HOUSE OF REPRESENTATIVES—*Wednesday, September 10, 1975*

The House met at 12 o'clock noon.

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

Let us search and try our ways, and turn again to the Lord.—Lamentations 3: 40.

Almighty and Eternal God, who art the Creator of the world and by whose mercy the work of Thy creation is renewed day by day, in Thy presence we bow our heads in prayer acknowledging our dependence upon Thee and praying that the decisions of this day may merit Thine approval and receive Thy blessing. Let Thy Spirit guide us in all our endeavors on behalf of our beloved country.

Keep us physically strong, mentally awake, morally straight, and religiously alive that we may do our duties and carry our responsibilities with honor to ourselves, to our Nation, and to Thee.

Inspire us to make our laws just, our economic life sound, our social life motivated by good will, our moral life clear and clean and our religious life deep and true that all people may enjoy the benefits of faith and freedom; to the glory of Thy holy name and the good of our human family. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 3474) entitled "An act to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. SYMINGTON, Mr. MONTOYA, Mr. JACKSON, Mr. CHURCH, Mr. HASKELL, Mr. JOHNSTON, Mr. GLENN, Mr. BAKER, Mr. CASE, Mr. FANNIN, Mr. HATFIELD, and Mr. MCCLURE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 963. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the introduction or delivery for introduction into interstate commerce of the drug diethylstilbestrol (DES) for purposes of administering the drug to any animal intended for use as food, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 84–689, appointed Mr. PELL, chairman; Mr. KENNEDY, Mr. BAYH, Mr. EAGLETON, Mr. TUNNEY, Mr. LEAHY, Mr. JAVITS, Mr. GRIFFIN, and Mr. STEVENS to be delegates, on the part of the Senate, to the North Atlantic Assembly, to be held in Copenhagen, Denmark, September 21 to 27, 1975.

The message also announced that Mr. PROXMIRE, Mr. PASTORE, Mr. STENNIS, Mr. MANSFIELD, Mr. BAYH, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. MCCLELLAN, Mr. MOSS, Mr. MATHIAS, Mr. CASE, Mr. FONG, Mr. BROOKE, Mr. BELLMON, and Mr. YOUNG be appointed as conferees, on the part of the Senate, on the bill (H.R. 8070) entitled "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," in lieu of Mr. MCCLELLAN, Mr. PROXMIRE, Mr. PASTORE, Mr. STENNIS, Mr. MANSFIELD, Mr. BAYH, Mr. CHILES, Mr. HUDDLESTON, Mr. JOHNSTON, Mr. MOSS, Mr. YOUNG, Mr. MATHIAS, Mr. CASE, Mr. FONG, Mr. BROOKE, and Mr. BELLMON.

WE MUST RETAIN OIL PRICE CONTROLS

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

Mr. MOTTL. Mr. Speaker, it was a great disappointment to me that President Ford has chosen to veto the bill that would extend oil price controls for 6 months. I urge my colleagues in Congress to join with me and override the veto.

Removal of oil price controls would place us in another inflationary spiral that would build upon itself for years into the future.

It would cause sharp increases in the price of oil products. Even the giant oil companies admit that.

The increased cost of oil would cause havoc to our economy.

It would increase unemployment.

It would bring the airline industry to the brink of disaster.

It would increase the cost of transporting vital commodities like food and result in higher prices for the housewife.

It would force utility rates to skyrocket.

In short, decontrol of oil prices would be playing into the hands of the giant oil cartel which at times seems bigger than our own Government.

Inflation would run wild.

I ask my colleagues to do what is right for our country—override President Ford on this veto.

A BILL TO PROTECT CONSUMERS AGAINST ESCALATING POWER RATES

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

Mr. EVINS of Tennessee. Mr. Speaker, I have today introduced a bill that concerns the future of the Tennessee Valley Authority and offers protection to the agency's power consumers against rapidly escalating electric power rates.

The bill, which amends the TVA Act, has three provisions as follows:

One. The TVA Board of Directors would be expanded from three to five members in order to provide greater diversity and broader vision at the top management level;

Two. All meetings of the TVA Board of Directors would be required to be open to the public, thus assuring continuation of the "open door" policy which the Board only recently adopted; and

Three. Electric power rates could not be increased by TVA more often than once every 2 years, and appropriate public hearings would be required prior to each proposed rate increase. This provision is vitally important in view of the incredibly rapid escalation of TVA power rates in recent years—14 rate increases in 8 years totaling more than 125 percent.

These changes in the TVA Act are vital and important to provide some protection for the people of the Tennessee Valley region against further rapid escalation of power rates, and to provide better management of the agency which is rapidly losing its image as a low-cost power yardstick throughout the Nation.

Joining me as cosponsors of this bill are a number of our colleagues from the Tennessee Valley region, including the entire Tennessee House delegation—Representatives JAMES QUILLEN, JOHN DUNCAN, MARILYN LLOYD, ROBIN BEARD, ED JONES, and HAROLD FORD—as well as Representative TIM LEE CARTER of Kentucky and Representative JAMIE WHITTEN of Mississippi.

I urge the appropriate committee to expedite hearings on this bill and to report this bill to the House for early consideration in the public interest.

MAJORITY LEADER THOMAS P. O'NEILL, JR., SAYS REPUBLICAN PROGRAM IS THE BEST REASON FOR CONTINUED DEMOCRATIC CONTROL OF CONGRESS

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

Mr. O'NEILL. Mr. Speaker, the Republican legislative program announced by the distinguished minority leader is the best reason I can think of for continued

control of the Congress by the Democratic Party—which is the party of the people and not of big business and special interests.

There is not a single new idea in this package. In some instances, it follows the well-worn Republican pattern of picking up a Democratic innovation about 20 years later and announcing that it is something new.

I must say that this program is replete with all the Republican platitudes that I have ever heard in my entire career in public service. This program stands for the protection of big business and their interpretation of the free enterprise system.

President Ford and the Republicans in the House have this much in common—they can never seem to catch up with the needs and wants of the American people.

This program appears to be the work of an ad hoc committee appointed by the minority leader of former Congressmen who were all defeated in the last election.

This program is consistent in one respect. I see where the Republicans have chosen Kansas City for their convention next year. The last time they were there they chose Herbert Hoover. He would be comfortable with this program. The Grand Old Party, the Republican Party, has not changed since.

DEPARTMENT OF STATE UNAWARE OF WHAT ITS POLICY ON CHILE IS?

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

Mr. McDONALD of Georgia. Mr. Speaker, on May 15, 100 Members of this body and myself addressed a letter to the Secretary of State posing certain questions relative to our policy in Chile. On May 29 we were informed that a substantive reply would be forthcoming shortly. Again, on July 29 we were informed that an early decision would be reached on a reply. On July 30, I personally spoke with the Assistant Secretary of State for Inter-American Affairs, Mr. Rogers, as to just when I could expect an answer to our letter and I was again assured of speedy action. Three and one-half months have now gone by. How long, may I ask, does it take the Department of State to gather itself together to respond to one letter? Perhaps, the answer is that the Department is not certain what U.S. policy toward Chile is and, therefore, do not know how to respond? We are still waiting, but for how long?

REPLY TO THE MAJORITY LEADER ON THE REPUBLICAN LEGISLATIVE AGENDA

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

Mr. RHODES. Mr. Speaker, I was amused at the remarks of my genial friend, the majority leader. I gathered from the remarks that the majority leader does not exactly approve of the Republican legislative program. In many ways I think this is probably the best portent of success that the program has had yet. I did not expect the gentleman to approve it. I would have been disappointed if he had.

As a matter of fact, there is much that is innovative. The fact that it calls for a balanced budget in 3 years is certainly innovative, because the Democrats have controlled the Congress for the last 32 years, with a few years' exceptions.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I do not yield now.

The fact that the gentleman from Massachusetts also saw fit to call attention to the fact that the Republican Convention will be held in Kansas City causes me to reflect on several points. One of them is that as fas as I know Kansas City is not a bankrupt city, but is one of our more progressive municipalities.

As far as convention sites go, it is perhaps appropriate that the party that ran New York into the hole should meet there amid the governmental ruins of their operation. The city's dilemma is illustrated by the fact that the Statue of Liberty is now holding a tin cup. The Democrats should feel right at home. They have run Uncle Sam a half trillion in hock, and they have made New York into sad city. Perhaps, in all honesty, since the purveyors of fiscal irresponsibilities will be gathering there—they should really call this the Debt-ocratic Convention.

My hope is that we will adopt the Republican legislative agenda so that the sad plight of New York City does not become the fate of our Nation.

NEWSWEEK AND TIME MAGAZINES GLORIFICATION OF ATTEMPTED ASSASSIN LYNETTE FROMME

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

Mr. SYMMS. Mr. Speaker, I would like to take one moment today to express my disappointment and disgust with the editors of Newsweek and Time magazines.

In my opinion, their glorification of attempted assassin Lynette Fromme by placing her picture on the front covers of these respective magazines was the height of editorial indiscretion. Ultimately, the only effect this kind of sensationalism can have is to provide an incentive for every kook and fanatic in this country to take pot-shots at our leaders for the sake of publicity.

I ask this question of the Members of the House. Is this responsible journalism? I hold up for all to see the editorial pictures on the front of these two national magazines that go into so many homes. It seems to me it would be much more appropriate if a young lady can make this kind of attempt on the life of a political President of the United States, she should be given a fair trial and if found guilty be put to death. I would urge the Members of this body to consider the seriousness of this attempt. I would further urge these two magazines who are always screaming for "freedom of the press" to start showing a little responsibility.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. At least they had sense enough to put the nude in the center.

Mr. SYMMS. I had not got that far. I was too disgusted to read further.

THE 1974 ANNUAL REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-247)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed with illustrations:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the 1974 Annual Report of the Federal Prevailing Rate Advisory Committee.

GERALD R. FORD.

THE WHITE HOUSE, *September 10, 1975.*

REPORT ON THREE NEW DEFERRALS IN 1976 BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-248)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals totaling $50.3 million in 1976 budget authority. In addition, I am transmitting two supplementary reports revising information provided in earlier deferrals. Only one of these supplementary reports reflects an increase—$19.2 million—to the amount of outlays previously deferred. The five reports involve the Departments of Agriculture, Treasury, and Health, Education, and Welfare.

All of the items contained in this message are routine in nature and do not significantly affect program levels. The details of each deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *September 10, 1975.*

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midmight tonight to file certain privileged reports.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 9005, INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. YOUNG of Georgia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 707 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 707

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for 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. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Georgia is recognized for 1 hour.

Mr. YOUNG of Georgia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 707 provides for an open rule with 2 hours of debate on H.R. 9005, the International Development and Food Assistance Act of 1975. The rule further provides that the bill be read for amendment by title instead of by section.

H.R. 9005 is a bill of far-reaching vision and represents a significant departure from foreign assistance legislation of the past. It separates the usual feature of joint military and economic authorizations which tended to be used for purely political purposes. It significantly shifts priority to the most pressing problems of the poor majority in poor countries: food and nutrition, health and population planning, education and human resource development. It establishes a special fund to provide for international disaster assistance and authorizes the President to appoint a special coordinator for such purposes.

It amends the Agricultural Trade Development and Assistance Act of 1954, better known as the Public Law 480 program, so as to provide better and more effective distribution of food aid abroad and to lessen the amount of food aid under title I which may be allocated for solely political purposes. The President is authorized and encouraged to seek agreement on a system of national food reserves.

It authorizes loan repayment receipts to support the international fund for agricultural development and enlists the capabilities of U.S. land-grant universities to assist in creating agricultural production in developing countries. The bill authorizes $1.354 billion for fiscal year 1975 and $1.523 billion for fiscal year 1977 for overall assistance.

Mr. Speaker, this bill is the kind of foreign assistance which will truly affect progressive economic benefits throughout the world, and I urge the adoption of House Resolution 707 in order that we may discuss, debate and pass H.R. 9005.

Mr. LATTA. Mr. Speaker, I know of no objection to this rule, but I would like to take just a couple of minutes to point out that this bill is not all that meets the eye.

There are two items that are omitted. No. 1, military assistance is not included, and this makes the bill unlike past foreign aid bills which have come to the House; and, No. 2, aid to the Middle East is not included. The White House, when they sent down its request, indicated that certain requests for Middle East aid would not be sent down at this time. We can expect these two large items later on.

So we are really not voting on this year's foreign assistance bill here today. There's more to come. This is the first installment for foreign aid for fiscal 1976, and we will have more later on.

I might also point out that the administration supports this bill in general, and I cannot quite understand its position. I do not support it at all.

However, according to information made available to the Rules Committee on September 5, the administration objects to certain authorizations contained in the bill for population programs, American schools and hospitals abroad, disaster relief, international organizations and programs, and the authorization for use of foreign aid loan repayments which altogether exceed the Presidents' budget requests by $414,000,000.

Moreover, the administration does not support the food aid provisions that set a minimum quantity level for title II of Public Law 480, section 208, set a 30-percent limit on the amount of Public Law 480 title I sales available to countries not seriously affected by food shortages (section 207), and cancel loan repayments on credit sales if local currency counterpart is used for development purposes (section 205).

Notwithstanding all of those objections, the administration supports the bill in general. Apparently there is hope when this bill gets to the Senate or to conference, some of these things will be deleted. But I am not that optimistic, Mr. Speaker, so I oppose the legislation, as I have done in the past.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman.

Mr. BAUMAN. I thank the gentleman for yielding.

There is nothing in this that will waive points of order?

Mr. LATTA. There are no waivers.

Mr. BAUMAN. If the gentleman will yield further, I would like to direct the gentlemans' attention to page 46, section 103(e), use of loan reflows.

It occurs to me that the gentleman is aptly qualified, perhaps, to answer this. Was there any testimony regarding whether or not this provision in the bill conflicts with existing budget control law which sets up a procedure by which backdoor spending no longer will be permitted?

Mr. LATTA. We had no testimony before the Committee on Rules, on any such conflict.

Mr. BAUMAN. If the gentleman will yield further, the gentleman does not know whether it would?

Mr. LATTA. We had no such testimony, and there were no requests for waivers. If the gentleman believes it does, he might make a point of order at the appropriate time.

Mr. BAUMAN. I thank the gentleman.

Mr. YOUNG of Georgia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 41, not voting 34, as follows:

[Roll No. 504]

YEAS—358

Abdnor	Burton, Phillip	Evans, Ind.
Abzug	Butler	Fascell
Adams	Carney	Fenwick
Addabbo	Carr	Findley
Alexander	Carter	Fish
Anderson, Calif.	Casey	Fisher
	Cederberg	Fithian
Annunzio	Chappell	Flood
Armstrong	Chisholm	Florio
Ashley	Clausen, Don H.	Flowers
Aspin		Foley
AuCoin	Clay	Ford, Tenn.
Badillo	Cleveland	Forsythe
Bafalis	Cohen	Fountain
Baldus	Collins, Ill.	Frenzel
Barrett	Conable	Frey
Baucus	Conte	Fuqua
Beard, R.I.	Conyers	Gaydos
Beard, Tenn.	Corman	Giaimo
Bedell	Cornell	Gibbons
Bell	Cotter	Gilman
Bennett	D'Amours	Ginn
Bergland	Daniel, Dan	Goldwater
Biaggi	Daniel, R. W.	Gonzalez
Biester	Daniels, N.J.	Goodling
Bingham	Danielson	Gradison
Blanchard	Davis	Green
Blouin	de la Garza	Gude
Boggs	Delaney	Guyer
Boland	Dellums	Hagedorn
Bolling	Dent	Hall
Bonker	Derrick	Hamilton
Bowen	Diggs	Hammer-schmidt
Brademas	Dodd	
Breaux	Downey, N.Y.	Hanley
Breckinridge	Downing, Va.	Hannaford
Brinkley	Drinan	Harkin
Brodhead	Duncan, Oreg.	Harrington
Brooks	du Pont	Harris
Broomfield	Early	Harsha
Brown, Calif.	Eckhardt	Hastings
Brown, Mich.	Edgar	Hawkins
Broyhill	Edwards, Ala.	Hayes, Ind.
Buchanan	Edwards, Calif.	Hays, Ohio
Burgener	Eilberg	Hechler, W. Va.
Burke, Calif.	Emery	Heckler, Mass.
Burke, Mass.	English	Hefner
Burleson, Tex.	Erlenborn	Heinz
Burlison, Mo.	Eshleman	Helstoski
Burton, John	Evans, Colo.	Henderson

Hicks	Miller, Ohio	Sarasin
Hightower	Mineta	Sarbanes
Hillis	Minish	Scheuer
Hinshaw	Mink	Schneebeli
Holland	Mitchell, Md.	Schroeder
Holt	Mitchell, N.Y.	Schulze
Holtzman	Moakley	Sebelius
Horton	Moffett	Seiberling
Howard	Moore	Sharp
Howe	Moorhead, Pa.	Shriver
Hubbard	Morgan	Shuster
Hughes	Mosher	Sikes
Hungate	Moss	Simon
Hyde	Mottl	Sisk
Jacobs	Murphy, Ill.	Skubitz
Jeffords	Murphy, N.Y.	Slack
Jenrette	Murtha	Smith, Iowa
Johnson, Calif.	Myers, Ind.	Smith, Nebr.
Johnson, Colo.	Myers, Pa.	Solarz
Johnson, Pa.	Neal	Spellman
Jones, Ala.	Nedzi	Spence
Jones, N.C.	Nichols	Staggers
Jones, Tenn.	Nix	Stanton, J. William
Jordan	Nolan	Stanton, James V.
Karth	Oberstar	Stark
Kasten	Obey	Steed
Kastenmeier	O'Brien	Steelman
Kazen	O'Hara	Steiger, Wis.
Kelly	O'Neill	Stokes
Kemp	Ottinger	Stratton
Ketchum	Patman, Tex.	Studds
Keys	Patten, N.J.	Sullivan
Koch	Patterson, Calif.	Symington
Krebs	Pattison, N.Y.	Talcott
LaFalce	Perkins	Taylor, N.C.
Lagomarsino	Pettis	Thompson
Leggett	Peyser	Thone
Lehman	Pickle	Thornton
Lent	Pike	Traxler
Levitas	Poage	Treen
Litton	Pressler	Tsongas
Lloyd, Calif.	Preyer	Udall
Lloyd, Tenn.	Price	Vander Veen
Long, La.	Pritchard	Vanik
Long, Md.	Quie	Vigorito
Lujan	Railsback	Waggonner
McCloskey	Randall	Walsh
McCollister	Rangel	Wampler
McCormack	Regula	Waxman
McDade	Reuss	Weaver
McEwen	Rhodes	Whalen
McFall	Richmond	White
McHugh	Riegle	Whitehurst
McKay	Rinaldo	Wiggins
Madden	Risenhoover	Wilson, Bob
Madigan	Roberts	Wilson, C. H.
Maguire	Robinson	Wilson, Tex.
Mahon	Rodino	Winn
Mann	Roe	Wirth
Martin	Rogers	Wydler
Mathis	Roncalio	Wylie
Matsunaga	Rooney	Yates
Mazzoli	Rose	Yatron
Meeds	Rosenthal	Young, Fla.
Melcher	Rostenkowski	Young, Ga.
Metcalfe	Roush	Young, Tex.
Meyner	Roybal	Zablocki
Mezvinsky	Russo	Zeferetti
Michel	Ryan	
Mikva	St Germain	
Milford	Santini	
Miller, Calif.		

