committees on Government Operations, Interior and Insular Affairs, and Banking, Housing and Urban Affairs have also been fully open for nearly 3 years. How much more experience do we need to demonstrate that this procedure has been working and working well? We should open all remaining committees of both Houses of Congress, including the joint committees of the House and Senate.

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

Mr. PERCY. I hope that the leadership will accept my amendment as a conforming change in the Senate rules, subject to adoption to a similar rule in the House.

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

Mr. PERCY. I do realize that there are obviously sensitive matters that must be taken up, and there is adequate provision in the amendment, I think, to cover every single contingency so that sensitive meetings can be closed and will be closed when needed.

I am happy to yield to our distinguished colleague.

Mr. PASTORE. I realize in the general context of this resolution matters that have to do with security are protected provided, of course, there is a vote taken.

But in the Joint Committee on Atomic Energy most of our hearings are executive, and we deal with very sensitive information having to do with nuclear weapons, and what have you.

Does that necessarily mean that every time we call a hearing on sensitive information of that kind we have to debate whether or not it is going to be open or closed?

Is that what we are getting into?

Mr. CANNON. Yes.

Mr. PASTORE. I hope that the Senator would exempt the Joint Committee on Atomic Energy because that is exactly what our function is. We are dealing with weapons about every time we meet. If we are going to get in a hassle over whether or not we are going to be open or closed, we are going to waste our time on procedure rather than on substance.

I hope that, if the Senator does include joint committees, he takes into consideration that we are the only joint committee of Congress that has legislative authority. We are the only committee of

Congress that has the right to be currently informed on all developments of nuclear weapons. I hope that there would be an exemption in the Senator's particular amendment with reference to the Joint Committee on Atomic Energy.

Mr. PERCY. I thank our distinguished colleague for his comments, and I have the highest regard for the way in which he has conducted the Joint Committee on Atomic Energy.

I do feel, however, that as to these matters, openness is good in general, with the exemptions we have provided. The Committee on Government Operations has dealt with ERDA. It has dealt with the Federal Energy Administration. We have dealt with the problems of nuclear safeguards and held hearings on them both in this country and abroad. I do feel that openness in the discussion of some of the problems involved is good.

Whenever it gets into an area of national security, where it is simply because of the aid and comfort or information it might give to our adversaries, we simply have to close it. But many of the issues involved in the Joint Committee on Atomic Energy, I should think, deal with issues in which groups in this country, citizens of this country, Members of this body, are deeply involved and deeply interested.

I would tend to think that procedures for closing a meeting are there, and as long as you have a quorum for the meeting, anyway, you can certainly vote to close it. Members of that committee would know.

Again, the question has to be asked. What are we dealing with that the public cannot be included in? What are we dealing in that is so sensitive that we cannot discuss it?

Mr. PASTORE. We are dealing with atomic bombs, not with safeguards with relation to a nuclear reactor. I am not talking about that. We are dealing with sensitive information. We meet at 2 o'clock. It is a joint committee—nine from the House and nine from the Senate. Ninety-nine percent of the time we are dealing with weapons.

This idea of opening it up to the public—to whom? To Russia? To Red China? Is that what we are talking about?

After all, let us be a little sensible. I think we can run away with ourselves here tonight. I am saying that this is very sensitive. We have open hearings when it has to do with safeguards on a nuclear reactor.

But I am talking about the Polaris, and I am talking about the Trident, and I am talking about MIRV, and I am talking about bombs. Where are they? How many?

I tell the Senator that every time we have to talk about sensitive information of that kind, we are going to spend half our day discussing just whether it should be open or closed. All I am saying is that this is an area where there should be an exception, for the simple reason that this is a special law that was created for the reason. I hope we would talk a little sense here tonight.

Mr. PERCY. If I may reply to the comments that have been made, this reminds me of the arguments we had more than a quarter of a century ago on tariffs

and trade. Every industry, time after time, said, "But you do not understand our situation. It is different." Yet now we have passed uniform laws in that area.

Many committees maintain that they are different, but here we provide, right in the amendment, under paragraph a, the exemption for matters that "will disclose matters necessary to be kept secret in the interest of national defense or the foreign policy of the United States."

All we require is a simple 1-minute vote by the majority of the committee, and that is all that has to be done. I cannot imagine that those meetings go on day after day, talking about the number of bombs and where the bombs are, and all that. I would think that that subject would be talked out.

There must be many matters of policy involving the public, involving where this Nation is going, that should be discussed openly, so that more people know about the direction that Congress is taking.

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

Mr. PERCY. I yield.

Mr. PASTORE. The Senator is not familiar with the situation, but we have a policeman outside that door. He is there 24 hours a day. When the Senator had his hearings on Watergate, where does he think the secretive information was kept? With our permission, it was kept right up there in the vaults of the Joint Committee on Atomic Energy. That room is debugged every day. That is what I am talking about.

As to the matter of the public being entitled to know, the Senator is talking about an entirely different subject. All I am asking is that the Senator exclude the Joint Committee on Atomic Energy. That is all I am saying.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CANNON. I yield to the Senator.

Mr. PERCY. Will the Senator yield me 30 seconds?

Mr. CANNON. I yield.

Mr. PERCY. The Senator from Illinois has participated in meetings in that room for 9 years. A policeman can stay there as long as he is there, 24 hours a day, guarding those secrets; he is there every day. But it does not prevent any of us from holding meetings whenever that room is open. We have had the public there in virtually every meeting I have attended, including conferences on ERDA and the Energy Administration. So I do not feel that the arguments hold water, and I say so respectfully.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The motion to table was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 30 seconds?

Mr. CANNON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I want to make a correction in my amendment.

I ask unanimous consent that, notwithstanding the fact that an amend-

ment in the nature of a substitute was agreed to with the words "portion or portions" therein, the amendment later adopted that changed those words be held as having been in order and considered as having been adopted.

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

The question is on agreeing to the resolution.

Mr. CHILES. Mr. President, I send to the desk a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CHILES. 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 4, line 16, strike out "Section" and insert in lieu thereof "The first sentence of section 133 (b) of the Legislative Reorganization Act of 1946, section".

Mr. CHILES. Mr. President, this is a technical amendment, on page 4, line 16, correcting the references to the provision in the Legislative Reorganization Act now governing Senate hearings and markups. It adds wording with respect to Senate hearings except Appropriations Committee hearings. The sentence is no longer necessary, since Senate Resolution 9 establishes its own standards and procedures governing such hearings.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. CANNON. I yield back the remainder of my time.

Mr. CHILES. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on agreeing to the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PERCY. I realize that Senators are anxious to leave, but would it be possible to have a reconsideration of the motion to table the Percy amendment?

The PRESIDING OFFICER. That motion is in order.

Mr. PERCY. And a rollcall. I ask unanimous consent for reconsideration, and for a rollcall vote on that.

Mr. GRIFFIN. Mr. President, is the motion debatable?

The PRESIDING OFFICER. The motion to reconsider is debatable.

Mr. GRIFFIN. I ask for recognition.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

There are 20 minutes on the motion.

Mr. GRIFFIN. Mr. President, I point out that the amendment as offered by the Senator from Illinois also would include and cover the joint committee that determines the secret service protection for Presidential candidates, as another

example. I do not know whether that is intended. Perhaps it is all right. I would not think that that committee should be required to hold its deliberations in public, and I challenge anyone to point to one of these categories as covering that situation. There are joint committees having to do with the security of the Capital of the United States.

Furthermore, we cannot legislate with respect to joint committees. It would at least take an act of Congress to do so.

So I hope that the motion to reconsider will not be adopted.

Mr. CANNON. Mr. President, I move to table the motion to reconsider.

Mr. PERCY. Mr. President, perhaps we can even eliminate the need to vote. Would it be possible for the Rules Committee to discuss this issue in committee? I think there should be more debate on this issue.

The Senator from Rhode Island has brought up some very good points, as has the Senator from Michigan.

I do not want to foreclose the possibility that the Rules Committee can give consideration to what can be done. As long as the Rules Committee would offer a commitment that it would give consideration to this, I would withdraw the request for reconsideration.

Mr. ROBERT C. BYRD. Mr. President, as chairman of the subcommittee, I will not offer any commitment as to the date when the subcommittee will consider this. We have had enough of a go-round on this already.

Mr. CANNON. Mr. President, I ask unanimous consent to withdraw my motion to table.

Mr. PERCY. Mr. President, I ask unanimous consent to withdraw my request for reconsideration.

The PRESIDING OFFICER. Without objection, the motion to reconsider is withdrawn.

ADDITIONAL STATEMENTS SUBMITTED ON S. RES. 9

Mr. CHILES. Mr. President, I want to pay particular thanks and appreciation to the following members of my staff and the committee staff who have worked very hard on this resolution: George Paten, Margaret Marusch, Vicki Smith of my staff, and Paul Hoff, Marilyn Harris, and Jim Davidson of the staff of the Government Operations Committee.

In addition, Professor Dick Stewart gave valuable assistance in the early drafting stages.

Also to the members and staff of Common Cause whose efforts were invaluable both in developing this resolution and working for its passage.

Mr. BIDEN. Mr. President, the legislation before us today marks another chapter by the Congress to improve itself.