NAYS—41

Ambro	Grassley	Passman
Archer	Haley	Quillen
Ashbrook	Hansen	Rousselot
Bauman	Hutchinson	Runnels
Bevill	Ichord	Satterfield
Byron	Kindness	Shipley
Clancy	Krueger	Snyder
Clawson, Del	Landrum	Stephens
Collins, Tex.	Latta	Stuckey
Conlan	Lott	Symms
Devine	McDonald	Taylor, Mo.
Dickinson	Montgomery	Whitten
Duncan, Tenn.	Moorhead, Calif.	
Evins, Tenn.	Natcher	
Flynt		

NOT VOTING—34

Anderson, Ill.	Fary	Pepper
Andrews, N.C.	Ford, Mich.	Rees
Andrews, N. Dak.	Fraser	Ruppe
Brown, Ohio	Hébert	Steiger, Ariz.
Burke, Fla.	Jarman	Teague
Cochran	Jones, Okla.	Ullman
Coughlin	McClory	Van Deerlin
Crane	McKinney	Vander Jagt
Derwinski	Macdonald	Wolff
Dingell	Mills	Wright
Esch	Mollohan	Young, Alaska
	Nowak	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Anderson of Illinois.
Mr. Teague with Mr. Cochran.
Mr. Dingell with Mr. Andrews of North Carolina.
Mr. Nowak with Mr. Young of Alaska.
Mr. Pepper with Mr. Ruppe.
Mr. Mollohan with Mr. Esch.
Mr. Wolff with Mr. Andrews of North Dakota.
Mr. Van Deerlin with Mr. Vander Jagt.
Mr. Wright with Mr. Brown of Ohio.
Mr. Rees with Mr. Coughlin.
Mr. Ullman with Mr. Burke of Florida.
Mr. Ford of Michigan with Mr. Fary.
Mr. Fraser with Mr. Crane.
Mr. Jones of Oklahoma with Mr. Macdonald of Massachusetts.
Mr. McClory with Mr. Mills.
Mr. Steiger of Arizona with Mr. McKinney.
Mr. Derwinski with Mr. Jarman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that he will take unanimous-consent requests from the Members but not for speeches.

CIVILIAN CONSERVATION CORPS ACT OF 1975

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

Mr. DUNCAN of Oregon. Mr. Speaker, I am reintroducing today, with a list of welcomed cosponsors, the Civilian Conservation Corps Act of 1975, a bill I submitted earlier this year.

The motivations that led to the creation and introduction of this legislation have not dissipated. Unemployment rates still skyrocket at over 20 percent among the Nation's youth, and there still remains a great need for additional capital investments in the natural resources of this country, its recreational facilities, its rangelands, its timberlands, and its water resources.

Carl Rowan, the Washington Post columnist, questioned six of the Nation's top police administrators from six of the Nations' top cities, asking them one simple question:

"If you had to recommend one thing, one action the country could take to combat the rise of crime, what would it be?"

All six of these officials agreed that efforts to reduce unemployment in the central cities among young men, especially minority young men under the age of 25 years, would be one of the most effective means of reducing the crime rate.

My bill would make, if enacted, great inroads into this area, and I believe offer alternatives to these young men—alternatives they do not now have.

This bill has been modeled after what many consider to have been one of the best agencies created in the thirties to fight unemployment and the depression. It gives priority in employment of Corps members from areas having a high rate of unemployment for 3 consecutive months.

I believe this bill should enjoy the support of rural areas where most of the resources needing work are located, and the support of urban areas where most of those needing employment are located.

I have sent copies of the legislation to every State resource agency, to organized labor, environmental, and industry groups across the country, and have received hundreds of letters of encouragement and support. Not one voice of opposition has been raised.

I would welcome further sponsors to this bill, and will reintroduce the bill as required to accommodate such of the Members as may indicate their interest. I have discussed it with the leadership, and the chairman of the concerned committee, and look forward to early hearings.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. If the gentleman from Maryland is disposed to make a point of order against the consideration of this bill because of any provisions it contains contrary to Public Law 93-344, the Budget Control Act, when would that point of order lie?

The SPEAKER. It will depend on when the motion is made to go into the Commitee of Whole. It would lie at the time the motion is made.

Mr. BAUMAN. Mr. Speaker, then I would like to make a point of order.

The SPEAKER. As soon as the gentleman from Pennsylvania (Mr. MORGAN), makes his motion, the Chair will recognize the gentleman.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1975

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for 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.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I make a point of order against the present consideration of the bill H.R. 9005 on the grounds that on page 15 of this bill, in section 302(e), lines 6 to 17, there is contained a provision which in essence changes the law governing repayments on previous foreign assistance loans making these sums available for certain purposes without reappropriation by Congress. At the present time the proceeds from repayments of these loans are returned to the Treasury for later reappropriation by the Congress.

Apparently this provision allows at

least $200 million in loan reflows, as the report refers to them, to be respent without either authorization or further appropriation by the Congress each year.

It would be my contention that this provision violates Public Law 93-344, section 401(a), the Congressional Budget Act of 1974, which in effect prohibits the consideration by the House of any bill or resolution which provides any new spending authority. In effect this is backdoor spending without authorization and appropriation each year by the Congress.

The SPEAKER. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. MORGAN. I do, Mr. Speaker.

Mr. Speaker, I rise in opposition to the point of order.

Mr. Speaker, the proposed section 103 of the Foreign Assistance Act of 1961 contained in section 301(a) of House Resolution 905 as reported, which authorizes the repayment on prior year foreign aid loans to be made available for specific purposes, does not in effect appropriate funds and, therefore, is not subject to a point of order under clause 5 of rule XXI. The funds referred to in section 103 will not be available for reuse unless they are appropriated.

The committee does not intend that these funds be exempt from the appropriation process, as can be seen from the following language. The clear language of the bill, Mr. Speaker, proposed in section 103 specifically provides that amounts repaid are authorized to be available for use and authorized for appropriation. It does not provide that they be available for use as an appropriation.

The SPEAKER. The Chair would like to address a question to the gentleman from Maryland.

Is the gentleman raising a point of order under the Budget Act for the purpose of preventing the consideration of the legislation, or is he attempting to make a point of order that this is an appropriation on a legislative bill?

Mr. BAUMAN. Mr. Speaker, I am making the point of order for the express purpose of preventing the consideration of the bill, inasmuch as the public law to which I have referred says that it shall not be in order for either House to consider a bill which contains such a provision.

I would, therefore, in response to the statement of the chairman of the committee, refer to the committee report on page 46 which says:

> The third subsection added to section 103 authorizes repayments on prior year aid loans to be made available for specified purposes.

This would remove it from the appropriation process.

The SPEAKER. The Chair is ready to rule. The gentleman from Maryland is making the point of order that the portion of the bill under section 302(e) constitutes new pending authority and violates section 401(a) of the Budget Act, Public Law 93-344.

The Chair has reviewed the language shown in the bill and in the report which shows that it is subject to the appropriation process because the whole intent and thrust is predicated on the words "are authorized to be made available." In other words, the reflow funds are to be appropriated by the Committee on Appropriations and by subsequent legislative actions and not as a result of the passage of this bill.

The Chair, therefore, overrules the point of order.

Mr. BAUMAN. Mr. Speaker, if I may be heard further, my contention was that this particular provision in and of itself authorizes the continuing appropriation each year, as the report indicates that it does, and that section 401 (a) of Public Law 93-344 prevents consideration of any bill which permits that.

The SPEAKER. If that is true, this is still not in violation of 401. This is still an "authorization" subject to action each year of the Committee on Appropriations.

The Chair overrules the point of order.

Mr. BAUMAN. Mr. Speaker, a parliamentary inquiry.

Would a point of order later lie against this section, based on its being an appropriation, when we are considering this bill under the 5-minute rule?

The SPEAKER. At the proper time later in the consideration of the bill under the 5-minute rule that will be a matter for the Committee of the Whole and not for the Speaker.

Mr. BAUMAN. I thank the Chair.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MORGAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9005, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 1 hour and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 1 hour.

The Chair recognizes the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the House today is H.R. 9005, the International Development and Food Act of 1975.

It is one of the best bills ever to come from our committee:

It is the first foreign assistance bill in my memory which came from the committee without a dissenting vote, and without an opposing minority report.

It is a bill which was written in the committee during many long sessions and on a bipartisan basis, which has gained administration support.

It is a bill which has received editorial praise in newspapers from Trenton and Minneapolis to Memphis and Houston.

It is a bill which has gained strong support from a wide range of civil and religious groups.

Why has this measure been so generally approved?

Because, I think, this bill is a farsighted attempt to express America's leadership in helping poor people in poor countries to improve their lives.

Further, this bill contains only development assistance.

There is not a cent of military aid in the bill.

There is not a cent of security-type aid in the bill.

In the past our committee always has opposed splitting economic and military aid into two bills.

We believed that a combined bill was the best means of insuring passage.

Today times have changed. It is clear that each bill can stand best on its own merits.

I know that a number of members on both sides of the aisle who once voted for foreign assistance stopped doing so because of opposition to American policies in Indochina.

That era is over. The bill before us is only development assistance—assistance directed at poor people in poor countries.

THREE PURPOSES OF THE BILL

Basically, H.R. 9005 does three things:

First, it carries on the "new directions" reforms in foreign assistance which Congress began in 1973.

Second, it coordinates the overseas distribution of the Public Law 480 program with the goals of the new directions.

Third—and most important—it authorizes appropriations for development assistance for fiscal years 1976 and 1977 and for the transition quarter.

Let me give details on each of these purposes:

THE "NEW DIRECTIONS"

Two years ago our committee decided to scrap the foreign aid program as it had been operating.

Reforms adopted in 1973 by Congress redirected the program in new directions to assist the poor majority in poor countries with their most pressing problems:

Problems of food production, nutrition, and rural development.

Problems of health and population planning.

Problems of practical education.

Since that time our committee has been working closely with the Agency for International Development, which administers these programs. We want to make sure that the will of Congress is being put into practice.

At this point, I can report that a good deal of progress has been made.

A number of industrial development and prestige projects have been canceled.

Much aid has been redirected to give assistance to the neediest people in the neediest countries.

More and more programs are being carried out through private organizations.

The AID Agency has cut its own staff by some 1,000 people over the past few months. By early next year it will be one-half the size it was in 1968.

This bill carries on the reforms of 1973 by amending the Foreign Assistance Act of 1961. It reaffirms and clarifies the new directions for the AID program, and adds some new features:

First, a new title has been created for disaster assistance, to insure that it will be used entirely for humanitarian relief purposes and not for political purposes.

Second, a new stress has been placed on helping poor countries with problems caused by high energy prices, to lessen their dependence on Middle Eastern oil.

Third, the bill authorizes an expanded effort to develop and spread technology tailored to the needs and abilities of the less developed countries. This is called intermediate technology.

Fourth, we have eliminated or reoriented funding categories in the act which represent more traditional approaches to development aid; and

Fifth, we have created a new title—title XII—which provides for an expanded program of agricultural research and extension. Under this provision, the experience and talents of American land-grant universities and other schools will be used to help poor countries grow more food. This is the "Freedom from Hunger" proposal introduced by Representative PAUL FINDLEY and cosponsored by more than 90 Members of the House.

PUBLIC LAW 480

H.R. 9005 also amends the Agricultural Trade Development and Assistance Act of 1954—better known as Public Law 480, food-for-peace.

In the last Congress the Committee Reform Act of 1974 gave the Committee on International Relations jurisdiction over the oversea distribution aspects of Public Law 480.

Working closely with the House Agricultural Committee, we have proposed a series of amendments to Public Law 480. These amendments have several purposes:

They update certain aspects of the law in the light of the new era in which the United States is no longer overloaded with farm surpluses, but rather faces a challenge of worldwide food shortages.

They put greater attention to the humanitarian use of U.S. food aid.

They provide for using food aid to promote self-help development of agriculture by the countries receiving the food.

These amendments are included in title II of the bill before us today. Let me speak in more detail about three changes:

First, the bill establishes a 1½ ton annual minimum for Public Law 480, title II, humanitarian grant programs. Of that amount not less than 1 million tons is to be distributed through nonprofit voluntary agencies—such as CARE, Church World Services, and Catholic Relief Services.

This provision will help guarantee a steady flow of food for the child feeding and other humanitarian programs conducted abroad by our voluntary agencies. In the past those programs have suffered from shortages and uncertainties in their supplies.

Second, H.R. 9005 writes into permanent law an improved version of the 70–30 provision in the Foreign Assistance Act which expired at the end of 1975.

It requires that at least 70 percent of Public Law 480 title I concessional sales go to countries "most seriously affected" by the shortage of enough food.

Third, the bill provides authority for Public Law 480 food grants to poor countries—within certain limits—for programs in which these countries use the proceeds of food sales for self-help food-related projects.

This is designed to make Public Law 480 an incentive to—rather than discouraging—farm output in the needy countries.

It should be pointed out that H.R. 9005 does not authorize any new appropriations for Public Law 480. It does not exceed the size or cost of Public Law 480 as already programed for this year.

It does not add anything to fiscal 1976 foreign aid costs or increase grain shipments abroad.

It does, however, seek to give a more humanitarian and effective pattern for those food shipments which are going forward.

AUTHORIZATION OF APPROPRIATIONS

At this point let me turn to the principal purpose of this bill—the authorization of appropriations.

H.R. 9005 authorizes $1.35 billion for fiscal 1976 and $1.52 billion for fiscal 1977.

It also contains an authorization for the transition quarter which is one-fourth the fiscal 1976 amount.

In addition, the bill authorizes the use of loan reflows for development purposes.

Until 2 years ago the proceeds of former U.S. aid loans—such as old "Point Four" loans—went back to the AID agency and were used again on the revolving fund basis.

This bill contains a provision which restores the use of these reflows—but only for specified purposes.

Two hundred million dollars would be a contribution by the United States to the International Fund for Agricultural Development.

This is a proposed new fund of $1.25 billion to help poor countries increase food production. It is the outcome of the World Food Conference.

The administration has pledged $200 million to the fund if other countries—including the oil-producing nations—contribute their share.

In his speech at the United Nations last week Secretary Kissinger indicated that the President will be asking Congress to make the $200 million available this year—contingent upon the response of other countries.

The balance of the reflows could be used for expanded programs of agricultural research or similar aid.

The estimated amount of these repayments in the current fiscal year is $353 million.

It must be pointed out that use of these reflows is in no way "backdoor spending." The amounts must be appropriated—as they always have been in the past.

REASONS FOR AID

One criticism which has been leveled at this bill is that it does not contain enough funds for development aid—given the needs of the poor countries.

At present, the United States stands 14th among 17 industrialized nations in the percentage of its gross national product which it provides in development aid.

This bill will not advance that ranking.

Further, it must be remembered that from 80 to 90 percent of all the funds in this bill will be spent right here in the United States, for products and services.

Moreover, much of our aid is in the form of loans which must be—and are being—repaid, and in dollars.

For example, loan receipts last year totaled $405 million. As a result, the net impact of AID activities in fiscal year 1974 was only $126 million.

Against these far from excessive costs, let us weigh the many benefits of our foreign assistance.

We have a huge stake in peace throughout the world. The gap between the rich and the poor nations, and between the rich and poor within nations, is an invitation to conflict.

Our security assistance to friends and allies abroad not only provides a critical margin for their security; it does so also for our own security—at a fraction of what it would cost us to have an effective forward defense by ourselves.

We have an increasing need for raw materials and energy from abroad. We consume 40 percent of the world's output. It is, therefore, in our self-interest to be on good terms with the developing countries, who hold 60 percent of the world's land surface and control resources to which we must have access for our own economic growth.

We also need the cooperation of the developing countries to solve problems that increasingly cross national boundaries—narcotics control, terrorism, environmental pollution, and many others.

We need the markets of the developing countries. Our trade surplus with these countries was $2.3 billion in 1973 and, excluding trade with oil exporting nations, was $5.6 billion.

Our highest motive for giving assistance to poor people in poor countries is—of course—because we know it is the right thing to do.

While hundreds of millions in the world go hungry, we cannot hoard our abundance.

While hundreds of millions need medical care and education and help in population planning, we cannot refuse to provide our know-how and technical skills.

While hundreds of millions of poor people need help to become more productive and to lead more satisfying lives, we cannot withhold our fair share of resources.

I urge, therefore, that the Members of the House read the committee report, listen to the debate, and then vote overwhelmingly for H.R. 9005.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act of 1975.