Four years ago, the ability of the Congress to legislate more efficiently and effectively was improved by means of passage of a legislative reorganization act, the first major one in 25 years. Shortly thereafter came enactment of the Federal campaign financing bill designed, in part, to curb the influence of large-scale private financing of campaigns and to reduce the tremendous edge that sitting Senators and Representatives hold in

their re-election campaigns against non-incumbents—a condition that some observers have called the “tyranny of the incumbency.”

Today, the Senate has still another opportunity to demonstrate to the American people that it wishes to conduct its legislative affairs in an open and above-board manner. I refer to Senate Resolutions 9 and 12 and S. 5, as they were originally introduced. In broadest terms, these three measures, taken together, would provide that meetings of agencies of the executive branch and standing, special, and select congressional committees, including subcommittees and Senate-House conferences, shall be open to the public.

The premise underlying these measures is that the Government should conduct the public's business in public—hence the name assigned them, “sunshine” legislation. Events in recent years should make this need even more compelling than ever. The legislation includes provision for closed sessions, if an individual's character is in question or when matters need to be kept secret in the interests of national defense. I believe these are proper exceptions to the principle of open meetings. This is why I oppose the Rules Committee amendment to Senate Resolution 9 that would restrict the requirement of open meetings to standing committees only. This runs counter, in my judgment, to the general move to greater openness in our legislative affairs as one means of reversing a decline, as evidenced in public-opinion polls, in confidence in Government.

Passage of this openness legislation, as originally proposed, will be one of the outstanding steps forward the Senate has taken in a long time.

Mr. TAFT. Mr. President, as a cosponsor of the so-called sunshine bills I want to express my support of the measure before the Senate today without the committee amendment.

Secrecy in Government has become synonymous in the public's mind with deception by the Government. While some matters must be discussed in closed session, these are few and far between. In some exceptional cases, such as when national security is at stake, I support closed committee session. But the Government must remove the overall shield of secrecy that has hidden its deliberations from the American people for too long.

I will also support the amendment to open up the House-Senate conferences that have traditionally been closed to the public. I have participated in many conferences and I am convinced that it is only the very rare circumstances when they merit to be held behind closed doors.

The current Senate rules state that a meeting is closed unless a vote is taken to open the meeting. The House has taken a step further than the Senate by having committee meetings open unless a vote is taken to close them. In this measure we are going one step further and specifying the limited reasons for closing a committee meeting from the public. I think this is a step in the right direction.

While I feel it is essential that the Congress set an example for open government we must also pass S. 9 to insure that the executive branch also see the sunshine of public exposure.

I have been a strong advocate of regulatory reform. I believe that through more public exposure of the regulatory agencies there will be more accountability added to these bodies.

Passage of Senate Resolution 9 is a step we must take to restore public confidence in Government.

GOVERNMENT IN THE SUNSHINE—A STEP FORWARD

Mr. HUMPHREY. Mr. President, today marks a very important day in the history of the Senate. For it is today that this distinguished body will begin considering legislation which will help bring Government closer to the people.

Secrecy in Government has become synonymous in the public mind with deception. The public is entitled to the fullest practicable information regarding the decisionmaking process of the Congress and the Federal Government. For this reason, I am one of the cosponsors of the original versions of Senate Resolution 5, Senate Resolution 9, and Senate Resolution 12, calling for open committee meetings and open meetings of specified Federal agencies.

There are tremendous gains to be made through this action—gains for the American citizen, for the Congress, and for the Federal Government in general.

First, increased public interest, knowledge, and discussion of issues and problems facing the Nation cannot help but contribute favorably to the decisionmaking process.

Second, it will greatly enhance the public's understanding of decisions reached by the Government and make the Government and the Congress more accountable for those decisions.

Third, increased cooperation between the public and Government agencies cannot help but follow. Often agencies face difficult choices, and must weigh many facts and policies while considering various alternatives. Opening this process to public scrutiny should increase the public's confidence in Government by permitting the public to observe firsthand the responsible way agency heads and their elected representatives carry out their duties. Public exposure should help insure that the quality of work remains at the highest possible level.

On the other hand, where Government is not functioning as well as it could, it is far less damaging if the facts, regardless of their nature, are disclosed openly to the public and the press, rather than emerging only indirectly or inaccurately through speculation, scandal, and partisan or self-serving statements.

And, finally, greater understanding promotes greater compliance, whether one is talking about Government or any other personal or business relationship.

The success already experienced by the Congress confirms the effectiveness and practicality of the “Sunshine” legislation. In the last 2 years, various House and Senate committees have dealt effectively in open sessions with such important and

often controversial legislation as the Congressional Budget and Impoundment Control Act of 1974; the Housing and Community Development Act of 1974; the Export-Import Bank; and legislation concerning energy allocation, land use policy, consumer protection, and surface mining and mineral leasing.

The general consensus by those participating in this process has been that the open meeting rule has neither interfered with their work nor inhibited free and open discussions. Openness, in fact, has enhanced the process rather than retarded it.

Open meeting laws are also a widely accepted and successful part of State laws. Forty-nine States now have open meeting laws and 35 States have constitutional provisions relating to open government.

The passage of this important legislation is just one step toward increasing the public's access to their Government. As the elected representatives of the public, we must open the processes by which we make our decisions. Only when we have removed, to the greatest extent possible, the veil of secrecy which shrouds committee actions, will the public know the full extent, quality, and integrity of their representatives.

Mr. TUNNEY. Mr. President, I would like to take this opportunity to indicate my firm support for the course on which the Senate has embarked today, the opening up of congressional and executive branch deliberations to the scrutiny of the public. If we are ever to reverse the erosion of confidence in Government which is presently going on throughout the country, we must start by opening the processes of the Federal Government to the participation of our citizens.

We have three propositions before us. The first is the question of opening up Senate committee meetings. I favor that proposition, and I support the provisions of the original proposal, Senate Resolution 9, made by the distinguished Senator from Florida (Mr. CHILES), and the distinguished Senator from Delaware (Mr. ROTH). Indeed, I have supported that resolution since its original introduction in the last Congress, and I have joined in sponsoring it during both the 93d and 94th Congress.

The amended version of Senate Resolution 9 brought before us today from the Rules Committee would cut back substantially on the provisions of the original resolution. It would leave the closing of committee meetings as a far more discretionary matter than I believe is necessary. Accordingly, I shall vote to defeat the substitute proposal voted by the Rules Committee, and to accept the language originally contained in the resolution, and I urge my colleagues to do the same.

The second proposal before us would open House-Senate conference committees for the first time. Again, the original language of Senate Resolution 9 would have accomplished this goal; but the legislation before us now will not. I intend to support proposed changes in the final version of the legislation before us

which would open conference committee meetings except under carefully delimited circumstances. Every Member of the Congress knows how important the work of House-Senate conferences can be in determining the final shape of legislation. I believe it is high time that the public saw that process as well.

Finally, of course, we have S. 5 in front of us which would do for the executive agencies what the other two measures would do for the Congress. The executive is no less responsible to the people of this country than the Congress, and for that reason executive decisions should be as open to the public as those made in the halls of Congress, except under certain narrow circumstances. Consequently, I strongly favor the provisions of S. 5, and I will vote in favor of that legislation.

In sum, the legislation before us today would establish as an undeniable fact the people's right to know what they are entitled to know about their government. All three of these proposals will accomplish this goal, and all three are urgently needed if we are to rip the last remaining veils of unneeded secrecy from the Federal governing process. I support all three proposals and I hope we will act to ratify these creative and worthwhile initiatives.

Mr. WEICKER. Mr. President, as we proceed with consideration and debate on Senate Resolution 9, I suggest that we should keep in mind the business of the Senate which will follow—namely, S. 5, The Government in the Sunshine Act.

When we turn to S. 5, the Senate will consider whether or not to require that multiheaded Federal agencies open their proceedings to the public. S. 5 would mandate openness on the part of these Federal agencies. It would require that the agencies open meetings and discussions regarding the conduct of agency business, deliberations on pending business, and the disposition of business to the purview of the public. Most importantly, S. 5 would establish a standard whereby open government would become the rule and closed government the exception.

The passage of this important legislative initiative is just one step toward increasing the public's access to their Government. However, it is an important step toward bringing the Government closer to the people and, thereby, achieving a more responsive and more accountable Government.

Before we turn to the business of establishing a new standard of conduct on the part of Federal agencies, it is only fitting that we first consider our own rules of Senate procedure and thereby put our own house in order.

Presently, Senate rules require that all markups and other voting sessions of committees will be closed unless the committee votes to open or unless the committee adopts its own general "open" meeting rule. The current standard, therefore, presumes closed meetings and places the burden upon committees to open—thus, fostering the suspicion that all committee decisions are the result of back room deals.

As originally introduced, Senate Resolution 9 would have established a standard which presumes "open" meetings for all Senate committees, except in circumstances where a committee considers a particularly, sensitive subject matter. The original version of Senate Resolution 9 would have changed our current standard from "closed" to "open" and would have gone further to enumerate the specific instances in which a meeting could be closed.

We now have before us a Rules Committee substitute to Senate Resolution 9 which would negate any uniform standard of conduct for Senate committees.