For the first time in many years, Mr. Chairman, we have a truly innovative and economic foreign aid bill which will insure the effective use of a reasonable amount of dollars with strong emphasis on food assistance programs.

We have turned the corner finally with a program that recognizes the realities of what our aid can accomplish overseas as well as the constraints of our domestic economy.

This bill marks the end of that era which saw a lavish outpouring of dollars sometimes on grandiose schemes which we often could not afford and which frequently did not work.

H.R. 9005 emphasizes programs that will help the rural poor of the developing nations to help themselves. These are the kinds of programs people will support. The Harris poll shows that 79 per cent of all Americans favor foreign aid programs aimed directly at the working poor in the world's poorest countries.

Let us discuss that point. I cosponsored this bill because most of the money in it goes for agricultural projects and programs to help improve the production level of poor farmers and because of policy changes which assure that this objective will be met.

The major Public Law 480 policy changes in this bill are self-help provisions, aimed at poor farmers in poor countries. Another major policy change is title XII, initiated by my distinguished colleague from Illinois (Mr. FINDLEY) and which I proudly cosponsored. His famine prevention amendment will help small farmers by giving them the benefit of the best thinking of our land-grant colleges. Still another congressional initiative is the section providing for intermediate technology, rather than big tractors, combines, and the like for small farmers.

In addition to our authorization for bilateral agricultural projects and programs, the bill authorizes the use of $200 million in foreign aid repayments for the International Fund for Agricultural Development, which was highlighted in the American address given recently at the U.N. Special Session on development. This Fund will be heavily endowed by the oil-rich countries, who are expected to triple our contribution.

One of the reasons we should vote for the bill is because it is in our own interest to do so. About half of all our strategic raw material imports come from the countries that receive aid in this bill. As President Ford put it:

A world of economic confrontation cannot be a world of political cooperation.

We need to maintain access to these strategic materials and to maintain an economic climate in which they are available. I think the Members should also know that even with our outlays to import these strategic materials, the United States still had a surplus balance of payments with developing countries—$1.6 billion surplus in 1973 and $2 billion surplus in 1974.

One of the reasons for this surplus balance of payments is that our foreign aid loans are being paid off. We will get back around $350 million this year—and I would like to point out that the repayment record on foreign aid loans is about 98 percent, a record most banks would envy. We should remember too, that these payments come from some of the very poorest countries in the world.

The way we have set up this development and food assistance program makes sense from the point of view of reaching poor people. It also makes sense from the point of view of where the money is actually spent. Just so there is no misunderstanding about it, let me explain that in this development bill we are not asking you to send money overseas. We are asking you to authorize money, most of which will be spent right here in the United States. It is American goods and services that are being shipped overseas. The money stays home. It is spent in your States and it supports many commercial enterprises, and over 200 colleges and universities. At a time when so many Members of this House are concerned about jobs, they should be aware of the jobs that are supported by this program.

It is important that we keep this focus in mind as we consider a modest amount for development assistance.

Basically, there should be no real controversy over the International Development and Food Assistance Act. The administration supports House passage of H.R. 9005 and is seeking no amendments on the floor of the House. The bill is carefully drafted—it is a tight bill. It is one your constituents can support.

I urge your support of H.R. 9005.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, the famine prevention and freedom from hunger section of this bill, I feel deeply, has great promise for actually ending the specter of famine worldwide. I say that because it marshals a very unique resource in this Nation, the land-grant university expertise and the expertise which is found in other similar universities throughout the country.

It has been over a century since the original Morrill Act was adopted by this Congress, and during that century our agriculture was transformed from a backward state, lagging behind European countries, to one of unexampled advance and progress, the envy of the entire world.

One of the central reasons for this spectacular development over the past century has been the deliberate program of higher education of the small farmers of the Nation.

This was brought about first through classroom education funded in part under the Morrill Act. The original Land Grant Act was followed by other acts which made possible the establishment of research stations and then the extension service which brings education on a continuing basis to every county of the Nation, to the farmers and homemakers of every county of the Nation.

Inspired by this record, a number of us put together during the past year the proposal which is known as the famine prevention program, and under it the institutions which have had this century-long experience, this century-long success story in the continuing education of farmers, will be enabled to help other countries still in the developing stage, hopefully, to establish similar institutions within their own borders which will bring classroom research and extension education to the small farmers of those countries.

No one is suggesting that the same system which flourishes here in the United States can be transferred intact to any other part of the world. It will have to be adapted to the educational level, to the needs, and to the ecology of that particular region; but education of farmers is a good investment wherever it occurs.

The whole thrust and purpose of this part of the bill which is now before us is to encourage developing countries to take seriously the continuing education of farmers.

I would like to express my appreciation to chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN), the gentleman from Michigan (Mr. BROOMFIELD), the gentleman from Wisconsin (Mr. ZABLOCKI), and to the other members of the committee as well as to the members of the committee staff and to the staffs of the land-grant universities and the Land-Grant Association nationally, as well as to Senator HUMPHREY, if I may be permitted to mention his name, and others in the other body who have worked closely in the day-by-day development and refinement of this idea during the past 9 months. It has been a splendid example of creativity at the congressional level and a fine example of cooperation on a bipartisan approach.

A wise philosopher once observed, "If you give me a fish, I will eat today. If you teach me to fish, I will eat forever."

Perchance, Jonathan Baldwin Turner was motivated by such a thought when he called for the education of the "workers" of our society.

Mr. Turner was born in Massachusetts in 1805. Graduating from Yale, he moved to Jacksonville, Ill., in 1833 to teach at Illinois College. During his days there, he became involved in the movement for public education. As early as 1848, Mr. Turner was calling for a State agricultural or industrial college. He early came to recognize the necessity for a scientific education of the practical man, if he was ever to take the place which belonged to him by virtue of the importance of his occupation.

Consolidating his ideas on public education, Mr. Turner addressed the Illinois Teacher Institute in 1852 in Griggsville, Ill., on the need for such a system in all the States. Mr. Turner called for the creation of colleges where the leading object would be, without excluding scientific and classical studies, to teach such branches of learning as are related to agriculture and mechanic arts to the sons and daughters of the farmer and workingman.

Calling for an Institute of Science "to operate as the great luminary of the national mind, from which all minor institutions should derive light and heat, and toward which they should also reflect back their own," Mr. Turner said that a "university for the industrial classes in each of the States" should be created. The university should establish subordinate institutions "to apply existing knowledge directly and efficiently to all practical pursuits and professions in life, and to extend the boundaries of our present knowledge in all possible practical directions."

He continued by calling for "annual experiments and processes in the great interests of agriculture and horticul-

ture—instruction should be given—to facilitate the increase and practical application and diffusion of knowledge." Agricultural and mechanical research should be conducted and the process thoroughly and practically tested and explained, so that their benefits might be at once enjoyed, or the expense of their cost avoided by the unskilled and unwary." Knowing about loss of production because of the lack of farmer information, Mr. Turner stated that:

It is believed by many intelligent men that from one third to one half the annual products of this State are annually lost from ignorance on the above topics. And it can scarcely be doubted that in a few years the entire cost of the whole institution would be annually saved to the State in the above interests alone, aside from all its other benefits, intellectual, moral, social, and pecuniary.

Others have made similar estimations about agricultural production in the developing nations today. Is it not then time to apply the prairie wisdom of Mr. Turner to the education of the world farmer? Is it not time to take his concept of applied research and the continual education of the farmer to the less developed nations?

Mr. Turner maintained that:

If every farmer's and mechanic's son in this State could now visit such an institution but for a single day in the year, it would do him more good in arousing and directing the dormant energies of mind than all the cost incurred, and far more good than many a six months of professed study of things he will never need . . . to know.

Title XII, the famine prevention program, is designed to take that necessary education to the small farmer, to teach him the things he needs to know about increased production, agricultural production, tailored to his own county and region.

Mr. Turner's idea was shared by others as evidenced by the farmer pressure to create such a university. Similar ideas of men like Clemson and Morrill created pressure for the Land-Grant Act of 1862. These institutions have helped raise the standard of living of our own rural residence and our ability to produce agricultural foodstuffs.

Born out of our need for public education of agricultural arts, the concept is now ready for systematic testing in the developing nations. The famine prevention provisions are geared to educate farmers in less developed countries so that they will adopt more advanced agricultural technology to increase production.

Just as Mr. Turner indicated the need for local research and farmer education, so does title XII emphasize the need to develop the educational concept tailored to the needs of the host community.

Title XII would create the tool whereby Mr. Turner's seed could be planted anew in the world. The challenge is to take the concept and expand its potential via long term relationships between agricultural scientists and educators in U.S. universities and universities, research and extension units in the developing countries which will bring knowledge directly to the small farmer. Such exchanges would facilitate advancement of agricultural research, teaching, and extension activities. U.S. universities could help to establish new land-grant type universities where needed, work with established universities that want to upgrade their staff teaching, research, and extension efforts, or improve coordination between teaching at the university with research and extension efforts in a Ministry of Agriculture.

This sustained approach would give Jonathan Baldwin Turner's humanitarian concept a chance to work in less developed countries. It has worked in this country as evidenced by our surplus production. Let us now work to insure production of enough throughout the world.

Discussing the role of early agriculture education and research in our own country, Secretary of Agriculture James Wilson—1897–1913—observed that—

The future holds important discoveries still to be made.

The goal of famine prevention is to make these discoveries and apply the results to the needs of the developing nation.

Dr. Knapp, the founder of our own extension service once observed that:

What a man hears, he may doubt; what he sees, he may possibly doubt, but what he does himself, he cannot doubt.

Our goal with title XII is to create this opportunity in less developed countries.

The famine prevention program offers a new focus in our attempt to prevent famine in the world. It provides funds for American universities to research and help establish ways of increasing food production in the third world countries. These projects include:

First. Building human and institutional resources which reach directly small farmers in developing countries;

Second. Strengthening research in developing countries by supporting international agricultural research centers; and

Third. Aiding long-term research on various food problems.

It has been long established that an infant deprived of nutrition or stimulation will never develop to full mental capacity. Feeding the physical needs of the body must precede the nourishment of the mind with information. This bill is designed not only to give immediate food aid, but with the famine prevention program, to give long-term ability to produce for one's own needs. Let us emphasize the need to increase the knowledge of the rural and farm resident of the developing nation.

About two-thirds of the population of the developing countries is economically active in agriculture as compared to one-seventh in developed—non-centrally planned—economies. Thus, a ready-made audience is waiting for a self-help program to improve their ability to feed themselves. The famine prevention program is intended for the benefit of the small and subsistence farmer. Improving his marginal productivity offers a chance to stabilize his ability to feed adequately himself and his neighbor.

American-style agricultural techniques usually cannot be directly transplanted to foreign countries, but must be adapted to local circumstances. The famine prevention proposal is speaking of a concept, the concept of transferring an idea of the education of farmers and rural residents in the improved techniques of production, distribution, and the preservation of food. The promotion of adequate agricultural educational institutions and systems tailored to the needs of the developing country and the continuing education concept of extension will be fruitful in attacking the killer of man—famine.

Food comes from both the land and the waters of the Earth; therefore it is my intent that the provisions of this act shall apply to coastal and inland waters as well as to rural areas, and that the benefits of this act shall apply equally to the poor, small scale fisherman as well as to the poor, small scale farmer.

As only approximately 8 percent of our world's land area is suitable for crops and approximately 65 percent is suitable for grazing, it is my intention that animal health education be a part of the extension activity proposed in the famine prevention program. Coupled with activities relating to crop culture, horticulture, and fish culture, improvements in the world's supply of protein and other valuable nutrients should be achieved.

The role of animal industry as a source to utilize roughages and turn this crop, otherwise unharvestable, into human protein food is limited by our knowledge to curb diseases of animals. Some 75 percent of the world's people live in regions where they are largely dependent upon animals for transport, agricultural power, and fertilizer, as well as protein.

Efforts through farmer education to improve the animal health and husbandry should have a role in increasing the efficiency of the production of edible protein and the reduction of disease transferable to man. Increased knowledge of animal husbandry should have a profound effect on tropical production.

The act authorizes land-grant and land-grant type universities to provide the expertise. This is based on the committee's desire that the universities must have "demonstrable capacity" and experience with extension activities and their interrelationship with teaching and research. The definition extends eligibility to such universities as Texas A. and I., Texas Technological University, California State University at Fresno, California Polytechnical State University at San Luis Obispo, and California State University at Chico, to mention just a few.

The needs of the developing nations include bringing directly to the farmer the results of regional and local agricultural research. The American land-grant and similar institutions have domestically been doing this for years.

Now the challenge is to take Jonathan Baldwin Turner's idea from the prairie and into the world, adapting it to the needs and capabilities of farmers in developing nations.

The starving of the mind of an infant or the body of an adult is a cruel form of inhumanity. It can and must be attacked via emphasis on the ability of the people to take care of their needs. In turn, our own economy and stability will increase with the promotion of stability in de-

veloping nations. The adequately fed world resident can then devote his talents toward improving mankind's other needs. On the other hand, a malnutrition problem of crisis proportions in developing nations must be recognized by the entire world community as a threat to world peace and stability. We as a part of the world community can ignore this crisis only at our own peril.

Armed with methods to increase the agricultural productivity capabilities in the developing nation, the extension education and research must also direct efforts toward the uplifting of nutritional knowledge and food preservation. Emphasis should be directed toward tailoring the abilities, products and needs of the developing nation.

The efforts of the famine prevention program should be directed toward making the "green revolution" work via continuous farmer education. The green revolution must become a revolution of sufficiency—enough. The program is a policy that does not necessarily promise or predict plenty, but a policy which promotes enough—enough to insure an adequate diet. Famine prevention is a policy and program to promote an adequate level of nutrition to prevent famine and promote world peace through self-sufficiency and freedom from hunger.

The stunted and deprived child calls for efforts to achieve an adequate diet. He is not concerned with surpluses nor the call to abundance. His needs are merely sufficiency. And this provision is geared toward this goal—adding self to sufficiency.

Some may worry that this would have an adverse impact on our American farmer. I would point to the positive effect the Marshall plan and other foreign assistance plans have had in the past. Japan, once the object of our aid, is now the U.S. farmer's biggest customer. The subsistence farmers are not now purchasers for cash of American farm products. We are talking instead of the needs of the poorest of the poor. The hungry will not understand our rhetoric about abundance and concern over limiting their production. Rather, as their production improves, a better diet will be desired and insured.

In fact, farm organizations have given their support to this measure.

William J. Kuhfuss, president of the American Farm Bureau Federation, has stated publicly his support for the famine prevention concept. Officials of National Farmers Union have also expressed their support.

To my knowledge no national farm organization has expressed criticism of any aspect of the proposal.

The National Association of State Universities and Land-Grant Colleges participated closely in the development of the famine prevention proposal and has expressed its enthusiastic support.

Land-grant and similar universities have of course played an important role for years in development work overseas.

Six land-grant universities, for example, helped to establish nine successful land-grant-type universities in India. Other universities have undertaken successful projects in other countries.

The universities—and our Government—have learned by this experience. This proposal profits from that experience.

Universities were handicapped in the past by the short-term character of contracts and by the difficulty of working under rules and regulations established generally for AID programs, but which seemed inappropriate for university work.

The language of this program should largely correct these problems. It makes possible long-term contracts. It gives to universities a more prominent role in the formulation and implementation of programs in individual foreign countries. And equally important, it gives universities—through membership control of the Board for International Agricultural Development, specified in the bill—an important role in the development of policies and monitoring of program execution.

Under the bill, universities actually become a partner with the Administrator of the Agency for International Development in the formulation and execution of all aspects of university responsibility under the famine prevention program.

As Dean Bentley, College of Agriculture, University of Illinois has said:

Our U.S. land-grant university system today is the product of three historic legislative acts—Morrill's Land-Grant Act of 1862 which first created the concept of a federal-state partnership in higher education, the Hatch Act of 1887 which strengthened this partnership concept through federal funding of the state agricultural experiment stations, and the Smith-Lever Act of 1914 which carried the partnership a step further through the creation of the federal-state Cooperative Extension Services.

Now, through the Famine Prevention Program, the Congress of the United States has the opportunity to permanently add the needed fourth dimension to the partnership—dimension of international cooperation in higher education in agriculture to help find ways to fight the growing dangers of hunger and famine which may eventually threaten all of us. And there are few among us today who would doubt but what this Act, when fully and properly implemented, will earn its place with the Morrill, Hatch, and Smith-Lever Acts as one of the most forward-looking legislative provisions of its time.

Dr. Clifford R. Wharton, Jr., president, Michigan State Univeristy supported the famine prevention program by stating:

This represents an important step in further strengthening our ability to deal with one of the most pervasive and persistent problems of our world—famine and the adequacy of agricultural production.

My own background of experience convinces me that the mode of approaching problems of hunger, food production and nutrition as proposed by Congressman Findley is worthy of support. The proposed Title XII represents a new initiative, a new approach which will effectively involve the valuable food and nutrition research, institution building and extension experience which exists at our American universities of the land-grant tradition. The amendment will provide a number of clear-cut advantages which should have practical and constructive value.

Interest in the problems of food and agricultural production has waxed and waned over the years, more often than not in response to the intensity of the acute evidences of famine or food shortages. Again today there is a flurry of interest, but we must remember that even when the issue is not in the spotlight, millions of humans remain on the brink of starvation.

Therefore, one lesson which emerges most forcefully from past history is the critical importance of recognizing the need for sustained, permanent funding in this area. Agricultural research and the institutions required to transmit the new technologies or knowledge generated can never be fully successful with a funding pattern that itself fluctuates from feast to famine. We learned that lesson, I hope, with respect to U.S. agriculture many years ago—though there are times when I wonder whether we do not forget the source of the cornucopia which has made it possible for our agriculture to jump from each farmer feeding himself and 14 others less than a generation ago to feeding 52 today.