This substitute provides that a standing committee of the Senate must hold open meetings. However, the loophole establishes that a committee may vote to close a meeting "because of the nature of the matter to be considered" or, that any committee may adopt rules specifically prescribing a different procedure, "to protect its own needs." The substitute further proposes to repeal the "Sunshine Amendment" to the Congressional Budget and Impoundment Act which required that our own Senate Budget Committee hold open meetings.

This substitute does not at all conform to the intent of sunshine in government. The adoption of the Rules Committee proposal would conceivably eliminate what little sunshine we have today in the conduct of Senate committee business and would institute a dual standard of accountability on the part of this body.

Nothing illustrates this more than the unfortunate choice of language by the Rules Committee in writing the "escape clause" from open government which would allow an individual committee to adopt rules of procedure "to protect its own needs." There is a vague reference to the public interest; but, nowhere is there a reference to the needs of the public. At best, this language represents an unfortunate mistake. At worst, it places the needs and convenience of committees above the needs of the public by whom we are elected and to whom we remain accountable.

The very essence of our form of government is accountability. Secrecy is fatal to accountability. Secrecy is a main contributor to rumors, leaks, misconstrued facts, and distrusts of Government officials.

We are all keenly aware of the national trauma from which we are attempting to recover. We know all too well that the public has not forgotten the breach of faith and the half-truths generated about the operations of their government and the conduct of Federal officials.

The fallout from Watergate remains with us today. The net result has been a pervasive lack of faith in the integrity of our governmental processes. In the collective mind of the public, the Congress fares no better than the executive branch in this regard.

In fact, in a survey taken in mid-Summer, pollster Louis Harris reported that only 18 percent of the public gives the Congress a positive rating for inspiring confidence in government—only 18 percent.

One of the key criticisms of the Congress is that it is cumbersome and unresponsive. The low ratings have been attributed to a lack of public knowledge about the workings of the Congress.

If there is a lack of public knowledge about the way we conduct the public's business, we are the guilty parties. Through Senate rules and procedures which maintain that committees may operate behind closed doors to protect their own interests, we have fostered the criticism that the Congress is unresponsive.

As the elected representatives of the public, we bear every responsibility to open the processes by which we make our decisions—whether these processes be committee markups or joint House-Senate conference committees. Only then can we be held fully accountable for our actions. Only when we have removed, to the greatest extent possible, the veil of secrecy which shrouds committee actions will the public know the extent, quality, and integrity of their representation.

We now have an opportunity to perform an important service for our constituents. Before we go forward and decide whether we will require a high standard of visibility and accountability on the part of Federal agencies—we must decide whether the Senate will abide as high a standard—or whether we will adopt a lesser standard and, thus, place the interests of the public subservient to our own.

As for myself, I urge that the Senate approve a standard of open government and apply it to committee meetings and conference committees alike. To do so, we must first reject the Rules Committee substitute amendment.

Mr. DURKIN. Mr. President, in November 1973, many communities throughout New England observed the establishment two centuries ago of the first revolutionary Committees of Correspondence. Many couriers, including Paul Revere, braved foul weather, long distances, and arrest by the Redcoat army to carry news of the independence movement to the anxious citizenry of the colonial States. These reports were a significant factor in building and maintaining the drive toward democratic government during America's 7 year struggle for self-determination.

When it convened in 1775, the Continental Congress recognized this critical need for the regular flow of information by appointing Benjamin Franklin as the first Postmaster General of the United States. It was one of the first acts of that body, the revolutionary predecessor of this Congress.

Mr. President, we, today, are the custodians of the traditions established 200 years ago—traditions of public awareness and public involvement in the daily running of Government.

But, sadly, we of the 20th century have not played our custodial role well. We have failed to maintain the traditions of openness for which men and women of the 18th century risked their lives. Where once a legislature convened in public defiance of military occupation to give birth to a nation, its successor now conducts its affairs behind closed doors.

Mr. President, how can a representa-

tive democracy exclude from the crucial processes of government the very people it supposedly represents? What happens to accountability when Federal officials cloak their decisions—or lack of decisions—with a veil of secrecy? What has become of the crackerbarrel candor and the courage of conviction that has always been embedded in the Yankee traditions of this Nation?

I fear that the answers to these questions can be found in the cavalier attitude of the Government toward those it serves. And for that attitude, all Americans have paid a price—the price of public disenchantment with government.

Mr. President, two centuries ago, in defending the concept of a new Federal Government, James Madison wrote:

The truth is that all Men having Power should be distrusted.

How much less trustworthy, then, are we to consider the faceless public officials handing down anonymous decisions from behind their masks of secrecy.

Unfortunately, here I must include the Congress. As long as this institution persists in functioning in closed sessions, we will continue to lose public support.

The opinion polls reflect it; voter turnout reflects it; and certain what our constituents tell us by mail and in person leaves no doubt.

Let us face up to it: we will never escape the simplistic slogans of “do-nothing Congresses” and “mindless bureaucracies” until the public is permitted to examine, however closely it wishes, the inner workings of these institutions.

Mr. President, 48 States including New Hampshire have enacted sunshine laws to reopen the operation of government to the light of day. The experience has been a tremendous success in two fundamental ways. First, the quality of government at the local level has improved significantly: legislators and administrators show up better prepared—and in greater numbers—when the public and press are in attendance. Second, the public comes away from most proceedings with a heightened awareness of the complexity of those issues with which we wrestle.

Mr. President, I am proud to be a cosponsor of S. 5. It is one of the first pieces of legislation to which I asked to have my name added when I came to the Senate. I could hardly do otherwise than support this bill. The citizens of my State sent me to Washington, after a long period of testing, because they came to believe that I would fight to let them freely participate in their own national government.

A Congress proud of its accomplishments and proud of its continuing efforts is a Congress that has no need for secrecy. Mr. President, I hope that today, November 5, will be the day that the Senate votes to let the sunshine in.

Mr. JACKSON. Mr. President, today the Senate is considering S. 5, a bill to mandate open meetings for Federal regulatory agencies. Under this legislation the decisionmaking processes of approximately 50 agencies will be opened to public scrutiny. I am proud to be a cosponsor of this legislation and I am proud to be associated with the efforts

of the distinguished Senator from Florida (Mr. CHILES) who authored this bill and who has brought it to the verge of Senate passage.

As a cosponsor of S. 5 and as chairman of the Senate Interior Committee I would like to say a few words in support of the original title I of the bill which would apply the same principles of openness to the Congress that the bill would apply to the covered executive branch agencies. The provisions of title I are contained in the amendment which the Senator from Florida (Mr. CHILES) has proposed to Senate Resolution 9. The Senator's amendment would make openness the rule and secrecy the exception in the Senate just as S. 5 would make openness the rule in the executive branch agencies.

I believe that the Congress should set its own house in order before it undertakes to reform the procedures of the regulatory agencies. We would be applying a double standard if the Congress chooses to tell the executive branch that it must reform its operating procedures in ways that the Congress is not itself willing to abide by.

As one who has had some experience with open meetings I want to assure the Senate that we have nothing to fear by opening up our committee meetings to the public. The Interior Committee during the 93d Congress was the first Senate committee to open up virtually all markup sessions to the public. The Interior Committee is now the first Senate Committee to hold a public conference committee meeting with the House by opening up the conference on the Energy Standby Authorities Act. In light of my experiences with open meetings I strongly believe that opening up the committee processes to the public has had a salutary effect on the legislative process.

Opening committee markups to the public has not impaired or impeded the committee's ability to perform its legislative functions. To the contrary, as a result of open meetings the legislative product of the committee has been improved. Individuals and groups who are interested and concerned about specific legislation are able to be present and to make a contribution to the development of legislation. Knowledgeable individuals, representatives of private organizations, and representatives of the executive branch can participate in the legislative process and more importantly can be better informed about important decisions of the Congress which affect them.

At the same time I want to make it very clear that the amendment proposed by Senator CHILES does take into account those circumstances in which there is a legitimate reason for a committee meeting to remain closed. His amendment contains five exceptions to the open meetings rule which may be invoked by a majority vote of a committee to close any meeting. These carefully drawn exceptions include meetings in which the following matters are discussed: First, matters relating to the national security or defense of the United States; second, matters relating to personnel or internal committee staff management; third,

matters which tend to charge an individual with crime or misconduct; fourth, matters which would disclose the identity of an informer or law enforcement agent, and fifth, matters disclosing trade secrets, or financial and commercial information which should not be disclosed.

I believe that the amendment proposed by Senator CHILES is sensible and responsible. It establishes the important principle that openness rather than secrecy should be the rule and at the same time it protects from disclosure information which for some legitimate reason should not be released.

Mr. President, at the beginning of the 93d Congress I was active in support of a change in the Senate rules which would permit Senate committees to hold open hearings. At the time we had no experience with open hearings, nor had the House of Representatives had any experience with open meetings. At that time legitimate concerns were expressed that an open meetings policy might disrupt the legislative process. I did not share those concerns, however, I recognized that in the absence of any experience with such a policy such concerns were understandable. I now believe that the favorable experience which many Senate and House committees have had with open meeting in the 93d Congress and so far in the 94th Congress should allay the fears and concerns of individual Senators. I am speaking not just of the Interior Committee but, for example, of other Senate committees including the Government Operations Committee and the Budget Committee which have conducted open meetings under the leadership of Senators Ervin, RIBICOFF, and MUSKIE, respectively.

The Senate can today make a significant contribution to restoring public confidence in government in general and certainly in the Congress by letting the public in to observe the decisionmaking process. I want to be on record as strongly supporting the amendment proposed by Senator CHILES and I encourage my colleagues in the Senate to give this measure your support.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Ohio (Mr. GLENN), the Senator from Arkansas (Mr. McCLELLAN), the Senator from Missouri (Mr. SYMINGTON), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Indiana (Mr. HARTKE) is absent on official business.

I also announce that the Senator from North Carolina (Mr. MORGAN), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from Mississippi (Mr. STENNIS) are absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) and the Senator from California (Mr. TUNNEY) would each vote “yea.”

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT) would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 470 Leg.]

YEAS—86

Abourezk	Goldwater	Moss
Allen	Gravel	Muskie
Bartlett	Griffin	Nelson
Beall	Hansen	Nunn
Bellmon	Hart, Gary	Packwood
Bentsen	Haskell	Pastore
Biden	Hathaway	Pearson
Brook	Helms	Pell
Brooke	Hollings	Percy
Buckley	Hruska	Proxmire
Bumpers	Huddleston	Randolph
Burdick	Humphrey	Ribicoff
Byrd	Inouye	Roth
Harry F., Jr.	Jackson	Schweiker
Byrd, Robert C.	Javits	Scott
Cannon	Johnston	William L.
Case	Kennedy	Sparkman
Chiles	Laxalt	Stafford
Church	Leahy	Stevens
Clark	Long	Stevenson
Cranston	Magnuson	Stone
Culver	Mansfield	Taft
Dole	Mathias	Talmadge
Domenici	McClure	Thurmond
Durkin	McGee	Tower
Eagleton	McGovern	Weicker
Fannin	McIntyre	Williams
Fong	Metcalf	Young
Ford	Mondale	
Garn	Montoya	

NAYS—0

NOT VOTING—14

Baker	Hart, Philip A.	Scott, Hugh
Bayh	Hartke	Stennis
Curtis	Hatfield	Symington
Eastland	McClellan	Tunney
Glenn	Morgan	

The resolution (S. Res. 9), as amended, was agreed to as follows:

S. Res. 9

Resolved, That paragraph 7(b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by a subcommittee thereof on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to pub-

lic contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

"(6) or may divulge matters required to be kept confidential under other provisions of law or Government regulations.

"(c) Whenever any hearing conducted by any such committee or subcommittee is open to the public, that hearing may be broadcast by radio or television, or both, under such rules as the committee or subcommittee may adopt.

"(d) Whenever disorder arises during a committee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator. When the Chair finds it necessary to maintain order, he shall have the power to clear the room, and the committee may act in closed session for so long as there is doubt of the assurance of order.

"(e) Each committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceedings of each meeting or conference whether or not such meeting or any part thereof is closed under this paragraph, unless a majority of said members vote to forego such a record."

SEC. 2. The first sentence of section 133(b) of the Legislative Reorganization Act of 1946, section 133A(b) of the Legislative Reorganization Act of 1946, section 242(a) of the Legislative Reorganization Act of 1970, and sections 102 (d) and (e) of the Congressional Budget Act of 1974 are repealed.

SEC. 3. (a) Rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"3. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public."

(b) The amendment made by subsection (a) shall not become effective until a similar rule is adopted by the House of Representatives.

(c) The caption of such rule XXVII is amended to read as follows:

"CONFERENCE COMMITTEES; REPORTS; OPEN MEETINGS".

Mr. ROTH. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President,

I congratulate the Senator from Florida (Mr. CHILES) and the Senator from Delaware (Mr. ROTH) and other Senators who cosponsored the resolution, Senate Resolution 9. I think they worked hard, they certainly lined up their votes well, and educated Senators to their persuasion, and they are entitled to a great deal of credit for the work that they did.

I sought to buttonhole not a single Senator. I felt this was a matter on which the Senate ought to work its will, and while I respected the viewpoint of Senators whom I have named, I felt the committee substitute was the better approach. It was an improvement over the present rule, notwithstanding some of the propaganda that has floated around on the Hill to the contrary.

But with the amendment which I offered and was adopted making it possible for one Member, with a second, to move a committee into closed session so as to debate the necessity for remaining in closed session; my amendment allowing a committee with one decision to go into closed session for a period of 14 calendar days while on the same sensitive matter; and my amendment which broadened the number of conditions on which closed sessions could be based and justified, I think these amendments helped considerably to make the resolution a better one, and the enacted change in the Senate rule a more defensible one—even though I would have preferred the committee substitute.

Certain areas of the committee language were incorporated by these amendments into the resolution that passed, and I, therefore, voted for the resolution on final passage.

I thank all Senators, whether or not they stood with those who supported the resolution or whether they stood by the committee amendment. It was certainly not an easy thing to defend a committee substitute dealing with a measure that has to do with open meetings. I congratulate the Chairman of the Rules Committee, Mr. Cannon, for a job well done. I think the record will show that those of us who supported the committee's substitute did so because we thought it was the best for the country in the long run. And the future may sustain our position. The committee substitute was, indeed, an "open committee" amendment, and was a step forward rather than backward as some have suggested, and it was an improvement over the present committee rule.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. CHILES. I want to thank the distinguished Senator from West Virginia, the distinguished majority whip, for his kind words.

I also want to add that the Senator from Florida is grateful for the courtesies and also for the fact that the Senator from West Virginia at all times, while he had some differences from the ultimate view of the Senator from Florida, was very cooperative and told me exactly how long a time the Rules Committee would take from the time S. 5 came out of the Committee on Government Operations. That was a short and reasonable

time and I appreciate that, and that the Rules Committee did work on it and that they did report it back.

I concur with the action of the Rules Committee in taking out the Senate portion of S. 5 and then coming out with the resolution, Senate Resolution 9, at the same time, which gave the Senator from Florida and the Senator from Delaware an opportunity to seek to work their amendments which had gone in on Senate Resolution 9.

I just wanted to add my thanks to the Senator. I think his debate was certainly on the merits and I think he did add some amendments to the bill which could be helpful to the resolution and I am delighted with it.

Mr. ROBERT C. BYRD. I thank the able Senator. It is always a pleasure to work with him, and as he has pointed out, he agreed to the suggestion that S. 5 be stripped of the language dealing with the Senate rules.

I think there was some misunderstanding around as to why the committee stripped that section from S. 5. The reason was that, under the Constitution, each House shall be the judge of its own rules, and those of us on the committee did not feel that the other body ought to have any input into the Senate rules or that the President of the United States ought to have any jurisdiction over the Senate rules.

To have included a Senate rules change in S. 5, would have required action by the other body and eventually the approval by the President of the United States, unless he were to veto the measure.

So by stripping this area from S. 5, it left the Senate solely the judge of its own rules and procedures.

I thank the Senator for his courtesy and for his good work in this body.

Mr. EOTH. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ROTH. Mr. President, I, too, would like to join the Senator from Florida in thanking the majority whip for the role he played, cooperating with us.

I think that the debate today has been meaningful and we have ended up with legislation that is a change in the rules that is a major step forward.

I also wish to express my appreciation to the minority whip. I think he raised some valid points and we have ended with better legislation than we started with.

Mr. President, I would like to thank the following staff members of the Government Operations Committee who worked on Senate Resolution 9: Gary Klein, John Pearson, John Childers, Claudia Ingram, Lyle Rytter, and Charles Garrison.

Mr. ROBERT C. BYRD. Mr. President, I am glad that the able Senator from Delaware made reference to the distinguished Republican whip. The point that was raised by Mr. GRIFFIN was an important one and the Senate deemed it thusly.

Mr. CHILES. It did, and I certainly add myself to that.

Mr. ROBERT C. BYRD. So did the authors of the resolution.

Mr. President, I ask for the regular order now.

GOVERNMENT IN THE SUNSHINE ACT

The PRESIDING OFFICER (Mr. FANNIN). Under the previous order, the Senate will now proceed to the consideration of S. 5, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 5) to provide that meetings of Government agencies and of congressional committees shall be open to the public, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations and the Committee on Rules and Administration, each with an amendment.

The amendment of the Committee on Government Operations is to strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.—This Act may be cited as the "Government in the Sunshine Act".

SEC. 2. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decisionmaking processes of the Federal Government. It is the purpose of this Act to provide the public with such information, while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

SEC. 3. DEFINITIONS.—For purposes of this Act the term, "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

TITLE I—CONGRESSIONAL PROCEDURES

SEC. 101. SENATE COMMITTEE MEETINGS.—(a) The Legislative Reorganization Act of 1946 is amended—

(1) by striking out the first sentence of section 133(b);

(2) by adding after section 133B the following:

"OPEN SENATE COMMITTEE MEETINGS"

"Sec. 133C. Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings."

(b) Paragraph 7(b) of Rule XXV of the Standing Rules of the Senate is repealed.

(c) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133B the following:

"133C. Open Senate committee meetings."

SEC. 102. HOUSE OF REPRESENTATIVES COMMITTEE MEETINGS.—Clause 2(g) (1) of Rule XI of the Rules of the House of Representatives is amended to read as follows:

"(g) (1) Each meeting of a standing, select, or special committee or subcommittee, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(2) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This clause shall not apply to meetings to conduct hearings."