This bill provides for the wise use of foreign agricultural money. It is a low-cost program, despite its prospects for high benefit, and is therefore one which can be supported by all. In the September 1 address to a special session of the United Nations General Assembly by Representative Daniel P. Moynihan on behalf of Secretary Kissinger, the delegates were told that:

We are supporting legislation in Congress to enable our universities to expand their technical assistance and research in the agricultural field.

The administration supports the self-help, teach-me-to-fish concept. The challenge of world hunger must be met. It can with an attack on all fronts, including the revolution of sufficiency, the policy of enough. It is time to apply Jonathan Baldwin Turner's idea, born and nurtured on the prairie, to help the people of the world.

Here are my answers to key questions on the famine prevention program:

What is the major purpose of the famine prevention program?

The major objective is to educate farmers in less developed countries so they will adopt more advanced agricultural technology and increase production.

What is the difference between the famine prevention program and past university-aid institution building contract projects?

Past contracts helped establish and assist other colleges and universities and Ministries of Agriculture in some countries. However, growth and advancement in agricultural research, teaching and extension is a continuous process. The need for a local problem-solving system that will help local farmers is still present in many developing countries, even where universities have been working. The basic goal of the Famine Prevention program is to build the institutions to solve that country's problems so it can achieve independence in food production and freedom from hunger. These past assistance programs with universities have been funded from year to year and many U.S. university staff have worked on two year assignments or less. It has been difficult to build continuous efforts and advance the internal capability for agricultural production under these circumstances. Lack of continuity among U.S.

assistance teams has been a problem in past university contract projects. (9, p. 51)

How would the famine prevention program be different?

This act would provide the means for U.S. universities to build a staff for continuing work in international agricultural development. The means would be available to establish long term relationships between agricultural scientists and educators in U.S. universities and universities, research and extension units in the developing countries. Such exchanges would facilitate advancement of agricultural research, teaching, and extension activities. U.S. universities could help to establish new land-grant type universities where needed, work with established universities that want to upgrade their staff teaching, research, and extension efforts, or improve coordination between teaching at the university with research and extension efforts in a Ministry of Agriculture.

If the goal is to make each country independent in food production, would this endanger our international trade in agricultural products?

Although the goal is to make each developing country independent in food production, this would not mean that every country would produce all the agricultural products its citizens would need or want. But each country would try to expand its output of food products which it can produce to the greatest economic advantage, selling what it does not need and buying other products that it cannot produce economically. Expanding production of agricultural products, the goal of the Famine Prevention Program, could actually result in a larger volume of international trade in agricultural products.

Where do the OPEC countries fit into the Famine Prevention Program?

The main purpose of the Famine Prevention Program is to help each less developed country develop its food production capacity to the fullest extent. Funds provided to U.S. universities under this program would be used only to assist those countries who cannot afford to pay for assistance from U.S. universities. It should be recognized that some OPEC countries are contracting with U.S. universities for assistance in building agricultural schools and colleges, developing research stations, and extension services. An awareness and coordination of such efforts along with the work performed by U.S. universities under the Famine Prevention Program would be desirable.

How do the international research centers fit into this program?

The international research centers have made some major scientific advancements and part of their support has come from U.S. aid funds. It is now recognized, however, that for these discoveries to be applied and adopted by the farmers in food-deficient countries, that institutions carrying out applied research and extension demonstration work with farmers must be strengthened.

How would changes in Government affect each U.S. and foreign universities' relationship?

Americans working in a foreign country are affected in different ways by changes in the local government, or by changing relationships between the U.S. and the host country. During the disruptions in Indonesia in 1967, the diplomatic relations with the U.S. were broken off but the University of Kentucky staff working at an Indonesian university were asked to stay and continue their work. In India, political differences between the U.S. and Indian government resulted in a closing down of the university institution building projects along with other AID efforts in that country. It is hoped that by establishing close working relationships between U.S. and foreign universities, with a minimum for central government involvement that scientific and professional cooperation could continue, even if minor political differences between the two countries should arise.

Will U.S. consumers get any benefit from the Famine Prevention Program?

Helping to increase food production in all countries will have long range benefits to American consumers. Helping to increase the output of those agricultural products that we cannot produce in this country such as coffee or bananas will help assure a supply that can be purchased through international trade. By boosting world output of agricultural products as populations and demand goes up, we are helping to keep food prices stable. Otherwise, the long-run price of food would certainly increase if past trends in population and demand continue.

Does Public Law 480 offer a means to finance technical assistance?

Public Law 480 involves an agreement between the U.S. government and the recipient country. Such agreements can include provisions to require efforts to increase domestic food output, and research to expand agricultural output. Although the intent is written into law, actual accomplishments under this provision are limited.

Does the U.S. own any foreign currencies acquired under Public Law 480 that could be used in famine prevention?

Only a few of the developing countries have U.S.-owned local currencies that could be useful in famine prevention or agricultural development programs. Use of such currencies must be agreed upon by the host country and the U.S. government. Where such currencies are still available, they could be used for some development projects with approval from the host country.

Why should we boost food production overseas when we may have a surplus of our own farm commodities to sell?

Although large output seems likely in 1975, the surplus will be much too small to solve the world's hunger problem. U.S. farmers will benefit most during the year ahead from an expanding export market. A program to boost output in developing countries could actually result in expanding trade with these countries as their level of local agricultural production and income increases.

On what basis will participating universities in U.S. and overseas be involved under the Famine Prevention Program?

Criteria will be established that will recognize those nations that are most seriously affected by food shortages, in need of improving their agricultural productivity, and are receptive to assistance through establishing relationships between U.S. universities and their agricultural teaching, research, and extension institutions. U.S. universities will be selected on the basis of past experience, interest, and competency to establish assistance programs with overseas universities and related institutions.

If U.S. is to help less developed countries improve their agriculture, is there any evidence that agricultural workers in the developed countries are any more productive than agricultural workers in less developed countries?

Yes, the difference in average agricultural output per workers between 11 less developed countries and 9 older developed countries in one study was 83.5 percent. (11)

What was the major cause of the difference?

Human capital investment alone accounts for over one-third while land resources per worker account for only two percent of the difference. In spite of the limitations in land resources in the less developed countries, they could achieve levels of output per worker comparable to the European levels of the early 1960's through a combination of investment in (1) human capital, (2) in agricultural research, (3) industrial capacity to make modern technical inputs, and (4) labor intensive enterprises such as livestock and perennial crops. (11)

Why have developed countries gained in productivity?

The fundamental source of the widening imbalance in world agriculture has been the lag in shifting from a natural resource-based to a science-based agriculture. In the developed countries, better educated producers and technical inputs have become the dominant sources of rising output. (11)

Why are schooling and agricultural extension work both important in improving agricultural output?

Productivity differences in agriculture are increasingly a function of investments in the education of rural people and in scientific and industrial capacity rather than natural resources endowments. The one inescapable implication of the analysis of different countries is the importance of literacy and schooling among agricultural producers and of technical and scientific education in the agricultural sciences. (11)

What positive results can be shown from past contracts where U.S. universities have worked with foreign universities?

Among 25 university contract projects analyzed in one study, ten began research projects under U.S. university contract assistance programs, five made significant improvements in their research efforts, and five made some improvement in selection of important problems. Ten host institutions had existing extension activities at the beginning of projects and fourteen others initiated them during the project. Five of the institutions started graduate teaching programs and five were getting underway or were planned for the near future. On 17 projects on which data were available, the number of staff members with advanced degrees (Master's of Ph.D. degrees) increased, suggesting an upgrading of the quality and capability of the staff. Resident student enrollments at most of the twenty-five institutions increased very rapidly. Extension activities consisting of field days, campus programs, demonstrations, short courses, training programs for extension workers attached to Ministries of Agriculture, and information services, increased at the contract project institutions. Most of the institutions appear to have increased the number and strength of their relationships with the various segments of their societies—a key part of the U.S. land-grant university philosophy. (9)

How many U.S. universities have assisted in past foreign assistance efforts to develop institutions for agricultural teaching, research, and extension?

From 1951 to 1975, thirty-seven U.S. universities worked in forty-three countries under 88 rural development contracts with USAID or its predecessor agencies. Approximately 70 percent of these contracts involved relationships with degree-granting institutions in the less developed countries including some research and extension and relationships with Ministries of Agriculture. The remaining contracts involved other projects with Ministries of Agriculture, technical training schools, research and extension. However, the type of institution building university-to-university relationship has been tapering down in recent years. From an average annual expenditure of $36 million for these projects from 1960 to 1970, the yearly obligation by 1975 was expected to run about $6.5 million. USAID efforts in recent years have placed more emphasis on specific problem solving efforts.

Is there still a role for U.S. universities in improving agriculture in developing countries?

Accelerating agricultural production in developing countries involved research; investment in the institutions, and facilities and installations to facilitate the production and marketing processes; and technical and management assistance in handling production and marketing decisions. (7) The university in a developing country has a role to play in education, research and extension, either directly or in cooperation with other institutions performing these functions. The U.S. university with its experience in the agricultural sciences can provide a stimulus through relationships that have proved to be productive in the past.

Do foreign universities see any need for extension programs to assist local people with their problems?

The locations of extension services in the land-grant type university as we have in this country may not always be the usual or acceptable system. However, one Nigerian university official observed that Nigerian universities like their counterparts in other developing countries, are faced with the problems of identifying more closely with their environment. He emphasized that the university must attempt to enter every home, town, city and rural area through research, teaching and dissemination of knowledge and skills. There is evidence that officials of other African universities see a need for their institutions to serve the needs and aspirations of their people. (3)

Does an agricultural extension service have any place in the system for improving food production in the developing countries as it has in this country?

A Chilean rural sociologist studied adoption of agricultural innovations in rural Chile. He concluded that informal associates, commercial sources, and agricultural extension were the three most important sources of information in the various stages of the adoption process among the Chilean farmers interviewed. (4) It should be recognized that agricultural extension has a direct contact with farmers to provide information and educations, but also an indirect contact through the associates of the farmer, and the commercial sources who also influence his decisions. Another study showed that of twenty-three institutions studied in developing countries, only 11 had extension programs that could be rated useful. (9, p. 38)

WHAT ROLE HAS THE LAND-GRANT UNIVERSITY HAD IN IMPROVING U.S. AGRICULTURAL PRODUCTION?

In response to requests from U.S. foreign aid missions in the 1960's, the U.S. Department of Agriculture summarized the role of research and education in improving U.S. agriculture:

"Access to public land, new knowledge through research and education facilities and the availability of credit—helped the nation build up its agricultural production capacity.

"Public expenditures for agricultural research and education have increased greatly during the last 50 years, but the total still is equivalent to only about one percent of the total value of farm products marketed. These expenditures have yielded high returns. Research and education were essential in achieving the reductions in real costs per unit of agricultural production.

"The development and diffusion of new knowledge about agricultural technology accounts for about half of the five-fold increase in U.S. agricultural output since 1870. Increased use of production inputs, chiefly capital goods, accounts for the other half. Obviously, expenditures for education and research have yielded very high returns.

"Basic education is required for improved farming and the successful functioning of cooperatives as well as for intelligent participation in the economic and political affairs of rural communities. . . . A simple economical elementary education is essential so that youth may become the skilled workers of the next generation."

The essence of this report is that the land-grant university has had a role in developing new knowledge and in disseminating it to help increase agricultural output. But for this process to occur, youth require a basic education so they can be skilled workers and participants in the rural society. (13)

M. L. Wilson, Undersecretary of Agriculture during the 1930's made these observations about the contribution of the land-grant university to agricultural development:

The greatest contribution has been the development of the high competence of farm people—their education in the colleges and their training and involvement in extension and farm organizations in learning how to make wise decisions based on known alternatives and through research in providing the scientific basis for the present high production and efficiency of American agriculture. (2)

Pavelis found that public investment in agricultural research and extension was the most important factor in influencing growth in real farm output, which increased at an average rate of 1 percent per year, and in farm efficiency which increased 1.75 percent per year from 1929–72. From 81 to 83 percent of the general tendency for increased real farm output and from 60 to 70 percent of the increase in farm productivity is explained by research and extension activities.

He concluded that public research and extension positively influenced the rate and character of technological change, general agricultural growth and farm production efficiency. (8)

Isn't research the most important in building programs to increase food production?

Research is important but should not be the only part of any famine prevention effort. U.S. universities have contributed to greater U.S. agricultural productivity by programs that emphasized resident teaching to develop agricultural scientists and teachers (including extension workers). Programs to build agricultural productivity overseas must also foster both research and extension. Earlier university contract projects have provided evidence that extension programs and research at universities can both be improved. But an analysis of 23 institutions shows that about half were performing useful research and extension and about half were not. (9, p. 38) The Famine Prevention Program would encourage university cooperation to improve both capacity for research and extension to boost agricultural output.

Can we assume that just because the land-grant type of university with teaching, research, and extension functions has worked so well in the United States to increase the knowledge and ability of farmers to adopt scientific technology that it will work in all other agriculturally developing countries?

The exact form of organization for teaching, research, and extension should be flexible for each country to decide how they want to carry out their educational and scientific effort to increase food production. The key is that certain functions must be performed to develop and transfer the knowledge, develop the technology and adapt it so that it is integrated into a system of acceptable and workable practices. When the whole system is present, the developing agricultural countries should be able to increase the productivity of their land, capital resources, and farm workers. (5)

Will education of the farmers produce the desired increase of production?

Programs for bringing about agricultural development need to concentrate on not just education that will convince and encourage farmers to change, but also programs to insure that farmers will be able to purchase the inputs necessary to bring about the change, and a delivery system that puts sufficient quantities at the right places and at the right times. Extension workers play a key role by demonstrating to the farmer the potential profitability and dependability of the improved technology. (6)

Although the foreign university may benefit from direct association, is there any benefit to the U.S. university?

Yes, a linkage between the U.S. and foreign university can benefit both the university and U.S. agricultural productivity. If knowledge and experience acquired by U.S. universities were limited only to this country, decline in quality of staff and courses of study would occur. Work to discover technologies for agricultural development in less developed countries has become a part of the system for increasing U.S. production as well. For example, the genetic materials for a new rust resistant winter wheat variety developed at North Carolina State University originated from materials imported from Brazil. Later the parent material was used at the University of Nebraska to develop another disease-resistant higher yielding variety with good protein quantity and quality. (7)

Numerous studies emphasize that a full understanding of the culture, resources, and economy of foreign countries helps a university to attract a better faculty, expands research opportunities, improves the content of courses, and enriches the university experience for faculty and students. (1)

Will a new law that would involve U.S. universities working with foreign institutions divert their efforts from their major responsibilities?

A key feature of the Famine Prevention Program is to provide permanent funding for international involvement to promote agricultural development through direct interchange between U.S. and foreign universities. With permanent funding such as now carried out for agricultural research and extension, U.S. universities can build a permanent staff of persons with interests in international agricultural development. In this way the land-grant university can develop a fourth dimension in international agriculture along with its long established responsibilities in resident teaching, research, and extension.

Does the Famine Prevention Program support the resolutions of the World Food Conference?

One of the main resolutions of the Conference was for developing and developed countries to increase their food production.

Another resolution includes a series of action recommendations that would stimulate growth and output in the developing countries. These included new price and tax policies that would increase incentives to produce more, larger investments to increase land and water availability, improvement in supplies of inputs including credit, fertilizers, pesticides and seeds, a reorganization of economic and social structures to improve production incentives, and better education, training and health measures to enable the farmer himself to be more fruitful.

Ambassador Edwin M. Martin, U.S. Coordinator of the World Food Conference observed that basic to all these actions to boost production is a strengthening of national research and educational institutions and improving their linkage with international, regional, agricultural industry and university research activities with those agencies able to transmit research results to farmers.

The Famine Prevention Program aims to strengthen those educational institutions that deal with problems of agricultural production and build cooperative relationships between U.S. and foreign universities that could provide knowledge for increasing out-

put in both the developing and developed countries.

What evidence do we have that extension services are useful in developing countries?

A study completed in 1971 covering Central and parts of South America concluded:

Many people interviewed felt that extension had contributed a great deal, indirectly, by introducing new technologies to subsistence farmers and opening the door for latter-day change agents.

Farmers themselves, at least those on the smaller farms in reasonably accessible areas, are disposed to identify extension as a primary source of acquiring new technology. Rosado and Laboy found that three-quarters of the farmers named the extension service as the important source for introducing and keeping them informed about new practices. (12)

Do the extension services need further assistance to improve their present situation?

Rice pointed out that there is practically no pre-service or in-service training provided by the extension services in Latin America. There is also a small number of trained agriculturalists available to train the extension workers. (12) A further study of 29 developing countries also revealed that more than half have limited training programs for their field workers.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act of 1975.

This bill constitutes a major step toward improving this country's foreign aid program and it is a logical culmination of efforts begun in Congress in 1973 to change the character and focus of what economic assistance we are able to provide to other nations.

I believe this bill should be supported because:

First, it separates development and security assistance and deals exclusively with economic and food aid programs;

Second, it concentrates on basic development dilemmas, in particular food and nutrition aid;

Third, the bill gives highest priority to development and food aid for poor people in poor countries;

Fourth, the bill contains several provisions which reaffirm, and potentially increase, the role of private agencies in implementing the economic aid programs;

Fifth, the bill provides authorization of a little more than $1.3 billion for fiscal year 1976, a figure which is modest compared to the vast sums we were spending on foreign aid during our long involvement in Indochina—sums that we no longer need to expend; and

Sixth, the bill provides an important opportunity for Congress to support the often-stated American commitment to the creation of a more effective and reliable world food system to combat hunger and malnutrition.

SEPARATING DEVELOPMENT AND SECURITY AID

For over a quarter of a century, Congress considered foreign aid legislation which included both economic aid to help poor States cope with development and military and political aid to provide arms and defense against communism and to bolster weak, but friendly, governments around the world. In recent years, foreign aid legislation, in general, and economic aid bills, in particular, have suffered from increasing opposition in Congress to certain military and security related aid, especially aid to Indochina.