SEC. 103. (a) CONFERENCE COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133C, as added by section 101(a) of this Act, the following new section:

"OPEN CONFERENCE COMMITTEE MEETINGS"

"Sec. 133D. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine, by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public."

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below

item 133C, as added by section 101(c) of this Act, the following:

"133D. Open conference committee meetings."

SEC. 104. (a) JOINT COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133D, as added by section 102(a) of this Act, the following new section:

"OPEN JOINT COMMITTEE MEETINGS

"SEC. 133E. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings."

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133D, as added by section 103(b) of this Act, the following:

"133E. Open joint committee meetings."

SEC. 105. EXERCISE OF RULEMAKING POWERS.—The provisions of this title are enacted by the Congress—

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

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

TITLE II—AGENCY PROCEDURES

SEC. 201. (a) This section applies, according to the provisions thereof, to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the

President with the advice and consent of the Senate. Except as provided in subsection (b), all meetings of such collegial body, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public. For purposes of this section, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

(b) Except where the agency finds that the public interest requires otherwise, (1) subsection (a) shall not apply to any agency meeting, or any portion of an agency meeting, or to any meeting, or any portion of a meeting, of a subdivision thereof authorized to take action on behalf of the agency, and, (2) the requirements of subsections (c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency, or the subdivision thereof conducting the meeting, properly determines that such portion or portions of its meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physical safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which relates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to serious financial speculation in currencies, securities, or commodities, or (ii) seriously endanger the stability of any financial institution;

(B) any agency where such disclosure would seriously frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property. This paragraph shall not apply in any instance where the agency has already dis-

closed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency action on such proposal;

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

(c) (1) Action under subsection (b) shall be taken only when a majority of the entire membership of the agency, or of the subdivision thereof authorized to conduct the meeting on behalf of the agency, votes to take such action. A separate vote of the agency members, or the members of a subdivision thereof, shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (b), or with respect to any information which is proposed to be withheld under subsection (b). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters, and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed. Whenever any person whose interests may be directly affected by a meeting requests that the agency close a portion or portions of the meeting to the public for any of the reasons referred to in paragraphs (3), (4), or (5) of subsection (b), the agency shall vote whether to close such meeting, upon request of any one of its members. Within one day of any vote taken pursuant to this paragraph, the agency shall make publicly available a written copy of such vote.

(2) If a meeting or portion thereof is closed to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) of this subsection, make publicly available a full written explanation of its action closing the meeting, or portion thereof, together with a list of all persons expected to attend the meeting, and their affiliation.

(3) Any agency, a majority of whose meetings will properly be closed to the public, in whole or in part, pursuant to paragraphs (6), (7)(A), (8), or (9) of subsection (b), or any combinations thereof, may provide by regulation for the closing of such meetings, or portion of such meetings, so long as a majority of the members of the agency, or of the subdivision thereof conducting the meeting, votes at the beginning of such meeting, or portion thereof, to close the meeting, and a copy of such vote is made available to the public. The provisions of this subsection, and subsection (d), shall not apply to any meeting to which such regulations apply: Provided, That the agency shall, except to the extent that the provisions of subsection (b) may apply, provide the public with public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity.

(d) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, whether open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency, or the members of the subdivision thereof conducting the meeting, determines by a vote that agency business requires that such meetings be called at an earlier date, in which case the agency shall make public announcement of the date, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable opportunity. The subject matter of a meeting, or the determination of the agency to open or close a meeting, or portion of a meeting, to the public, may be changed following the public announcement required by this paragraph if, (1) a majority of the entire membership of the agency, or of the subdivision thereof conducting the meeting, determines by a vote that agency business so requires, and that no earlier announcement of the change was possible, and, (2) the agency publicly announces such change at the earliest practicable opportunity. Immediately following the public announcement required by this paragraph, notice of such announcement shall also be submitted for publication in the Federal Register.

(e) A complete transcript or electronic recording adequate to fully record the proceedings shall be made of each meeting, or portion of a meeting, closed to the public, except for a meeting, or portion of a meeting, closed to the public pursuant to paragraph (9) of subsection (b). The agency shall make promptly available to the public, in a place easily accessible to the public, the complete transcript or electronic recording of the discussion at such meeting of any item on the agenda, or of the testimony of any witness received at such meeting, where no significant portion of such discussion or testimony contains any information specified in paragraphs (1) through (10) of subsection (b). Copies of such transcript, or a transcription of such electronic recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting, or a portion thereof, was held, whichever occurs later.

(f) Each agency subject to the requirements of this section shall, within one hundred and eighty days after the enactment of this Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any persons, promulgate regulations to implement the requirements of subsections (a) through (e) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations issued pursuant to this subsection that are not in accord with the requirements of subsections (a) through (e) of this section, and

to require the promulgation of regulations that are in accord with such subsections.

(g) The district courts of the United States have jurisdiction to enforce the requirements of subsections (a) through (e) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against an agency or its members prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Before bringing such action, the plaintiff shall first notify the agency of his intent to do so, and allow the agency a reasonable period of time, not to exceed ten days, to correct any violation of this section, except that such reasonable period of time shall not be held to exceed two working days where notification of such violation is made prior to a meeting which the agency has voted to close. Such actions may be brought in the district wherein the plaintiff resides, or has his principal place of business, or where the agency in question has its headquarters. In such actions a defendant shall serve his answer within twenty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of a transcript or electronic recording of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the party, may grant such equitable relief as it deems appropriate, including granting an injunction against future violations of this section, or ordering the agency to make available to the public the transcript or electronic recording of any portion of a meeting improperly closed to the public. Except to the extent provided in subsection (h) of this section, nothing in this section confers jurisdiction on any district court to set aside or invalidate any agency action taken or discussed at an agency meeting out of which the violation of this section arose.

(h) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section, and afford any such relief as it deems appropriate.

(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (f), (g), or (h) of this section. Costs may be assessed against an individual member of an agency only in the case where the court finds such agency member has intentionally and repeatedly violated this section, or against the plaintiff where the court finds that the suit was initiated by the plaintiff for frivolous or dilatory purposes. In the case of apportionment of costs against an agency, the costs may be assessed by the court against the United States.

(j) The agencies subject to the requirements of this section shall annually report to Congress regarding their compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section.

SEC. 202. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of this subsection, shall place on the public record of the proceeding:

"(A) written communications transmitted in violation of this subsection;

"(B) memorandums stating the substance of all oral communications occurring in violation of this subsection; and

"(C) responses to the materials described in subparagraphs (A) and (B) of this subsection;

"(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of this subsection; the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

"(5) the prohibitions of this subsection shall apply at such time as the agency may designate, but in no case shall they apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge."

(b) The second sentence of section 554(d) of title 5, United States Code, is amended to read as follows: "Such employee may not be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of investigative or prosecuting functions for an agency."

(c) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act," at the end of paragraph (13) and inserting in lieu thereof "act; and"

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given."

(d) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may, to the extent consistent with the interests of justice and the policy of the underlying stat-

utes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur."

Sec. 203. (a) Except as specifically provided by section 201, nothing in section 201 confers any additional rights on any person, or limits the present rights of any such person, to inspect or copy, under section 552 of title 5, United States Code, any documents or other written material within the possession of any agency. In the case of any request made pursuant to section 552 of title 5, United States Code, to copy or inspect the transcripts or electronic recordings described in section 201(e), the provisions of this Act shall govern whether such transcripts or electronic recordings shall be made available in accordance with such request. The requirements of chapter 33, of title 44, United States Code, shall not apply to the transcripts and electronic recordings described in section 201(e). This title does not authorize any information to be withheld from Congress.

(b) Nothing in section 201 authorizes any agency to withhold from any individual any record, including transcripts or electronic recordings required by this Act, which is otherwise accessible to that individual under section 552a of title 5, United States Code.

Sec. 204. The provisions of this title shall become effective one hundred and eighty days after the date on which this Act is enacted, except that the provisions of section 201 requiring the issuance of regulations to implement such section shall become effective upon enactment.

The amendment of the Committee on Rules and Administration is on page 37, beginning with line 8, strike the following:

TITLE I—CONGRESSIONAL PROCEDURES

SEC. 101. SENATE COMMITTEE MEETINGS.—(a) The Legislative Reorganization Act of 1946 is amended—

(1) by striking out the first sentence of section 133(b);

(2) by adding after section 133B the following:

"OPEN SENATE COMMITTEE MEETINGS

"SEC. 133C. Each meeting of a standing, select, or special committee of the Senate, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the in-

formation to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings."

(b) Paragraph 7(b) of Rule XXV of the Standing Rules of the Senate is repealed.

(c) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133B the following:

"133C. Open Senate committee meetings."

SEC. 102. HOUSE OF REPRESENTATIVES COMMITTEE MEETINGS.—Clause 2(g) (1) of Rule XI of the Rules of the House of Representatives is amended to read as follows:

"(g) (1) Each meeting of a standing, select, or special committee or subcommittee, shall be open to the public, except that a portion or portions of any such meetings may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed at such portion or portions—

"(A) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(E) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(i) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(ii) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This clause shall not apply to meetings to conduct hearings."