This bill focuses exclusively on three items:

First, the development assistance program carried out by the Agency for International Development;

Second, international disaster relief assistance; and

Third, policy changes in the Public Law 480 food aid program.

The decision to include no military aid or security-oriented economic aid in this bill derives, in part, from the premise that an economic and food aid bill can survive on its own and that mixing economic and military aid tends to frustrate the goals of development and food aid and undermine the effectiveness of the entire economic aid effort.

CONCENTRATION ON FOOD AID AND NUTRITION

A second noteworthy feature of this bill is its heavy emphasis on the problems of global food production, food distribution, food prices and food security. Reflecting congressional interest in and concern over issues raised at the 1974 World Food Conference in Rome and events such as the Russian wheat sale and starvation in the African Sahel, this bill authorizes more money for agriculture, rural development and nutrition than any other activity.

Helping others help themselves feed themselves is an issue of tremendous concern to all of us given the pessimistic trends in available resources around the world and the dislocations that annual vagaries in the weather seem to place on food availability in certain places at certain times.

This bill amends Public Law 480 to make it a more effective means of trying to get food production in poor countries increased and of trying to tie food aid more closely and effectively to ongoing development aid concerns. By providing that at least 70 percent of food aid must go to countries "most seriously affected" by food shortages and global inflation, the bill assures that food aid cannot be used for political purposes to the degree it has been used in the past when at times over half of all food aid was poured into Indochina.

EMPHASIS ON POOR PEOPLE IN POOR COUNTRIES

In addition to the major concentration of this bill on food and nutrition aspects of development, this legislation continues, in light of reforms enacted by Congress in 1973, to focus bilateral development aid on solving the most pervasive problems of the poor in areas of agriculture, rural development population planning, nutrition, health and education.

Seventy-two percent of the development assistance provided for in this bill is for countries with per capita income of $275 a year or less.

Instead of continuing to accept the often-criticized theory that the benefits of economic aid and growth will "trickle down" to the poor, this new program operates from the premise that the poor need to be involved directly in development, to participate in economic progress and to receive the benefits from their own contributions to their societies. Congress should support this modest commitment to helping the rural poor achieve a better and more rewarding life.

ROLE OF PRIVATE AGENCIES

Another important aspect of this bill is the inclusion of several provisions which strengthen the role of private groups in implementing aid programs. The concept of reducing the foreign aid bureaucracy in the government has wide appeal.

There have been reductions in personnel at AID, but the corollary of this effort and the most effective way of improving the performance of development aid programs is to rely to a greater degree on those people and agencies best equipped to carry out the intent of our food and development aid programs.

Under this bill, some food aid will be distributed by private agencies and a technical assistance program for the development of cooperatives in poor countries will be administered by private groups. These two examples are only some evidence of a reinforced commitment to let the private sector participate to a greater extent in implementing our economic aid programs.

FUNDING LEVELS

This bill authorizes $1.354 billion to be appropriated for fiscal year 1976 and $1.523 billion for fiscal year 1977. These levels, though slightly larger than the administration requests, are nonetheless lower than programs of previous years inflated by large programs for states in Indochina.

During 1973, the United States was tied for 12th place, among developed countries, in terms of official development assistance as a percentage of economic capacity measured by gross national product. While there may be a debate on whether or how this performance might be improved upon, there can be little debate that the funds authorized in this bill are designed to achieve worthy goals and that the concentration of funds on food and nutrition and problems of the rural poor goes to the heart of what development should be about.

Although we can no longer devote financial resources to foreign aid in the fashion we have done at times in the past, I think we all realize that we need to help others help themselves to the degree of available resources and to the degree that others are willing and able to make serious commitments and give higher priorities to economic development and increased food production.

Mr. Chairman, H.R. 9005 is a significant and important step in the right direction. The priorities it sets and the modest and attainable goals it seeks reflect a greater sophistication on what development is all about.

H.R. 9005 recognizes that we live in an interdependent world and that the de-

veloped world needs to respond to the plight of the poor and the problems of scarce food resources.

I urge my colleagues to consider carefully this new development and food aid bill and I hope that they will agree that modest and well-directed economic aid programs can indeed stand on their own feet and should be supported.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, this bill represents another in the series of measures through which the Congress is reasserting itself in our Nation's foreign affairs.

Unlike so many proposals that come to this floor, this bill was not drafted downtown. It was drafted by the Committee on International Relations in intensive markup sessions under the leadership of our chairman, Mr. MORGAN.

Chairman MORGAN once again demonstrated his ability and dedication by presiding over all-day sessions in which this bill was written and amended.

The measure carries forward the "New Directions" in foreign assistance which was begun in 1973 when Congress approved the Foreign Assistance Act of that year.

Through that bill, the entire direction of our foreign aid was changed.

No longer would we be trying to do all things for all people with foreign assistance. Under the "new directions," the Congress has targeted the most pressing problems of the poor majority in poor countries.

There were some in Congress who doubted that such a change was possible. There were reports from the Agency for International Development that some of its bureaucrats thought it would be "business as usual" once the bill was passed.

Our committee has not allowed that to happen. We have continued to monitor very closely the progress the Agency has made in scrapping its old ways of doing things and adopting new ones.

Although progress is not as rapid as we would hope, there clearly has been progress.

Dan Parker, the Administrator of AID, and John Murphy, his Deputy, are conscientiously trying to put the congressional mandate into practice.

They have moved to concentrate the Agency's efforts on the most pressing problems of the poor: Food production, rural development, nutrition, health, population problems, education, and the practical development of human resources.

Although it is as yet too early to claim wide successes for the "new directions" policies, there are instances of real progress that point the way for the future:

For example, in the Dominican Republic, tens of thousands of farmers with less than 5 acres of land under cultivation have—for the first time in their lifetimes—become eligible for farm credit to buy needed inputs such as seed, fertilizer, and hand tools.

In Nepal, malaria incidence among children a few years ago was as high as 63 percent in some areas. Through an AID program, the malaria cases have been greatly reduced, benefiting an estimated 5.9 million people.

In human terms this means a more productive life, improved earning power, and more normal physical and mental development for a significant portion of Nepal's population—particularly its children.

In Guatemala, a new approach to rural primary schools has been developed. It emphasizes practical experience and farming skills. The result has been dramatically improved test scores and reduced dropout rates in 27 pilot schools. Within the next 5 years this program will be extended throughout the entire country.

In Kenya, the impact of a corn breeding project funded by U.S. assistance is being widely felt—particularly on small farms. Use of improved seeds has increased corn production by 50 percent in that country.

As a result Kenya is now self-sufficient in corn. And some 86 percent of the production comes from small, family-type farms.

These are just a few examples of the kind of progress which is possible when foreign assistance is carefully applied to clear-out, people-related problems.

But I would be less than candid, if I did not point out the many problems which remain.

An estimated 800 million persons in the poor countries, suffer from malnutrition.

For the poorest people in the poorest countries, life expectancy is almost 30 years less than the life expectancy of our American people.

In those countries 1 of every 5 children dies before the age of 5. The infant mortality rate is four times higher than in the United States.

An estimated 85 percent of the people in developing countries have no regular access to even rudimentary health services.

Illiteracy and lack of even minimal practical skills dooms millions to unproductive and unrewarding lives.

The "New Directions" policy embodied in this bill does not envision that our foreign assistance will solve all those problems. But we can help poor people make a beginning at solving them.

To do anything less is to abdicate our responsibilities as a world leader, and as a nation blessed by God with abundance.

I urge the members of the committee to support this bill at the levels of funding recommended by the Committee on International Relations a humanitarian effort in the interest of promoting peace in the world by resolving the nagging problems of famine, health, and illiteracy.

Mr. BROOMFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Chairman, the bill before us, in my judgment, provides an innovative and proper approach to the future.

It offers us a way to deal with the major food and population growth crises of time. These will be enduring crises indeed unless we find ways to help deal with them, to reduce them from crises to major problems.

The committee has worked long and hard on this bill. And it has worked in an unusual, collaborative and open fashion with the administration. This is not an administration bill. It began as a committee bill, and was refined in collaboration with knowledgeable officials in AID, the Departments of State and Agriculture. It is a joint effort and, I believe, an exceptionally good bill.

The bill draws together our efforts to meet the food crisis in a new and constructive way. Title II gives a new thrust to the use of Public Law 480 food and fiber overseas. It strongly enourages the use of the proceeds of Public Law 480 sales to foster agricultural development abroad, to help these countries meet more of their own basic food needs. It supports the establishment of a system of national food reserves to meet food shortage emergencies.

A new title XII, "Famine Prevention and Freedom From Hunger," stresses the role that our great land grant and other universities must play in helping in agricultural research and development of these countries. The fund of skills, knowledge and experience here is enormous. It is essential that we bring it to bear fully and put it to work on the food crisis of our time. This is an area where the United States can, and should, move forward and can do so at limited cost.

The population planning and health sections of the bill give new emphasis to low-cost, integrated delivery systems especially in rural areas and for the poor. This is the crux of the problem. Most of the people, and the population growth, of the developing countries are here. There is much we do not understand, or do not understand as well as we should, in this area, and renewed emphasis is to be given to research that will offer better answers and approaches.

The committee added funds, $29 million for population planning and health. It is an area worthy of adequate funding.

The overall sum authorized by the bill, $1.3 billion, is not large. It will mean that our contribution to development remains at about 0.25 percent of our gross national product. It is an adequate sum.

The bill deserves wide support.

Mr. BROOMFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 9005. One of the principal thrusts of this measure is in the area of food production and nutrition. For this purpose $628.8 million, or about 46 percent, is authorized for fiscal year 1976, and $760 million, or about 50 percent, is projected for fiscal year 1977.

The recent World Food Conference served to point up a danger of which we are all now very much aware, that there can be a shortage in the world's food supply. In recognition that such might be the case, the House Committee on International Relations in drafting H.R. 9005 has focused on the need to increase world food production. A portion of these funds will be used to increase agricultural production in Latin America, an

area of the world in which I have a particular interest.

We already are witnessing there the results of our aid programs which have recognized that the small farmers of the world are the best untapped resource available for expanding food production.

Mr. Chairman, permit me to cite two specific examples in Latin America. In Costa Rica AID began a program in 1970 under which the amount of credit available to small farmers has increased by 160 percent, corn production by 35 percent, and self-sufficiency in rice production has been achieved.

In Guatemala, an integrated rural development project has increased the income of 15,000 farm families, provided 50,000 jobs for rural workers, and credit for 11,000 farmers. Cooperatives and extension agencies have trained 50,000 farmers in those modern agricultural practices that increase production.

Mr. Chairman, let me now turn for a moment to East Asia. With this bill we have our first opportunity in over three decades to contribute to peaceful development in that part of the world.

East Asia depends on imports for much of the food its people eat. Yet East Asia has the potential to produce sufficient food to meet its own needs and to create marketing systems which benefit the poor.

Of the funds which H.R. 9005 calls for in fiscal year 1976, over $43 million, or 42 percent of the funds proposed for east Asia, are for food production and nutrition programs. In fiscal year 1977 over $79 million, or 55 percent of the funds proposed for east Asia, are for these purposes. These funds will be used to increase the small farmers' ability to grow more food.

Let me mention three specific projects in east Asia which will benefit from this funding.

First, in Indonesia a flood control irrigation project will benefit about 26,000 families in one of the poorest regions of Java.

Second, in the Philippines, the Bicol River Basin loan will finance the construction and improvement of farm-to-market roads in an area of 1 million people and 312,000 hectares of rice and corn land.

Third, in Thailand, which is the only country among U.S. aid recipients which meets its requirements for food from its own production, depleted land reserves combined with a high population growth rate threaten its present self-sufficiency in food. Seed production and resettlement schemes for those rural poor will help Thailand maintain that self-sufficiency.

These are but a few examples of the ways in which foreign aid funds are used in east Asia.

In conclusion, Mr. Chairman, the program which H.R. 9005 proposes stresses investments in irrigation, farm-to-market roads and cultivation of new lands. We will also see more emphasis on food production for domestic markets, a greater concern about food distribution patterns, and a growing effort to change patterns of land ownership and to encourage cooperative activity among small farm operators. By providing funds for agricultural credit, small farmers in many countries will be able for the first time to buy fertilizers, seeds, and pesticides.

In these and in other ways the funds proposed in this bill will be used to increase food production throughout the world. In so doing the funds authorized by H.R. 9005 will contribute to solving the problem of a world food shortage. Thus, Mr. Chairman, I urge my colleagues to vote affirmatively for this measure.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, H.R. 9005, the International Development and Food Assistance Act of 1975, is a measure all of us can support. It separates, definitively, military and economic aid, and ensures that no less than 70 percent of the food made available under Public Law 480, the food for peace program, goes to nations most in need of assistance. The bill also adds a new section, entitled "Famine Prevention and Freedom From Hunger," to the Foreign Assistance Act which provides for the establishment of vitally important international food reserves. In addition, it contains provisions for sharing our expertise and agricultural know-how through the involvement and active cooperation of land-grant colleges with recipient nations, thus enabling them to arrive at better methods of food production and improved utilization of their resources. All these objectives, moreover, were achieved strictly within the congressionally established budgetary framework. Passage of this measure will consequently in no way affect the funding of other high priority programs.

The bill authorizes appropriations totalling $1,354,150,000 for fiscal year 1976 and $1,523,850,000 for fiscal year 1977 for such worthwhile programs as agricultural and rural development and nutrition; population planning and health and education and human resource development. Substantial as these sums appear, they actually represent only abcut one-seventh of what Americans spend annually on alcoholic beverages and only about one-fourth of what they expend on tobacco and tobacco products.

Mr. Chairman, almost 800 million people throughout the world presently suffer from malnutrition.

For the poorest of them life expectancy is 30 years less than for those of us who are fortunate enough to live in the United States.

Infant mortality rates for their children are four times higher than those that prevail in this country.

Fully 85 percent of them have no access to health services.

I am very pleased to see that Congress is taking the initiative in assuring that we do our share toward improving the lot of those less fortunate, and am gratified that the much-needed economic development and nutrition program are being considered on their own merit and not as adjuncts to expensive, wasteful and often ill-advised military aid. I urge my colleagues to give their overwhelming support to this legislation.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey (Mrs. MEYNER).

Mrs. MEYNER. Mr. Chairman, over 200 years ago the great English poet John Donne wrote:

> No man is an island entire of itself.
> Every man is a part of the whole.
> Any man's death diminishes me,
> Because I am involved in mankind.

I am involved in mankind, and because we are all involved in mankind and in womankind, humankind, I rise in enthusiastic support of H.R. 9005. I believe that the bill represents a splendid expression of America's humanitarian spirit and long-standing commitment to a stable world order. Its sensible and imaginative new approaches sharpen the economic focus of our foreign assistance program, placing emphasis for the first time not only on the needs, but also on the inherent capabilities of the world's poor.

The most immediate need of the poor is for the food they must have to survive. This bill provides not only for a generous and orderly program of direct food aid, but more importantly, focuses on the need for rural development, so that ultimately the poor will be able to help themselves. It is helping people to help themselves.

In this context, I would particularly like to stress the new emphasis on the work of the private voluntary agencies. I have been alarmed by the alienation many Americans feel toward our foreign assistance programs. The integration of private voluntary agencies to a much greater extent will not only provide for more efficient administration, but will also involve Americans personally at all levels in solving these problems. It is grass roots participation at its best.

Among the provisions designed to increase the role of private agencies are:

First, an extension of the role of U.S. universities and agricultural research to help improve the production in the poorer countries.

Second, the provision of a minimal level of 1 million tons of Public Law 480 food for distribution abroad by private agencies and the world food program.

Third, the earmarking of $20 million over a 2-year period for technical assistance for the development of cooperatives in the poor countries.

Just let me end by saying that we cannot forget in the words of Willy Brandt that—

> Morally it makes no difference whether a man is killed in war or condemned to starve to death by the indifference of others.

That is why I rise in support of H.R. 9005.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act of 1975.

It is often said that there is no "constituency" for foreign assistance, or that assistance programs are not very popular with the American people.

However true that may have been in the past, I believe that the bill before us today, H.R. 9005, represents the kind of foreign assistance bill that the American people want and can support.

My beliefs are based partially on two recent polls which have been taken concerning the question of foreign aid, by Louis Harris and Associates for the Chicago Council on Foreign Relations and by Peter Hart Associates for the ODC.

The Harris survey found that the American people generally subscribe to the goals of raising the world standard of living, and of combating world hunger.

It found that the Marshall plan of aid to Europe, the founding of the Peace Corps and the sending of emergency food to Bangladesh were widely cited as "proud moments" in American history by those surveyed.

At the same time, however, that survey found that a majority of people were skeptical about just how much benefit economic aid had brought to intended recipients in the past.

But, despite such misgivings a majority of the American public—52 percent, with 39 percent opposing—generally favored giving economic aid for the purposes of economic development and technical assistance.

More important, a strong majority—79 percent of the pubic—declared that it would favor the giving of economic aid if it could be assured that the aid ended up helping those who were truly in need . . . the people of the poor countries.

These are even more remarkable results when one considers that the Harris poll was taken during the most severe economic recession that had faced the country since the Great Depression.

The results of the Harris survey, released earlier this year, is supported by an earlier poll conducted by Peter D. Hart Associates for the Overseas Development Council—ODC—in 1973, which found that despite widespread lack of knowledge of the true dimensions of world poverty, more than two-thirds—68 percent—of the public supported the principle of the United States providing foreign assistance to the poor countries, with only 28 percent opposed.

Once again there were misgivings about the effectiveness of U.S. Government aid, as against U.S. private voluntary assistance and expressing concern about getting assistance to those who need it the most in the poor countries.

It seems clear from these two surveys that the "new directions" program embodied in this bill is precisely what the American people want in a foreign assistance measure.