SEC. 103. (a) CONFERENCE COMMITTEES.—The Legislative Reorganization Act of 1946 is amended by inserting after section 133C, as added by section 101(a) of this Act, the following new section:

"OPEN CONFERENCE COMMITTEE MEETINGS

"SEC. 133D. Each conference committee between the Senate and the House of Representatives shall be open to the public except when the managers of either the Senate or the House of Representatives in open session determine, by a rollcall vote of a majority of those managers present, that all or part of the remainder of the meeting on the day of the vote shall be closed to the public."

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133C, as added by section 101(c) of this Act, the following:

"133D. Open conference committee meetings."

SEC. 104. (a) JOINT COMMITTEES.—The Legislative Reorganization Act of 1946 is amend-

ed by inserting after section 133D, as added by section 102(a) of this Act, the following new section:

"OPEN JOINT COMMITTEE MEETINGS

"SEC. 133E. Each meeting of a joint committee of the Senate and House of Representatives, or any subcommittee thereof, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote of a majority of the members of the committee or subcommittee present that the matters to be discussed or the testimony to be taken at such portion or portions—

"(1) will disclose matters necessary to be kept secret in the interests of national defense or the foreign policy of the United States;

"(2) will relate solely to matters of committee staff personnel or internal staff management or procedure;

"(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

"(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of any violation of law that is required to be kept secret in the interests of effective law enforcement; or

"(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

"(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

"(B) the information has been obtained by the Government on a confidential basis, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

This section shall not apply to meetings to conduct hearings."

(b) Title I of the table of contents of the Legislative Reorganization Act of 1946 is amended by inserting immediately below item 133D, as added by section 103(b) of this Act, the following:

"133E. Open joint committee meetings."

SEC. 105. EXERCISE OF RULEMAKING POWERS.—The provisions of this title are enacted by the Congress—

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

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

So as to make the bill read:

SECTION 1. SHORT TITLE.—This Act may be cited as the "Government in the Sunshine Act".

SEC. 2. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States that the public is entitled to the fullest practicable information regarding the decision-making processes of the Federal Government. It is the purpose of this Act to provide the public with such information, while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.

SEC. 3. DEFINITIONS.—For purposes of this Act the term, "person" includes an individ-

ual, partnership, corporation, association, or public or private organization other than an agency.

TITLE II—AGENCY PROCEDURES

SEC. 201. (a) This section applies, according to the provisions thereof, to the Federal Election Commission and to any agency, as defined in section 551(1) of title 5, United States Code, where the collegial body comprising the agency consists of two or more individual members, at least a majority of whom are appointed to such position by the President with the advice and consent of the Senate. Except as provided in subsection (b), all meetings of such collegial body, or of a subdivision thereof authorized to take action on behalf of the agency, shall be open to the public. For purposes of this section, a meeting means the deliberations of at least the number of individual agency members required to take action on behalf of the agency where such deliberations concern the joint conduct or disposition of official agency business.

(b) Except where the agency finds that the public interest requires otherwise, (1) subsection (a) shall not apply to any agency meeting, or any portion of an agency meeting or to any meeting, or any portion of a meeting, of a subdivision thereof authorized to take action on behalf of the agency, and, (2) the requirements of subsections (c) and (d) shall not apply to any information pertaining to such meeting otherwise required by this section to be disclosed to the public, where the agency, or the subdivision thereof conducting the meeting, properly determines that such portion or portions of its meeting, or such information, can be reasonably expected to—

(1) disclose matters (A) specifically authorized under criteria established by an Executive order to be kept secret in the interests of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;

(2) relate solely to the agency's own internal personnel rules and practices;

(3) disclose information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(4) involve accusing any person of a crime, or formally censuring any person;

(5) disclose information contained in investigatory records compiled for law enforcement purposes, but only to the extent that the disclosure would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source, (E) in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, disclose confidential information furnished only by the confidential source, (F) disclose investigative techniques and procedures, or (G) endanger the life or physical safety of law enforcement personnel;

(6) disclose trade secrets, or financial or commercial information obtained from any person, where such trade secrets or other information could not be obtained by the agency without a pledge of confidentiality, or where such information must be withheld from the public in order to prevent substantial injury to the competitive position of the person to whom such information relates;

(7) disclose information which must be withheld from the public in order to avoid premature disclosure of an action or a proposed action by—

(A) an agency which regulates currencies, securities, commodities, or financial institutions where such disclosure would (i) lead to serious financial speculation in currencies, securities, or commodities, or (ii) seriously endanger the stability of any financial institution;

(B) any agency where such disclosure would seriously frustrate implementation of the proposed agency action, or private action contingent thereon; or

(C) any agency relating to the purchase by such agency of real property.

This paragraph shall not apply in any instance where the agency has already disclosed to the public the content or nature of its proposed action, or where the agency is required by law to make such disclosure on its own initiative prior to taking final agency by such agency of real property.

(8) disclose information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions;

(9) specifically concern the agency's participation in a civil action in Federal or State court, or the initiation, conduct, or disposition by the agency of a particular case of formal agency adjudication pursuant to the procedures in section 554 of title 5, United States Code, or otherwise involving a determination on the record after opportunity for a hearing; or

(10) disclose information required to be withheld from the public by any other statute establishing particular criteria or referring to particular types of information.

(c) (1) Action under subsection (b) shall be taken only when a majority of the entire membership of the agency, or of the subdivision thereof authorized to conduct the meeting on behalf of the agency, votes to take such action. A separate vote of the agency members, or the members of a subdivision thereof, shall be taken with respect to each agency meeting a portion or portions of which are proposed to be closed to the public pursuant to subsection (b), or with respect to any information which is proposed to be withheld under subsection (b). A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, or with respect to any information concerning such series of meetings, so long as each meeting in such series involves the same particular matters, and is scheduled to be held no more than thirty days after the initial meeting in such series. The vote of each agency member participating in such vote shall be recorded and no proxies shall be allowed. Whenever any person whose interests may be directly affected by a meeting requests that the agency close a portion or portions of the meeting to the public for any of the reasons referred to in paragraphs (3), (4), or (5) of subsection (b), the agency shall vote whether to close such meeting, upon request of any one of its members. Within one day of any vote taken pursuant to this paragraph, the agency shall make publicly available a written copy of such vote.

(2) If a meeting or portion thereof is closed to the public, the agency shall, within one day of the vote taken pursuant to paragraph (1) of this subsection, make publicly available a full written explanation of its action closing the meeting, or portion thereof, together with a list of all persons expected to attend the meeting, and their affiliation.

(3) Any agency, a majority of whose meetings will properly be closed to the public, in whole or in part, pursuant to paragraphs (6), (7) (A), (8), or (9) of subsection (b), or any combination thereof, may provide by regulation for the closing of such meetings, or portion of such meetings, so long as a majority of the members of the agency, or of the subdivision thereof conducting the meeting, votes at the beginning of such meeting, or portion thereof, to close the meeting, and a copy of such vote is made available to the public. The provisions of this subsection, and subsection (d), shall not apply to any meeting to which such regulations apply:

Provided, That the agency shall, except to the extent that the provisions of subsection (b) may apply, provide the public with public announcement of the date, place, and subject matter of the meeting at the earliest practicable opportunity.

(d) In the case of each meeting, the agency shall make public announcement, at least one week before the meeting, of the date, place, and subject matter of the meeting, whether open or closed to the public, and the name and phone number of the official designated by the agency to respond to requests for information about the meeting. Such announcement shall be made unless a majority of the members of the agency, or the members of the subdivision thereof conducting the meeting, determines by a vote that agency business requires that such meetings be called at an earlier date, in which case the agency shall make public announcement of the date, place, and subject matter of such meeting, and whether open or closed to the public, at the earliest practicable opportunity. The subject matter of a meeting, or the determination of the agency to open or close a meeting or portion of a meeting, to the public, may be changed following the public announcement required by this paragraph if, (1) a majority of the entire membership of the agency, or of the subdivision thereof conducting the meeting, determines by a vote that agency business so requires, and that no earlier announcement of the change was possible, and, (2) the agency publicly announces such change at the earliest practicable opportunity. Immediately following the public announcement required by this paragraph, notice of such announcement shall also be submitted for publication in the Federal Register.

(e) A complete transcript or electronic recording adequate to fully record the proceedings shall be made of each meeting, or portion of a meeting, closed to the public, except for a meeting, or portion of a meeting, closed to the public pursuant to paragraph (9) of subsection (b). The agency shall make promptly available to the public, in a place easily accessible to the public, the complete transcript or electronic recording of the discussion at such meeting of any item on the agenda, or of the testimony of any witness received at such meeting, where no significant portion of such discussion or testimony contains any information specified in paragraphs (1) through (10) of subsection (b). Copies of such transcript, or a transcription of such electronic recording disclosing the identity of each speaker, shall be furnished to any person at the actual cost of duplication or transcription. The agency shall maintain a complete verbatim copy of the transcript, or a complete electronic recording of each meeting, or portion of a meeting, closed to the public, for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting, or a portion thereof, was held, whichever occurs later.

(f) Each agency subject to the requirements of this section shall, within one hundred and eighty days after the enactment of this Act, following consultation with the Office of the Chairman of the Administrative Conference of the United States and published notice in the Federal Register of at least thirty days and opportunity for written comment by any persons, promulgate regulations to implement the requirements of subsections (a) through (e) of this section. Any person may bring a proceeding in the United States District Court for the District of Columbia to require an agency to promulgate such regulations if such agency has not promulgated such regulations within the time period specified herein. Any person may bring a proceeding in the United States Court of Appeals for the District of Columbia to set aside agency regulations is-

sued pursuant to this subsection that are not in accord with the requirements of subsections (a) through (e) of this section, and to require the promulgation of regulations that are in accord with such subsections.

(g) The district courts of the United States have jurisdiction to enforce the requirements of subsections (a) through (e) of this section by declaratory judgment, injunctive relief, or other relief as may be appropriate. Such actions may be brought by any person against an agency or its members prior to, or within sixty days after, the meeting out of which the violation of this section arises, except that if public announcement of such meeting is not initially provided by the agency in accordance with the requirements of this section, such action may be instituted pursuant to this section at any time prior to sixty days after any public announcement of such meeting. Before bringing such action, the plaintiff shall first notify the agency of his intent to do so, and allow the agency a reasonable period of time, not to exceed ten days, to correct any violation of this section, except that such reasonable period of time shall not be held to exceed two working days where notification of such violation is made prior to a meeting which the agency has voted to close. Such actions may be brought in the district wherein the plaintiff resides, or has his principal place of business, or where the agency in question has its headquarters. In such actions a defendant shall serve his answer within twenty days after the service of the complaint. The burden is on the defendant to sustain his action. In deciding such cases the court may examine in camera any portion of a transcript or electronic recording of a meeting closed to the public, and may take such additional evidence as it deems necessary. The court, having due regard for orderly administration and the public interest, as well as the interests of the party, may grant such equitable relief as it deems appropriate, including granting an injunction against future relations of this section, or ordering the agency to make available to the public the transcript or electric recording of any portion of a meeting improperly closed to the public. Except to the extent provided in subsection (h) of this section, nothing in this section confers jurisdiction on any district court to set aside or invalidate any agency action taken or discussed at an agency meeting out of which the violation of this section arose.

(h) Any Federal court otherwise authorized by law to review agency action may, at the application of any person properly participating in the proceeding pursuant to other applicable law, inquire into violations by the agency of the requirements of this section, and afford any such relief as it deems appropriate.

(i) The court may assess against any party reasonable attorney fees and other litigation costs reasonably incurred by any other party who substantially prevails in any action brought in accordance with the provisions of subsection (f), (g), or (h) of this section. Costs may be assessed against an individual member of an agency only in the case where the court finds such agency member has intentionally and repeatedly violated this section, or against the plaintiff where the court finds that the suit was initiated by the plaintiff for frivolous or dilatory purposes. In the case of apportionment of costs against an agency, the costs may be assessed by the court against the United States.

(j) The agencies subject to the requirements of this section shall annually report to Congress regarding their compliance with such requirements, including a tabulation of the total number of agency meetings open to the public, the total number of meetings closed to the public, the reasons for closing such meetings, and a description of any litigation brought against the agency under this section.

SEC. 202. (a) Section 557 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In any agency proceeding which is subject to subsection (a) of this section, except to the extent required for the disposition of ex parte matters as authorized by law—

"(1) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(2) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, shall make or knowingly cause to be made to an interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(3) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes, a communication in violation of this subsection, shall place on the public record of the proceeding:

"(A) written communications transmitted in violation of this subsection;

"(B) memorandums stating the substance of all oral communications occurring in violation of this subsection; and

"(C) responses to the materials described in subparagraphs (A) and (B) of this subsection;

"(4) upon receipt of a communication knowingly made by a party, or which was knowingly caused to be made by a party in violation of this subsection; the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the person or party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected by virtue of such violation;

"(5) the prohibitions of this subsection shall apply at such time as the agency may designate, but in no case shall they apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply at the time of his acquisition of such knowledge."

(b) The second sentence of section 554(d) of title 5, United States Code, is amended to read as follows: "Such employee may not be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of investigative or prosecuting functions for an agency."

(c) Section 551 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the "act." at the end of paragraph (13) and inserting in lieu thereof "act; and"

(3) by adding at the end thereof the following new paragraph:

"(14) 'ex parte communication' means an oral or written communication not on the public record with respect to which reasonable prior notice to all parties is not given."

(d) Section 556(d) of title 5, United States Code, is amended by inserting between the third and fourth sentences thereof the following new sentence: "The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title suf-

ficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur."

SEC. 203. (a) Except as specifically provided by section 201, nothing in section 201 confers any additional rights on any person, or limits the present rights of any such person, to inspect or copy, under section 552 of title 5, United States Code, any documents or other written material within the possession of any agency. In the case of any request made pursuant to section 552 of title 5, United States Code, to copy or inspect the transcripts or electronic recordings described in section 201(e), the provisions of this Act shall govern whether such transcripts or electronic recordings shall be made available in accordance with such request. The requirements of chapter 33, of title 44, United States Code, shall not apply to the transcripts and electronic recordings described in section 201(e). This title does not authorize any information to be withheld from Congress.

(b) Nothing in section 201 authorizes any agency to withhold from any individual any record, including transcripts or electronic recordings required by this Act, which is otherwise accessible to that individual under section 552a of title 5, United States Code.

SEC. 204. The provisions of this title shall become effective one hundred and eighty days after the date on which this Act is enacted, except that the provisions of section 201 requiring the issuance of regulations to implement such section shall become effective upon enactment.

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that the Senate today has acted on that portion of S. 5 which dealt with congressional procedures, I ask unanimous consent that the Government Operations Committee substitute, and the Rules Committee amendment thereto, both be agreed to, and as agreed to and amended, the substitute be considered as original text for the purpose of further amendment.

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

Mr. PERCY. Mr. President, S. 5 as it now appears on the floor refers only to the executive branch. Provisions dealing with Congress were included in Senate Resolution 9, which has just been adopted by the Senate. S. 5 sets rules concerning the openness of agency meetings. S. 5 requires meetings between heads of multihheaded agencies to be open to the public. Meetings are defined as agency deliberations where at least a quorum of the agency's members meet to conduct or dispose of official agency business.

Meetings can be closed by the agency only by majority vote of all agency members and then only on 1 of 10 specified grounds.

Advance notice to the public of agency meetings is required as to time, place, and subject matter. If an agency closes any meeting, it must announce its meeting ahead of time, along with an explanation of its action, and make a verbatim record of the meeting. After the meeting, it must release to the public every major portion of the meeting which did not involve sensitive matters.

There are provisions in the bill to expedite procedures for closing meetings when an agency, using one of the exemptions in the bill, must close a majority of its meetings.

U.S. district courts are given the juris-

diction to enforce the requirements of the bill. Any person may bring an action prior to or within 60 days after the meeting to which the violation relates.

If the court finds against the agency the court may grant appropriate relief. Suit can be brought against an individual member of the agency as well as against the agency itself. The court is allowed to assess against any party the reasonable attorney fees and other litigation costs incurred by any party who substantially prevails in an action. Costs may be assessed against an individual agency member when the agency member has intentionally and repeatedly violated provisions of the bill.

The Justice Department has provided me an analysis of S. 5. The Justice Department believes that the public should have access to information regarding the decisionmaking process of the Federal Government and that a statute requiring agencies to open certain of their meetings to the public would be a legitimate and useful means of effectuating this policy. However, the Department does raise a number of concerns about the bill, many of them definitional and technical in nature. Given the lateness of the Justice Department's comments and the extensive nature of them, there has not been time for the committee to fully act upon them.

There is one provision of the bill which the Justice Department feels very strongly about. As the Department states:

Perhaps the most objectionable subsection in S. 5 is 201(1) which permits costs to be assessed against individual agency members, rather than against the agency itself or the United States, when the plaintiff has "substantially prevailed," and the court finds that any agency member has "intentionally and repeatedly violated 201."

Justice argues that:

These provisions are a breach of the doctrine that action taken by United States employees as part of their official duties does not subject them to personal responsibility.

I agree with the Justice Department arguments and would support an amendment to S. 5 to delete individual agency member liability.

The remaining part of S. 5 amends the provisions of the Administrative Procedure Act governing adjudication and formal, rulemaking by establishing a broad prohibition against ex-parte communications in such formal trial-type proceedings. The prohibition only applies to formal agency adjudication and forbids ex parte communications between interested persons outside the agency and agency decisionmakers.

Mr. President, S. 5 is an attempt to get public awareness of agency proceedings, as Senate Resolution 9 attempts to do for Congress. I hope that the Senate will see the merits of this bill and swiftly approve it.

ORDER FOR JOINT REFERRAL OF S. 2532

Mr. PASTORE. Mr. President, I ask unanimous consent that the energy independence authority legislation, S. 2532, dated October 20, 1975, which has been referred to the Banking and Currency

Committee, be also referred to the Joint Committee on Atomic Energy.