It is directed at the neediest people in the neediest countries. It is aimed at getting assistance directly to the people who require it to help solve their problems of agricultural production, malnutrition, health, population, and education.

These are the essence of the reforms in foreign assistance which the Congress made in 1973 and which have begun to be implemented in programs administered by the Agency for International Development.

As a result, increasing amounts of assistance are having a direct and beneficial impact on the lives of the poor throughout the world.

The aid reforms of 1973 are an accomplishment of which the Congress justly can be proud. But we have been remiss in communicating information about the "new directions" in foreign assistance to our constituents.

H.R. 9005 is a significant departure from previous foreign assistance measures in separating for the first time since the Marshall plan of some 25 years ago, economic and military assistance, affording the Congress the opportunity to vote on development aid for poor countries on its own merits, without unnecessarily politicizing food aid.

H.R. 9005 also properly places emphasis on global food production, on food distribution, human resources and on nutrition which is not only responsive to the recommendation of last year's World Food Conference, but which also reflects the increasing global attention to these serious problems.

Other laudable provisions of this measure are the authorization of the use of dollar receipts from previous aid loans to support the International Fund for Agricultural Development and the Findley amendment, which creates a greater role for land-grant colleges in helping small farmers in foreign countries improve their own food production, increasing their future self-sufficiency and in lessening their reliance on and need for U.S. economic aid.

Finally, I fully endorse the provision in H.R. 9005 that links the Public Law 480 Food for Peace program to incentives to recipient countries to use local currency proceeds from Public Law 480 food sales for the same agricultural developmental purposes as stressed in the AID programs and the requirement that at least 70 percent of Public Law 480 food be sent to nations experiencing acute food shortages.

Foreign aid, the late Secretary of State George Marshall said, should not be "directed against any country or doctrine but against hunger, poverty, desperation and chaos. Its purpose should be revival of a working economy in a world so as to permit emergence of political and social conditions in which free institutions can exist."

Mr. Chairman, H.R. 9005 embodies the spirit of that enlightened approach, and hopefully, will be a step in alleviating the criticism of American foreign policy that is so often heard in world bodies and in other halls of government.

I urge, therefore, that my colleagues support this legislation and then make efforts to inform their people about its worthy objectives.

There is a constituency for the kind of foreign assistance represented by H.R. 9005. It is our humanitarian American people.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of this bill.

Today we are considering one of the most important legislative proposals of the year, the International Development and Food Assistance Act of 1975. This bill represents the U.S. interests in international humanitarian aid and, for the first time since the Marshall plan, separates humanitarian assistance from military aid.

Its provisions respond positively to the world food crisis in its various dimensions, fulfills pledges made by the United States at the World Food and Population Conferences, and increases substantially the focus of U.S. assistance on the rural poor by primarily supporting labor-intensive small-farm agriculture in the world's undeveloped countries and makes full use of multilateral channels and voluntary agencies which distribute clothing, food, medicines and other vital commodities to the world's needy. In addition, it—

Amends the Agricultural Trade Development and Assistance Act to require that priority be given to those countries most seriously affected by food shortages;

Ties U.S. assistance efforts to self-help programs in recipient countries; and

Stipulates that no more than 30 percent of food aid provided on a concessional—"easy credit terms"—basis may be allocated to countries not on the United Nations list of those most seriously affected by the current food and energy crisis;

The bill also requires the President to submit to Congress each year an assessment of (1) global food production and needs, (2) self-help efforts by recipient nations, steps being taken to encourage other donors to increase their food assistance, and the relationship between Public Law 480—the food for peace program—food assistance and other assistance provided to each country by the United States and other donors.

Included in this bill is language providing for: First, congressional veto of humanitarian aid if it does not comply with congressional intent; second, an annual estimate of domestic crop production and need as well as estimates of expected exports; third, the encouragement of lesser developed countries to institute integrated health and population programs—instead of simply handing out birth control devices; and as has already been emphasized, fourth, increased funding for reimbursing private voluntary organizations—such as CARE, and Catholic Relief—for the cost of shipping relief supplies abroad.

Mr. Chairman, foreign assistance is an effective development tool to be used in the building of stronger economies in the poor countries of the world. This, in turn, benefits the whole world. For example, the U.S. economic assistance program has:

First. Provided farmers in Asia and Africa high-yielding varieties of rice and wheat—significantly increasing food production in these grain-deficit regions;

Second. Provided high-protein foods to nearly 45 million children around the world;

Third. Assisted with remarkable success in the control of diseases such as malaria, smallpox, measles, and cholera;

Fourth. Provided family planning services to millions of people in overcrowded lands;

Fifth. Distributed more than 140 million textbooks in the developing coun-

tries and financed the construction of nearly 300,000 classrooms; and

Sixth. Provided emergency relief in more than 420 foreign natural disasters.

By strengthening the economies of poor countries, U.S. foreign assistance develops markets for U.S. goods and insures access to vital raw materials. Almost 40 percent of U.S. requirements for strategic commodities is fulfilled by imports from developing countries. As a percentage of total U.S. consumption, developing countries provide 95 percent of our tin, 75 percent of our manganese, 45 percent of our cobalt, and 43 percent of our bauxite.

In 1973, the United States had a total balance of trade surplus with the developing countries of $1.6 billion. In 1974, the United States had a balance-of-trade deficit of $3.1 billion—but a $2 billion surplus with the developing countries which also provide profitable investment opportunities for U.S. interests. In 1973, one-fourth of all U.S. foreign investments went into developing countries.

Interdependence between the United States and the developing world is increasing more and more because we need their resources and markets and they need our capital and technical expertise. By raising the national income of these countries, foreign assistance expands their ability to purchase U.S. goods. At the same time, increased trade between the United States and developing nations help to insure U.S. access to raw materials.

The fiscal year 1976 International Development and Food Assistance Act is focused on the needs of the world's poor. Seventy-two percent of the funds in H.R. 9005 are designated for countries with annual per capita incomes below $275 and 89 percent is earmarked for countries with per capita incomes below $500.

Mr. Chairman, I particularly support the high priority which this bill gives to population planning and health. Over 15 million of these funds are for health and family planning programs in Africa. This level of assistance is in keeping with congressional concern for the suffering of the poor in Africa and with the impediments to economic development which result from inadequate health care. This amount of aid is almost double the amount provided Africa in fiscal 1974; but is equal to that of 1975.

Given the widespread endemic health problems of that continent—recently intensified by a severe drought—our foreign aid funds will be used primarily to help meet the health needs of the continent's rural population. In African countries, as in other developing nations, a national health delivery system is critically needed to bring the impoverished rural majority into the mainstream of health services.

These funds will be used to continue programs already underway, to initiate new programs in countries seriously affected by the Sahel drought, and to support regional health organizations. An important case in point is the multidonor effort to control river blindness in the Volta basin of West Africa. This disease affects some 1 million people; as many as 60,000 may be blind. The land area in which the disease occurs is extensive; it is underproductive as a result.

In recent years there has been a growing recognition in Africa of the relationship between the health of mothers and children and family planning, especially child spacing. Our foreign assistance funds are supporting initiatives by African governments to design and carry out integrated health programs for mothers and children. Work in this field is in progress in Ghana, Kenya, Liberia, Tanzania, Zaire, Togo, Cameroon, and Botswana. This program—as the others I have described here—has been given a rapidly expanding goal—that of reaching out to serve the rural poor. Only with foreign assistance will achievement of such a goal be possible.

The strong majority of the American people favors giving economic aid. A recent survey of the Chicago Council on Foreign Relations, conducted by the Harris organization, found that 79 percent of the U.S. public supports the type of aid program represented by H.R. 9005—economic assistance which helps poor people living in poor countries.

Foreign economic development assistance constitutes less than one-tenth of one percent of our gross national product and only 0.3 percent of the Federal budget. Indeed, U.S. development assistance has steadily decreased in recent years. In 1963, for example, U.S. official development aid was $3.6 billion, while aid in 1973—in constant 1963 dollars—was $1.6 billion.

It is, therefore, not surprising that the United States lags far behind more industrialized countries in percentage of GNP allocated for official development assistance. A recent study released by the Organization for Economic Cooperation and Development ranks the United States 14th out of 17 aid-giving industrialized nations—behind such countries as Denmark, the Netherlands, Belgium, Sweden, and New Zealand.

Foreign assistance can help alleviate instability bred by the frustration and anger of poverty. We cannot ignore the hunger, disease, and ignorance which afflicts the majority of humankind.

In conclusion, Mr. Chairman, this bill breaks new ground for our foreign assistance programs. Our committee worked very hard during the month of July to put this legislative package together. While it is not totally perfect, it is a gigantic step in the right direction. I urge all of my colleagues to support it.

Mr. BROOMFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, we have entered an era in international politics which many are calling "the new cold war." This is not the Cold War as we usually think of it—the conflict between East and West, between Communist and non-Communist. It is the growing discord between the have-nots and the haves, the developing and the developed. It is a heated dialogue phrased in terms of economics: "equitable distribution of wealth," "cartels," and "boycotts" are part of the current language. It reflects the growing disparity between the standards of living within the have and the have-not nations. The "new cold war" is the struggle for the scarce resources of the world.

In order to mitigate this growing conflict between the have and the have-not nations, the United States must play a responsible role in helping the poorer nations to develop the resources available to them. This approach is encapsulated in the International Development and Food Assistance Act, H.R. 9005, of which I am a cosponsor. Not only does H.R. 9005 provide for immediate and short-term disaster relief and food distribution, it also stresses assistance which is designed, over the long-term period, to encourage aid recipients to promote their own agricultural and rural development. There are built-in incentives in the bill which link immediate food grants to development aid by permitting the use of foreign currency generated by the sale of certain agricultural commodities for development programs. These development programs are to be directed toward the poorest sectors of the population. Foreign assistance is not to be a simple transfer of funds from the United States to other nations but a serious effort to transfer to these countries the economic aid and technical know-how which will enable them to build their own capacity for extracting resources, for producing food and energy, and for training the necessary manpower to participate in future development.

Many of these projects will only gradually show results, coming to fruition after a number of years. In many instances, their yield will be difficult to measure or even to detect. However, their goal is a valid one and one which the United States should not abandon. The United States which remains the world's leader in terms of technology, production, and wealth, must aid other nations to develop their resources or be faced with an increasing imbalance in world prosperity which could risk destabilizing the international arena.

It is appropriate to ask, however, whether or not the United States will ever be able to aid in the development of additional resources as quickly as they are needed. Resources which are already limited undergo further pressure as world population increases. Although, during the past 20 years, productivity in agriculture has improved considerably, it has not been able to keep pace with the even greater productivity in human life. At the present rate of growth, the world population of 3.8 billion people could double in 35 years to more than 7 billion. In terms of food production alone, this will require a doubling of output in a little more than a generation. Since the developing countries account for 83 percent of the world's population increase, programs need to be strengthened in these nations to promote population planning. A long-term solution to the problem of scarce resources, therefore, must include not only the technical and economic aid to expand a nation's capacity to increase its

own production, but also must offer possibilities for slowing down the rate of population growth.

H.R. 9005 would authorize $248.1 million for fiscal year 1976 and $280.6 million for fiscal year 1977 for population planning and health programs. For fiscal year 1976 $165 million or 67 percent of this would be directed toward population planning while $187 million would go for the same purpose next year. I am particularly asking for your support for this section of the bill, for it proposes the only way to alleviate growing demands upon scarce international materials.

The section directed toward population planning describes two approaches to the problem of rapid population growth. One approach is to integrate health and population services, providing prenatal and postnatal care of mother and infant. Where high infant mortality exists, women reproduce frequently in order to insure that at least a few children will survive. Studies have shown that improvement in the survival rate of young children relieves a mother of the need to bear additional offspring. The fewer pregnancies she has, the better are the chances that both she and her children will enjoy good health. The second approach is through population planning programs which disseminate birth control information. Only countries which request population aid receive it and none of these countries may apply U.S. population program funding toward abortions under the provisions of this act. Since the international conference on population at Bucharest in 1974 which issued a statement supportive of population planning, describing it as a means to improving the quality of life in all countries, AID has received a large number of requests for population programs. These requests require funding far greater than what this bill will provide, for creating and enlarging existing population planning programs. It would be unfortunate if the United States, which was an early champion of family planning, would have to refuse to these applicants the first step toward population planning—the availability of information and the means to space births. For the United States to set a goal of providing only 10 percent of the 400 million fertile couples in the developing countries with birth control devices for a year, costing on the average of $2, it requires $80 million alone in funding. Another $30 million is needed for technical services and support; $10 million for education and information; $14 million for training of personnel; $7 million for the collection of demographic data; $16 million for the study of fertility behavior and control. The United States also hopes to pledge $25 million to the United Nations Fund for Population Activities. These figures which do not include administrative costs, already total more than $165 million.

Population planning programs have been effective in the past. In countries where rigorous programs have existed, the national birth rate has shown a significant decrease. This success deserves continued U.S. support. I would ask your support, therefore, for section 304, population planning and health, of H.R. 9005.

The International Food and Development Act offers this country a three-pronged approach for combatting the problem of scarce resources. It proposes direct and immediate food and disaster relief for those nations presently suffering from shortages and natural calamities. It encourages those same nations to develop their capacity for producing their own resources in the future. It also offers to them the means to modify their population growth rate in the realization that no matter how much they produce, if the population consuming the world's resources is increasingly greater, the quality of life for people everywhere will never improve. Through H.R. 9005, the United States can hope to add its own voice to the increasing calls for fashioning a new economic order. Economic and development aid will prove much more effective, however, in working to provide adequate world resources than will rhetoric or cartels.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I rise in strong support of the committee bill and would just like to compliment the committee and its chairman in separating bullets and food and for giving us an opportunity, as Members of the House, to vote on the humanitarian aspects of our foreign assistance. I think this is a significant day in the life of the Congress, and I rise in support of the bill.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, in the 7 years that I have been a Member of this House, I have never voted for foreign aid. I opposed it not because I was opposed to the concept, but simply because I thought the past authorization and appropriation bills were such a mishmash of economic and political and military programs that virtually no intelligent policy judgment could be made by anybody who was casting his vote on a foreign aid bill.

I personally tend to favor a good portion of the economic aid programs which we have in past bills, which helped the countries who most needed it with respect to their agricultural problems, their health problems, and their education problems and the like.

Some of the aid programs and the way that some of the aid programs have been administered through some of the international banks have left me with some doubt, but I have, nevertheless, felt that, in the main, the economic programs were largely constructive and good.

The problem was, as virtually every other speaker has indicated, that they were always tied in the past to massive amounts of military and political assistance. I am not opposed to all military and political assistance. I think that it has a role to play, and I think we have to be responsible enough to recognize that; but I am very pleased that the committee has seen fit to separate the two so that we can make some decent policy judgments on matters of this kind.

Therefore, Mr. Chairman, for the first time in my 7 years in this House, I intend to vote for a foreign aid bill this afternoon.

Mr. Chairman, the International Development and Food Assistance Act which we have before us today, H.R. 9005, is a major departure from past foreign assistance bills in that it separates economic and humanitarian provisions from military assistance programs. I support this new approach to foreign aid legislation and urge that this bill be passed today.

There are other aspects of this bill which I am highly in favor of—the new policy on international disaster assistance strengthens the ability of the United States to respond to international tragedies, the kind of foreign aid which Americans have constantly supported above all others. This bill attempts to meet the desperate agricultural needs of the world's poorest countries by increasing our contributions of both food and agricultural development funds. At the same time, it severely restricts the use of food aid for political purposes, a practice I have found objectionable in the past. H.R. 9005 also encourages these needy nations to develop self-help programs to the best of their ability and seeks to provide a major requirement for this kind of effort, a low-cost program for the education of small farmers.

These and other positive proposals contained in this foreign assistance bill, along with the absence of those objectionable aspects of foreign aid which I have opposed in the past, have brought me to the conclusion that these new directions in foreign aid be supported and accepted by Congress today.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I thank my distinguished colleague, the gentleman from Michigan (Mr. BROOMFIELD), for yielding.

Mr. Chairman, I rise in support of this bill.

It has, perhaps, none of the sweep and magnanimity of the Marshall plan. It is more modest; it is more appropriate to the times; but I hope it has some of that spirit.

I hope, too, that it proves of similar benefit to the people of this Nation. I think we all recognize the enormous value of the Marshall plan to the people of this country at a time when we had the only viable economy, to all intents and purposes, in the western world. It was appropriate then that we should take those great steps in restoring the economies of others.

Today we are in a more mutually interdependent world, and we have in H.R. 9005 a bill that is suited to that situation. It is more modest. It addresses itself to increasing the productivity of those na-

tions where productivity is low. It has the virtues that have been so eloquently described by my other colleagues today.

Mr. Chairman, I think this bill will be somewhat like the Marshall plan and of similar value to the people of this country. All of us hesitate, in knowing the deficit we face, to borrow still more money for any purpose whatsoever.

But I think it is clear that our citizens will receive, as this bill promotes a more stable world order, a more productive world, a more peaceful world, benefits far beyond the immediate confines of this bill.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, this bill represents a significant departure from previous Foreign Assistance Acts and, as such, it merits the serious consideration of those Members of the House who have traditionally been unsympathetic toward our foreign aid programs.

For the first time in the contemporary history of the House, this legislation splits off the economic and humanitarian assistance from the military and security supporting assistance provisions of our foreign aid program. Consequently the Members of the House will have an opportunity for the first time in the course of the last three decades to consider the question of development assistance on its own merits.

I would suggest that this legislation represents a large step forward toward the institutionalization of international idealism. Throughout the bill its emphasis is on foreign aid, not for political purposes, but for humanitarian objectives.

I think it is important to point out in this regard that 72 percent of the development assistance provided for in this legislation is earmarked for countries with per capita incomes of less than $275 a year and 89 percent is earmarked for countries with per capita incomes of less than $500 a year.

The United Nations development program, by comparison, earmarks only 85 percent of its funds for nations with per capita incomes of less than of $500 a year. So even by the standards of the United Nations development program we are providing a greater percentage of our development assistance budget to the poorest nations of the world than the U.N. itself. I think it is fair to say, therefore, that this bill provides foreign assistance to the genuinely poor, rather than just to the politically important, nations of the world.

There are, I think, a number of other significant aspects of this legislation worth mentioning this afternoon.

In title II of the Public Law 480 program, for the first time this legislation authorizes a minimal contribution of 1.5 million tons of free agricultural commodities to the millions upon millions of hungry people around the world.

In title I of the Public Law 480 program, the legislation continues and strengthens the provision first adopted in 1973 providing that at least 70 percent of the food made available under title I has to go to those countries which are on the U.N. list of those countries which are most seriously affected by the current world economic crisis.

In addition, the bill also establishes a $20 million fund for intermediate technology designed to provide the people of the underdeveloped nations of the world with the kind of skills and equipment which are a precondition for meaningful economic progress.

I might also add that the bill has a famine prevention program to encourage the land-grant colleges in our country, which have done so much to increase agricultural productivity at home, to use their experience and resources to increase agricultural productivity abroad.

I realize that at a time when we have an unemployment rate of 8.6 percent, at a time when we have an inflation rate of 9.6 percent, and at a time when we have a backlog of unmet social needs, there are those who contend that we should not be authorizing as much money as we are in this legislation and instead of trying to solve the problems of other countries around the world we ought to concentrate on solving our own problems here at home. This is an argument which has some merit and a lot of appeal, but I would suggest that in the long run it is ultimately a shortsighted one, because the fact is that the United States, for better or worse, cannot survive as an island of plenty in a world of deprivation.

The fact is that we depend on the developing nations of the world not only for much of our exports but for much of our imports as well. The U.S. investment in the developing nations of the world is now up to $28 billion a year, and the LDC's now consume about one-third of our total exports. Abandoning our efforts to help the poorest nations of the world help themselves would, therefore, not only be callous but counterproductive as well.

Under these circumstances, I think it is somewhat ironic to contend, as some do, that we are doing too much for the developing nations of the world when we are really doing too little. The fact of the matter is that out of the 17 most economically advanced nations in the world, the United States ranks 14th in terms of the percentage of its gross national product which it earmarks for development assistance.

Back in 1970, the United Nations established, as a goal for the developed nations of the world, an objective of seven-tenths of 1 percent of their gross national product as the amount of money which they should be contributing to development assistance throughout the underdeveloped world.

In that year, the level of our development assistance was three-tenths of 1 percent.

In the legislation before us today, it has dropped to one-tenth of 1 percent of our gross national product.

To be sure, if we add in the other development assistance we provide through the Public Law 480 program, through international financial institutions, through the Peace Corps, and through economic assistance that will soon be forthcoming for Israel and Egypt, the total level of our development assistance, taking into account all of the development programs we have, will come to a grand total of about three-tenths of 1 percent of our gross national product, which is still well under the seven-tenths of 1 percent called for by the United Nations in 1970.

When we adopted the Marshall plan, we provided 2.2 percent of our gross national product for development assistance. The OPEC countries are currently providing 2 percent of their gross national product for development assistance and they have pledged to increase that to 6 percent of their gross national product. Consequently, I think it fair to say that in terms not only of our capacity, but of our obligations, we should be doing more rather than less—not so much because it is in our interest to do so, although it is, but because it is right.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I certainly wish that I could rise here today in support of this legislation. In fact, I think that any human being gets a much more comfortable feeling when he can speak in favor of supporting a program which tries to reduce the suffering of the world, and I think any human being feels a deep sense of reservation and hesitation when he is confronted with what he believes to be a necessity to speak out against such programs, not because the programs are necessarily all wrong. In fact, there must be much right with wanting to help other people in the world, but I believe that it is more right to concern ourselves with the problems which face the people of America.

I oppose this legislation for three reasons. The first deals with the question of: Are our foreign aid programs actually working? We have heard much today about there being a new direction to our foreign aid programs. We have heard that now we are going to put more emphasis on helping foreign nations actually produce their own food, and we are going to put more emphasis on education.

I would suggest that if we go back and review the history of our foreign aid program for the past 20 years, we would find the emphasis has always been on attempting to teach people of other nations how to improve their productivity and agricultural output. This bill does not represent any significant new direction. It is the direction that our policy has taken for the past 30 years.

Indeed there is a difference in this legislation, which is that it separates military and economic aid, and I commend the committee for that. I think it gives us a clear choice. But what that also suggests is that our economic aid program must stand on its own and not rely on any appeal to support military foreign aid to help bring through its passage. This change means that our foreign economic aid must be put under a more searing glare.

I would suggest that there is a very real question as to whether our foreign economic aid program has worked. I

would refer the Members to a book written just 2 years ago by William and Elizabeth Paddock. Professor Paddock is from the University of Iowa in the field of agricultural development. The Paddocks spent over a decade of their life in Latin America. At one point they were great proponents of foreign aid and yet after going there on a mission which they thought would be to write a story on how successful our foreign aid programs were, they came back quite dismayed and shaken and instead they wrote a book entitled "We Don't Know How." It is subtitled "An Independent Audit of What They Call Success in Foreign Assistance," published by the Iowa State University Press.

I might just share with the Members the introduction to that book:

After 25 years, $150 billion, and the dedicated efforts of thousands of well-trained technicians, has the United States learned how to carry out an effective development project in an undeveloped nation? No, say the Paddocks—who have ample ammunition to back up their conclusions. Conclusions they did not expect to reach when they began their 25,000-mile trek to visit what reportedly were some of the most effective development efforts of the U.S. Government and private organizations.

They go on to point out that time after time they found discrepancies in what was reported back home by the Peace Corps, AID, the State Department, the Inter-American Development Bank, the Rockefeller Foundation, and various groups espousing foreign aid; discrepancies between the glowing reports of the projects in foreign countries and then the sad failures which the Paddocks discovered first-hand. The Paddock book is but one pebble in a mountain of evidence that our foreign aid program has not worked.

Second, I would suggest that the foreign aid program does not focus sufficiently on the overriding fundamental humanitarian problem facing us internationally today, and that is the problem of the population explosion. I think it is commendable that something between 10 and 20 percent of these foreign aid dollars are allocated to family planning. Yet I would suggest that is but a drop in the bucket and totally inadequate. The other 80 percent is money which is going down a rathole unless we find a humanitarian and moral way to bring about a very substantial reduction in the explosive world population growth. We are told now we can expect a doubling of the world population every 35 years and this means starvation for millions in the under-developed world. Indeed I think I could be persuaded to support some form of foreign aid if it were aimed at this critical problem of finding a way to stabilize the population of this globe on which we live. We all have a great stake in this objective.

Third, and most importantly, I urge defeat of this bill to spend several billions of dollars on foreign aid, because I suggest that while it is right to help other people of the world, it is more right to help our own people. My oath of office was to support the Constitution which includes the "general welfare" of the American people. Any action which hurts the American people, even though it may help some foreign country, is a violation of that constitution oath.

I suggest that we need to get our priorities straight. Our priorities are to concern ourselves with facing the problems of America. Certainly we need not go through the litany of our unemployment problems, the deficit, the inflation which is staring us in the face. These are all well known to all of us.

I wonder, at least speaking for this Congressman, how can I in good conscience vote to spend several billions of dollars to give away to foreign nations, to foreign peoples, when we cannot solve the problems we have here at home?

Mr. Chairman, I have voted against many, many spending programs, some being of substantial merit, because I believe America could be destroyed unless Government spending is reduced. We must achieve economic stability in America. We must reduce runaway spending or face the consequences of more inflation and recession. How can I in good conscience vote to spend billions of dollars in foreign aid; indeed, billions of dollars which we do not have and which we will have to borrow from the American people to create at Government printing presses? It is because of this most troublesome question, a question which I consider just as moral an issue as the issue of helping those who are suffering in other parts of the world, that I believe we must squarely face the harsh reality that we do not have the money to spend and give away to foreign countries, even though we would like to do it.

I would conclude by suggesting, Mr. Chairman, that there is nothing wrong with wanting to be a good neighbor. I think as Americans we certainly want to be good neighbors with the other nations of the world, but I would suggest that one can be a good neighbor, particularly when one is having great difficulty in his own economic household, one can be a good neighbor without turning over his wallet to his neighbor.

Let us get our own house in order before we try to solve our neighbors' problems.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I want to express my appreciation of the conviction with which my friend and colleague spoke about the bill now before us. I read the same book that troubled him, "We Don't Know How," by William Paddock. After reading it I talked at great length with Mr. Paddock and examined his experience and it was partly out of that discussion that the idea of the famine project amendment was born.

It does have some new elements I am sure that the gentleman would want to recognize.

First of all, it makes possible long-term agreements which previously had not been possible.

Second, it gives for the first time a role of great prominence to land grant university specialists who have had this long experience in improving the education of farmers in this country. It gives a role of great prominence to these specialists in the formulation and carrying out of programs for the better education of farmers abroad. I just wanted to call that to the gentleman's attention.

Mr. SHUSTER. Mr. Chairman, I thank the gentleman and I yield back the balance of my time.

Mr. AMBRO. Mr. Chairman, I rise in opposition to the International Development and Food Assistance Act of 1975 (H.R. 9005). Proponents of this bill, while praising it highly, make some paradoxical points which, in my view, undermine both the reasoning behind this legislation and its thrust.

For example, much is made of the involvement of private agencies in carrying out development aid. This means clearly that the United States and its official agencies are not providing a direct link between the gift of the American people and recipients of this aid. At a time in our history when the third world or emerging nations are almost universally raising their voices in opposition to practically everything the United States desires in the United Nations, we are providing development aid and food aid to the people of those third world nations.

Whether we accept or not the Biblical stricture to turn the other cheek, it seems to me to be sheer lunacy not to attempt, through the people of these less than friendly nations, to achieve better relations with them by having them understand that the American taxpayer is assuming an overwhelming burden to provide help to them. The battle cry that humanitarian precepts should not in any way be tied to political relations is one that makes little sense. To turn our back completely on self-help is to structure a policy which is self-defeating. "The people" do not know that the United States and its taxpayers are giving, and they docilely accept the antagonism of their government toward this Nation.

The point I make above is merely one that leads to a more significant concept which I believe should prevail, and which is why I oppose this bill. That concept is that the United States should and must develop an economic/foreign policy. I would like at this point in the RECORD to insert an article that was written for districtwide distribution on this larger topic very recently, and which, for the most part, outlines my views with respect to the lack of a comprehensive and effective macro structure:

[From the Huntington Long-Islander, Sept. 4, 1975]

DO WE HAVE FOREIGN-ECONOMIC POLICY?

(By Congressman JEROME A. AMBRO)

While our domestic concerns quite correctly turn to the absence of both a national energy policy and a national economic policy, we must understand that we have no foreign/economic policy that is discernible either.

We do have a Secretary of State who admits that economics does not interest him. We do have a President who mouths the necessity for a supply and demand approach to everything including international economics and we do have a system of government which looks to the existing administration for leadership in the international

field. We do have, therefore, a scatter-shot approach to foreign policy which reacts to the brush fires that start in one or another place in the world, but which provides no comprehensive plan for offsetting the problems that are inflicted on the United States by groups of nations who don't care one whit about our survival.

Two glaring examples come immediately to mind: The OPEC nations band together and artificially inflate the price of oil causing catastrophic inflation and shortages not only in this nation but throughout the industrialized world; the Communist block nations constantly probe this country's resolve and will by orchestrating revolutions and wars in every part of the world. And yet, even in the face of the horrors inflicted on us by OPEC and the antagonism that has never really abated by the Communist Block, we refuse to establish a policy which can utilize our food, our technology, our arms, and our investment opportunities to offset increasing oil prices and Communist block hostility.

I believe that we must, as a nation, approach this situation by making use of every tool at our command against countries and doctrines which attempt to undermine our national wellbeing. I believe that a portion of a national policy should play off the sale of technology, of arms and of food to both the OPEC and Communist nations in order to turn around this untenable situation. When dealing with the OPEC cartel (nations that have amassed billions of dollars of western society's monies by artificially increasing the price of oil, thereby causing inflationary spirals that undermine the economic viability of the Western nations), we have in our grasp bargaining tools: their desire to purchase from us technology and arms and food and, most especially, their desire to invest in the west of the billions that they have stolen from us. Why not use each one of these levers in the most effective way possible to offset artificially increased oil prices?

The same principle applies to sale of grain and feedstocks to the Soviet Union, for not only is this inflationary at home; but, with out attaching to this sale the kinds of strings that work in America's best interests, we become the prisoner of the highly questionable concept of detente. Is detente the reason why we refuse to bargain with the Soviet Union and the Communist block nations by utilizing our resources and playing them against the difficulties that Russia causes in the Middle East; in Southeast Asia, in Chile, in Portugal, in Italy and elsewhere? Or, is a militant political philosophy, which refuses to understand that the simplistic economic theories of supply and demand and of laissezfaire no longer apply when dealing with the OPEC countries and the Communist block nations, to blame in the White House's refusal to create a foreign/economic policy?

Certainly, the precepts of this nation have always meant that our compassion for the needy, the struggling, the hungry and the deprived take the form of free aid. That which has been articulated here does not intrude on that view. But, we must have compassion for our own needy, our own struggling, our own hungry, and our own deprived whose numbers are increasing daily because of the lack of reciprocal compassion on the part of the OPEC nations and the Communist block. The development of a policy that recognizes these two groups, especially, as our political, philosophical and economic antagonists is the only salvation.

Since we have no economic/foreign policy, since I believe the eclectic approaches to economic aid merely serve to put off the day when such a policy is developed, since we are not only turning the other cheek with respect to most nations that this bill helps but are indeed encouraging continued hostility, and since the cost of this bill is huge, I oppose it.

One last point. Proponents of the bill, as I said earlier, continue to suggest that if the United States in some way ties humanitarian aid to political influence, aid recipients will be outraged. But it seems strange to me that just recently our new Ambassador to the United Nations outlined to the third world this pending legislation, clearly with the view toward enticing them into being more receptive in that international body to American ideals and principles. This violates the view that we should not tie humanitarian gifts and political influence together in the minds of those who insist that we should not do it.

Our United Nations Ambassador's speech, however, eased this Nation into doing precisely that, and although it was a first step, neither his speech nor this bill approaches in any way the kind of economic/foreign policy that must be developed. So, we have proponents of this bill saying two things that oppose each other: First, that humanitarian aid must not be tied to political influence. To assure that, we will involve large numbers of private agencies to distribute economic aid. Second, that American aid will be forthcoming, and we would like the unfriendly governments of these nations to know that and, thereby, become more receptive to America's own desires in the international forum. This seems to me to be, in the first case, international masochism, or, in the second case, sheer hypocrisy.

Last, the President adopts a policy of pressuring the Congress into doing his bidding with respect to energy policy by outrageously calling for a sudden decontrol of oil prices. If we must play that game, why not call on the President and the State Department to develop for us an economic/foreign policy by refusing him this most unacceptable and costly piece of legislation?

Mr. DRINAN. Mr. Chairman, the International Development and Food Assistance Act of 1975, H.R. 9005, constitutes a welcome response to the everworsening world food situation, as well as an acknowledgement of America's role as a major food producer in a world where thousands starve to death each week.

This crisis in the world food supply situation is a result of the coalition of several factors. In 1972 and 1973 droughts and storms damaged crops in Africa, India, the Soviet Union, and parts of the United States and China. Added to these natural disasters was a worldwide energy crisis which drastically raised costs of food production and distribution, and caused a severe shortage of fertilizer.

As food supply was drastically curtailed, demand continued to escalate. In the lesser developed countries, demand appears in the form of rapidly increasing population—2.4 percent annually in these countries, as compared with 1.1 percent in the developed nations—which can be traced to the fact that children are a form of economic security in poor countries. In the wealthy nations, demand for grain also increases steadily. Each U.S. citizen now consumes on the average 1,850 pounds of grain in the form of livestock products a year, as compared with 400 pounds annually in poor countries. The food-rich nations battle bulging waistlines as the poor literally eat dirt to fill their stomachs. Worldwide distribution of foodstuffs grows ever more skewed, feeding a volcano of simmering economic instability.

Third world nations have indicated that a continuation of such a maldistribution is intolerable; U.S. citizens have evidenced their concern through increased contributions to food relief organizations. A recent Harris poll found that 79 percent of the public supports a foreign aid program which helps the poorest segment in developing countries. It is up to Congress to legislate a program which will incorporate measures for both the immediate alleviation and eventual eradication of world hunger.

Previous U.S. food aid and developmental programs have operated primarily on the basis of political expediency, ignoring the long-term goal of self-sufficiency as well as actual need of recipient countries. Signaling a new sense of international responsibility, H.R. 9005 addresses itself to reforms in three major areas: First, clarification of the purposes of the food aid program; second, response to the actual developmental needs of recipient countries within an international context; and third, the need for increased and stabilized amounts of food aid.

A most significant feature of the bill is the separation of developmental aid from military assistance and political considerations. Failure to clarify the priorities of these disparate objectives has led to numerous abuses in the past. For example, until 1970 Taiwan received as much economic aid as did India. In 1975 the administration planned to send two-thirds of Public Law 480 shipments to Southeast Asia, Chile, and other countries with which it had a "special" political relationship. The congressional amendment which prevented this mockery of the concept of foreign aid required that 70 percent of concessional food aid would be allocated to countries designated by the United Nations as most seriously affected by the world economic crisis. The 70 percent minimum is retained in H.R. 9005, with further restrictions on the President's authority to waive the percentage requirement.