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

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR BARTLETT TOMORROW, FOR A PERIOD FOR THE TRANS- ACTION OF ROUTINE MORNING BUSINESS, FOR CONSIDERATION OF S. 5, AND FOR CONSIDERATION OF H.R. 10029

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, the distinguished Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 15 minutes; that at the conclusion of Mr. BARTLETT's remarks there be a period for the transaction of routine morning business of not to exceed 15 minutes, with remarks limited therein to 5 minutes each; at the conclusion of which period the Senate resume consideration of S. 5; and that upon the disposition of S. 5 the Senate proceed to the consideration of the military construction appropriation bill.

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

RESOLUTION COMMEMORATING THE 90TH ANNIVERSARY OF THE BIRTH OF WILL DURANT AND HONORING HIS CONTRIBUTIONS TO THE INTERPRETATION AND UNDERSTANDING OF HISTORY

Mr. HUMPHREY. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 294) commemorating the 90th anniversary, on November 5, 1975, of the birth of Will Durant and honoring his contributions to the interpretation and understanding of history.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. HUMPHREY. Mr. President, I have cleared this with both the majority and minority.

This resolution seeks to honor the life and work of the distinguished philosopher-historian Will Durant, who celebrates his 90th birthday today.

This anniversary is especially significant in that it has been accompanied by publication of the 11th and final volume of his life's work, "The Story of Civilization," which, translated

into nine languages, has sold millions of copies.

William James Durant was born on November 5, 1885, in North Adams, Mass. He grew up in Massachusetts and New Jersey and received his early education in Roman Catholic schools. He was awarded the B.A. in 1907, the M.A. the following year, and the doctorate in philosophy from Columbia University in 1917.

It was in 1926 when Dr. Durant first received public acclaim with the publishing of his book, "The Story of Philosophy," which subsequently sold more than 2,500,000 copies in 12 languages. This initial work, referred to as "a comprehensive survey of Western philosophy from Plato to John Dewey in the language of the average man," proved to be the beginning of a remarkable career spanning 50 years, in which Will Durant has succeeded in engaging people everywhere in the study of history.

This phrase, "the language of the average man," aptly captures the essence of Will Durant's monumental works. In partnership with Ariel, his wife of 62 years, Dr. Durant has undertaken to explore centuries of history, beginning with Egyptian civilization and concluding, in this 11th volume, with the age of Napoleon. The clear and lively fashion in which Dr. Durant elucidates what can be a dry undertaking has sparked the comment that:

Dr. Will Durant, a pioneer in bringing the knowledge of the ages within the reach of the average man, is highly esteemed by students for "taking the toil out of study."

The Durants have devoted the better part of their married life to completion of the enormous task of chronicling civilization. Working some 10 hours each day, 7 days a week, they have been an enormously prolific team. Expecting to end their work and embark on a long-awaited rest, they indicated that the publication of "Volume X: Rousseau and Revolution" was to be the final volume in "The Story of Civilization." But steered by their determination, and encouraged by continuing good health and mental alertness, they did, in fact, begin work on another volume.

Dr. and Mrs. Durant have been selfless in their devotion to the goal of bringing history to millions, in a form which is comprehensible and interesting. Those of us who share a commitment to assure every child in the United States access to educational opportunity must indeed be grateful for their contribution. For access to education must, in the end, be matched by an interesting and understandable presentation of knowledge, and incentives to learn.

While each of us was taught to study history so as to be able to benefit from its lessons—and doubtless there are valuable lessons to be learned—Dr. Durant offers consolation and hope to a world burdened by a history of wars and pestilence:

As a philosopher, I will not admit we are limited by what history has done in the past. I will not accept history as the sole governor of thought and action.

So it is that one whose life has been dedicated to a chronicle of history ad-

monishes us, in this way, to plunge ahead. This is indicative of his reasonable yet optimistic and hopeful philosophy. Seeing history with this perspective not only makes possible our efforts to improve the lot of the human race in our own time—but, indeed, compels us to make the history of our day a chronicle of peace and progress.

Finally, for those who believe history to be primarily a study of territorial realignments, wars, and famine, I offer these words, contained in "The Lessons of History," published in 1968. With this observation, the Durants have outlined the quality of their hope and optimism, and their view of the totality of history.

History is above all else the creation and recording of the intellectual, moral and esthetic heritage of mankind; progress is the increasing abundance, use, preservation and transmission of that heritage.

To those of us who study history not merely as a warning reminder of man's follies and crimes but also as an encouraging remembrance of generative souls, the past ceases to be a depressing chamber of horrors; it becomes a spacious country of the mind, wherein a thousand saints, statesmen, inventions, scientists, poets, artists, musicians, philosophers, and lovers still live and speak, teach and carve and sing.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 294) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Resolution commemorating the 90th anniversary, on November 5, 1975, of the birth of Will Durant and honoring his contributions to the interpretation and understanding of history

Whereas William James Durant has devoted his life to the study of history and philosophy;

Whereas understanding of the lessons of history is central to the educational process of every generation and to the enhancement and development of modern civilization;

Whereas Dr. Durant has employed a vivid style which has inspired untold numbers of students to develop a personal devotion to the study of history;

Whereas, in partnership with his wife, Mrs. Ariel Durant, Dr. Durant has completed a life-long endeavor, an eleven-volume work, *The Story of Civilization*;

Whereas Will and Ariel Durant received the Pulitzer Prize in 1968; and

Whereas the efforts of Dr. Durant have made the study of history a lively and interesting pursuit for millions and stand as a tribute to his family, his friends, and to intellectual achievement in the United States of America: Now, therefore, be it

Resolved, That the Senate of the United States commemorates the 90th anniversary, on November 5, 1975, of the birth of this great American and honors his contributions to the knowledge and understanding of mankind through history.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9:30 a.m. tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. BARTLETT will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of S. 5 under a time agreement. Upon the disposition of S. 5 the Senate will take up the appropriations bill for military construction (H.R. 10029) on which there is also a time agreement.

Rollcall votes will occur on both of those measures, and the day promises to be a long one tomorrow with several rollcall votes throughout the day.

Mr. President, I ask the Chair to state the agreement with respect to S. 5.

The PRESIDING OFFICER. The time for debate on this bill is limited to 1 hour, to be equally divided and controlled between the majority and minority leaders or their designees, with 30 minutes on any amendment, debatable motion, appeal or point of order.

Mr. ROBERT C. BYRD. I thank the Chair.

The PRESIDING OFFICER. In the usual form.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. May I ask, the amendments must be germane?

Mr. ROBERT C. BYRD. Yes.

ADJOURNMENT TO 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:09 p.m., the Senate adjourned until tomorrow, Thursday, November 6, 1975, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 5, 1975:

DEPARTMENT OF TRANSPORTATION

Roger W. Hooker, Jr., of New York, to be an Assistant Secretary of Transportation, vice Robert Timothy Monagan, Jr., resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 5, 1975:

DEPARTMENT OF THE TREASURY

Harold F. Eberle, of California, to be a Deputy Under Secretary of the Treasury.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Marjorie Ward Lynch, of Washington, to be Under Secretary of Health, Education, and Welfare.

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

WITHDRAWAL

Executive nomination withdrawn from the Senate November 5, 1975:

Robert W. Hooker, Jr., of the District of Columbia, to be an Assistant Secretary of Transportation, vice Robert Timothy Monagan, Jr., resigned, which was sent to the Senate on November 4, 1975.

EXTENSIONS OF REMARKS

LATEST SST NOISE PROBLEMS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 5, 1975

Mr. WOLFF. Mr. Speaker, as we now know from the recent articles in the Washington Post, the British-French Concorde supersonic airliner has run into severe problems because of its noise characteristics.

This should come as no surprise to any Member who has been able to penetrate the smokescreen of rhetoric and outright misrepresentation which Concorde supporters have bombarded us with since January.

In short, as the following letter from the Environmental Defense Fund should abundantly demonstrate for even the

most hardened skeptic, there is no longer any justification for Concorde supporters to cling to the claim that Concorde is "only slightly" noisier than conventional, subsonic jets.

As the Post stories, echoing the earlier, excellent reporting of the Washington Star, and its dedicated aviation expert, Mr. Tom Love, have shown, Concorde is six times as loud on takeoff as the new wide-bodied jets, and more than twice as loud as the worst of the older jets such as the Boeing 707.

Twice as loud is not "only slightly," Mr. Speaker, and I hope that Secretary Coleman will put Concorde to rest once and for all—despite the unwarranted pressure of Secretary Kissinger and others in the executive branch.

I now submit for the RECORD a copy of a letter from Mr. John Hellegers, the able Washington Counsel for the En-

vironmental Defense Fund, to the Honorable William T. Coleman, Jr., Secretary of Transportation:

ENVIRONMENTAL DEFENSE FUND,
Washington, D.C., November 2, 1975.

Re: Concorde SST

HON. WILLIAM T. COLEMAN, JR.,
Secretary of Transportation,
400 Seventh Street S.W.,
Washington, D.C.

DEAR MR. SECRETARY: This morning's New York Times (p. 6) carried a brief report which read in part as follows:

"London, Nov. 1 (Reuters)—The Chairman of the British Airways, Sir David Nicholson, said that noise levels on take-off for the supersonic airliner Concorde are unlikely to be improved, it has been revealed.

"Sir David made the comment in a letter to a Conservative Member of Parliament, Toby Jessel. Mr. Jessel had asked what action British Airways planned after a Government report that the Concorde infringed noise regulations on about 70 per cent of its take-offs