Several provisions of the bill point in a new direction by responding to the actual developmental needs of recipient countries. Previous experience has demonstrated that the huge, cost-intensive methods of food production in industrialized countries are ill-suited to most developing nations, where small farms and a large labor force are the rule. In this context, the innovative provisions in H.R. 9005 which would authorize $20 million for the development of intermediate technology and $20 million for the establishment of cooperatives in developing countries are especially commendable. A new consciousness of the necessity for international cooperation in the face of the hunger crisis is evidenced in the arrangement whereby $200 million in developmental loan payments would be con-

tributed to the International Fund for Agricultural Development.

In the area of food allocation, the bill would set a minimum annual food aid level at 1.5 million tons, with at least one million to be distributed through nonprofit voluntary agencies and the world food program. According to a GAO report, necessary stabilization of commodity allocation would enhance the stature and effectiveness of the donation program as well as diminish procurement costs.

Unfortunately, this minimum level of food aid falls far behind our assistance capabilities as well as the need for such assistance. U.S. food aid commitments have ranged from 16 million tons in 1964 to 3.3 million tons in 1974. The World Food Conference recommendation for food aid was targeted at 10 million tons, and further documentation suggests that annual actual need totals 14–15 million tons or more.

It has been pointed out that it is in the best interests of political stability and economic development to assist developing nations, which are responsible for one-third of our 1974 exports as well as providing much of our raw materials. However the moral obligation to assist to the fullest extent possible those, who through an accident of birth, are condemned to a lifetime of mind-crushing poverty, stands far and above the economic and political factors.

Many U.S. taxpaying citizens have a greatly exaggerated idea of how much this country spends on developmental assistance. In 1974 the United States ranked 14th among 17 industrialized nations in amount of assistance as percentage of GNP. The real U.S. developmental assistance for 1975 amounted to no more than one-tenth of 1 percent of our GNP—a cost to each citizen of less than 2 cents a day. In fact, when actual cash flow amounts are taken into account, the developing countries receive little real assistance. In his book "Bread for the World," Arthur Simon states:

> In 1974 poor countries paid back $8.4 billion in debt retirement to donor nations—almost as much as they received in new assistance. Add to this the $20 billion trade deficit of non-oil-exporting poor countries for 1974, and the rich nations become net recipients of money from the poor ones.

This appalling situation illustrates the urgent necessity for a reform in food aid policy and for increases in food aid to combat the starvation which faces hundreds of thousands of people a year.

H.R. 9005 has made some important and innovative steps toward a coherent and responsible national food aid policy—but food aid must be increased. This imperative is dictated not through a sense of charity, but through a sense of justice and responsibility to mankind as a whole.

Mr. VANDER VEEN. Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act. I want to commend the chairman and members of the International Relations Committee for developing this innovative legislation. It represents a major effort to change the direction of our Nation's foreign aid program.

Mr. Chairman, our foreign aid program has been justifiably criticized in the past. Too often American aid to developing countries was used for projects which enriched the elites, but did not benefit the masses of the poor. Our food aid frequently achieved the opposite of its goals. It undermined the will of native farmers to increase their own production. In Africa, we provided soybeans for protein to one country, while the peanut crop of an adjacent country rotted for lack of markets. There have been many deficiencies in our foreign aid program.

But these mistakes must not discourage us. We should not, we must not, give up our efforts to aid the poorest nations of the world. On the contrary, recent events clearly illustrate our moral obligation. Starvation in Bangladesh and devastating drought in west Africa show that our assistance is imperative. The World Food Conference emphasized the desperate plight of the world's poor. We must respond.

This bill, I believe, recognizes our past mistakes. It takes an imaginative new approach to meeting our obligations to the developing world. For the first time in 25 years, economic assistance has been separated from military and security aid. Importantly, food aid has been depoliticized. Seventy percent of this aid will be used for humanitarian purposes in the poorest countries, not for political purposes. Food aid will be administered to provide incentives for self-help. Poor countries will be encouraged to meet their own nutrition needs. Food and nutrition aid is strongly emphasized in the bill. Almost half of the total funds will be used for these programs. The disaster assistance provision reconfirms our Nation's commitment to assist those victimized by natural and manmade disasters. Development assistance will be redirected to help deal with such key problems as population planning and health.

Other provisions also demonstrate the new direction this bill provides for our foreign aid program. But I think the point is clear: This bill reaffirms our commitment and obligation to aid the poorest countries of the world. I support this precedent-setting legislation. I urge that the House act favorably on it.

Mr. PREYER. Mr. Chairman, today we vote on the authorization of a new foreign aid program. While we are spending no money with this vote, we are committing ourselves to an effort which will eventually involve the spending of hundreds of millions of dollars.

The budget request of the President calls for spending about 1½ percent of our budget in the area of international relations. Most of the people in my district believe we should spend less and a great many believe we should spend nothing at all on foreign aid.

This is because many of my constituents—just as many of those of my colleagues—believe that we should not send money overseas and that there have been too many mistakes in our foreign program.

I will vote to reduce the amount of aid but I will vote for this authorization because I believe it is in the interest of the security of my country for me to do so. Foreign policy should be that weapon with which we avoid wars that require other kinds of more expensive weapons.

While I am satisfied that this vote is necessary, I believe just as strongly that there is merit in much of the criticism of this program and I realize an obligation to explain this vote beyond the simple justification just mentioned.

First, let me point out that foreign aid money is not sent across the seas. Almost all of it is spent in this country. It is spent here through contracts with American businesses and educational institutions and through sales agreements with American farmers.

More than $10 million in foreign aid money has been spent in my congressional district in the last 3 years and many millions more has been spent in other parts of North Carolina. In 1973, for instance, North Carolina farmers and processors received an estimated $22,044,000 for grain and other agricultural commodities distributed to people in developing countries.

So when we vote against foreign aid, we vote to cut off money spent—not in some foreign land—but in our own backyards, providing jobs for our own people.

A more serious question, however, is the value of the program.

U.S. foreign assistance programs have been characterized by many failures, by aid to countries with governments repulsive to our own, and by projects that never reached the average citizen of the recipient nation.

The authorization bill represents considerable success in dealing with those problems.

The committee has junked the administration bill and drafted their own, with a strong bipartisan effort to reform this part of national policy. For instance, they have moved away from large-scale transfers of capital to other countries for construction projects and industrial development and concentrated, instead, on the most pressing problems of the poor majority in poor countries: food and nutrition, health and population planning, and education. Nearly three-quarters of all the development assistance provided in this bill will go for countries with per capita incomes of $275 a year or less.

This bill recognizes that we cannot go on forever helping these countries. It emphasizes efforts to assist other nations to develop the capacity to look after themselves so that dependence on others such as the United States, can be ended.

I am confident that the appropriations bill for foreign aid will be lower than the President's request; so we can be pleased that we are cutting the budget.

Most importantly, we can vote for this authorization bill with the assurance that this House has done much to create a new, more realistic foreign aid program that will accomplish something good and that will strengthen the efforts of the free world to remain free and to become self-sufficient.

Mr. GUDE. Mr. Chairman, I rise to express my strong support for H.R. 9005, the International Development and Food Assistance Act of 1975. Members of the committee have already supplied data on the bill and many details in support

of it, and rather than adding more statistics, let me make several simple points.

First, I think we must all acknowledge the International Relations Committee has done a superlative job of analyzing and restructuring the foreign aid program over the last several years. Recognizing the limitations inherent in then existing programs, the committee in 1973 authored a major restructuring of our aid program into functional categories: Agriculture, population planning and health, education, and so forth, in order to insure that our funds were going to deal with real problems and not end up in the hands of inefficient or corrupt officials.

This year's bill strengthens and refines those categories of development assistance and attempts an ambitious effort to see that our food assistance—an item of increasing world importance—goes only to the neediest nations rather than to those it suits our political interests to serve.

Any restructuring of this magnitude is bound to cause the inevitable adjustment problems as our aid administration and those of the recipient nations begin to cope with the new rules. I am confident, however, that in the long run the committee's work will stand as one of the most significant foreign policy actions of the postwar era.

Second, the committee has decided, quite wisely in my view, to separate military from economic aid. As one who has long had major reservations about our military aid programs, I welcome this separation and the opportunity it provides to scrutinize all aspects of our aid programs more carefully.

Third, I note in particular the administration's support for this bill, despite several provisions in it that I expect they would rather not see. The President and the Secretary of State have a clear understanding of the vital importance of development assistance which provides true economic development unburdened by political strings, and they seem willing to work with us in achieving that objective. The recent address delivered by our United Nations Representative, Ambassador Moynihan, is the most telling sign yet that the administration recognizes better than many of us the changing international economic balance and the importance of working within the developing new structure of international trade and finance in order to help shape it in the interests of both our citizens and those of the developing states. A mature approach to international relations requires an acceptance of these changes, and Ambassador Moynihan's remarks, delivered on behalf of Secretary Kissinger, show the administration's understanding of this point.

Fourth. Of particular importance in this bill is section 107 providing a stimulus to the development of intermediate technology. With a plentiful supply of labor, but shortage of arable land, capital and technological skills, most underdeveloped actions can ill afford development in either agriculture or industry which parallels that of the large, labor-saving type of enterprise which is integral to the giants of the Western World. As Barbara Ward so well stated:

> We cannot continue with the old colonial theory that we can succeed by using the same type of industrialization that occurred in the United States and the U.S.S.R.

For example, to use new industry to provide employment in an agricultural society is evidently pure and simple an impossible task. A country with only three-fourths of its work force in agriculture—Africa averages 90 percent—with its labor force increasing at 2.5 percent—a typical rate for developing countries—would require an annual increase of 10 percent in the nonagricultural sector to absorb the new laborers. Such a rate is double the rate of nonfarm jobs created in any country in the last two decades. One example which shows the reality of this hypothesis is found in Kenya, where the labor force increased by 126,000 in 1969, while only 27,000 new jobs were created.

If we turn to agricultural development as a source for new jobs, on the other hand, we must confront the mechanization bias of developing governments, the idolatry of the tractor. Idolatry may seem to be an overkill term, but I am reminded of a Western observer who visited Russia during the days of economic development following the revolution. On attending a motion picture, he found the audience applauding a roaring tractor which appeared center screen as the hero of the piece. Despite the preference of developing governments, then, capital and technology-intensive mechanization is hardly an appropriate tool for the many small subsistence farmers in the underdeveloped world.

If our foreign aid program is to succeed, it must translate American talent and money into small farm, labor intensive economies—an agricultural economy which complements human efforts with back sprayers, simple threshers, and hand plows and harrows. Such support of and reliance on the small farmer has the advantages of working within the existing socal framework and value system, avoiding the creation or support of a class of rich landowners and thus keeping power more evenly distributed, and of maintaining the incentive of personal ownership in the production process.

Obviously a single sector response is not the complete answer. Another useful development approach is to encourage the creation of village and small-scale industries. Such industries include traditional arts and crafts and the production of light industrial items such as textiles, bicycle parts, furniture, art objects, shoes, soap, and matches which can be manufactured by using labor-intensive, capital-saving techniques outside of the heavly populated urban centers. Here again we are talking about the development of technology appropriate to the environment in which it is to be placed, and it is the kind of approach exemplified by the intermediate technology section which will move in this direction.

Also of significance in this bill is the resolution that the United States should increase its contributions to multilateral aid agencies and the addition of the Findley amendment concerning land-grant universities, of which I am a cosponsor. The most immediate and obvious advantage of multilateral assistance is that it is relatively more removed from political considerations than is bilateral assistance. The sad evidence is that much of our aid, including much given to our poitical friends or to those of our Public Law 480 food aid, has been given to our political friends or to those governments which we feel strategically obligated to support rather than those countries which are in need. H.R. 9005 includes a number of restrictions to prevent this from happening in the future, but we should also recognize that in many ways the most effective restriction is to channel more aid through multilateral agencies.

It is the critical question of world food supplies and their sufficiency over the long run which prompted my colleague the gentleman from Illinois (Mr. FINDLEY) to introduce his bill, H.R. 2436, later added by the committee as an amendment to H.R. 9005, which provides for the development of land-grant type universities in agriculturally developing nations.

Despite our efforts in the years ahead many countries throughout the world will not be able to produce enough food to feed their own people. Among these are some nations which have the capacity to produce much more than they do now. Simply because it lacks knowledge of the latest relevant agricultural developments, a country may not be able to check the advances of famine. However, with sophisticated research it could significantly increase its food output and thus avoid serious agricultural disaster. It is for the reasons of educating farmers in other countries and keeping them informed of new developments that the Findley amendment was adopted. Seeing the success enjoyed by existing research programs, there is every reason to expand this approach to involve more areas in more programs. Not only is the sharing of ideas and information essential if hunger is to be wiped out, but additional research in fields previously out of the financial range of these programs ought to be initiated. There are many problems related to food production, distribution, storage, marketing, and consumption that remain unsolved. There is little sense in constantly giving away food to a nation without encouraging and providing the means to create agricultural growth. The Findley amendment would help to achieve these goals, and I am pleased to see it included in this bill.

Finally, I hope the events of the past few years have clearly demonstrated that there are solid reasons of self-interest for giving foreign aid. The United States is becoming increasingly dependent on natural resources imported from abroad, many of them from underdeveloped countries. The Arab oil embargo illustrated graphically our vulnerability to a cutoff of vital resources. Clearly it is in our interest to promote good will, stability, and economic development in the third world. Continued progress there will assure open international markets and continued access to the raw materials on which our own economy depends. Thus, there should be little question that passage of this bill

is in our own interest as well as that of the developing nations.

Mr. DIGGS. Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act of 1975.

The implications of H.R. 9005 for the developing world and for U.S. interests there in an increasingly interdependent world, are many. This is clearly illustrated by the situation in Africa—a continent which has 26 out of the 41 countries officially identified by the United Nations as most seriously affected by worldwide economic crises, as well as 16 out of the 25 least developed countries.

The United States, not only has humanitarian obligations with respect to the developing world, but must be mindful of the implications of increased economic interdependence and of the finiteness of our domestic supply of raw materials which demands new dependence on developing nations as the source of our supply. Africa, for example, has all of the world's 53 most important minerals, including 42 percent of the world's cobalt, 34 percent of the bauxite, and 17 percent of the copper. In addition, 22 percent of U.S. graphite imports come from Malagasy Republic.

It has been emphasized in testimony before the committee and the Subcommittee on International Resources, Food and Energy that, over the long run, the critical question in solving world food problems is the improvement of agricultural production in the developing countries where the world's reservoir of unexploited food production is located, bringing development assistance to the small farmer and a more equitable distribution of food resources. Toward this end, H.R. 9005 relates U.S. assistance to efforts by recipient countries to increase their own agricultural production, with emphasis on development of labor-intensive, small-farm agriculture, in addition to providing increased authorization levels for food production and nutrition assistance.

The situation in the Sahel is perhaps illustrative of the need for food production assistance in developing countries and the beneficial impact of the measures in H.R. 9005.

Of course, much has been written and said about the drought in the Sahel and its effect on food production. The drought grew in intensity over seven years through 1973, affecting tens of millions of people of which as many as one hundred thousand may have died. It ravaged crops in most of the Sahel and cut livestock herds by some 40 percent.

As the need grows to increase food production throughout the world, that need becomes even more apparent in the Sahel.

Specifically, funds to increase food production will be used for such projects in the Sahel as a land use inventory in Mali; grain production and marketing improvements in Upper Volta, Niger, and Senegal; seed multiplication and production in North Cameroon and Niger; and water resources management and crop protection for the region as a whole.

It is only through the continuation of programs such as these that the effects of the drought in the Sahel can be overcome and the countries of the region begin to meet their own basic food needs over the long term.

The bill also provides that development loan repayments may be used for development purposes. Specifically, $200 million of these reflows would go directly to help fund the U.S. contribution to the new International Fund for Agricultural Development. This is particularly critical in support of Secretary of State Kissinger's recent announcement in his well-received speech at the United Nations that the administration would seek such authorization.

Finally, I would like to point out the provision for U.S. support for international organizations and programs. Such multilateral programs are critical if our bilateral efforts to assist in the development of poor countries is not to be undermined. The implications of any reduction or termination of U.S. contributions to multilateral organizations, such as the United Nations Development Program—UNDP—the United Nations Educational, Scientific, and Cultural Organization—UNESCO—and the International Labor Organization—ILO—can be critical to the developing countries, while representing an action far in excess of Israel's own reaction to recent political events in ILO and UNESCO.

It should be noted that Israel remains a firm supporter of UNDP, contributing about $1.2 million to that organization and receiving projects valued at $5 million during the period 1972–76. Currently, Israel itself is a recipient of 51 UNDP projects, including three executed by UNESCO and nine by ILO, with no indication of any intention to reduce or terminate its contributions to UNDP. Any such action by the United States would clearly provide a signal to the developing world, contrary to Kissinger's recent statement indicating that he understands and is willing to consider the needs of the developing world.

In addition, Africa, for example, has indicated its interest in good relations with the United States on many occasions. Nigeria's willingness to sell oil to the United States during the OPEC oil boycott in the aftermath of the Yom Kippur war proved immensely helpful to this country. Most recently at the Organization of African Unity—OAU—meeting in Kampala, the African states blocked a resolution advocating Israel's expulsion from the United Nations. Such events point out the critical role African states can play on issues of importance to the United States.

I hope, upon consideration of these issues, you will join me in support of this bill.

Mr. COHEN. Mr. Chairman, I intend to vote against final passage of the foreign aid bill with considerable regret.

In many ways, this foreign aid bill is a vast improvement over those that have preceded it. It contains no encumbering provisions for military aid. It deals only with economic development aid, disaster relief and food aid. It provides for integrated population and health programs aimed at the people who need them most. And it directs considerable aid toward farm programs to upgrade the productivity and the standard of living of the world's rural poor.

But, however much it may be incumbent upon us to provide an adequate level of foreign aid to nations in need, the fact remains the bill in its present form is $123 million above President Ford's budget request. The administration request for this fiscal year is itself $525.8 million—or 76 percent—above the level of aid appropriated last year.

At a time when millions of Americans remain out of work and when excessive Government spending continues to feed the inflation which has eroded the paychecks of those who do have jobs, it is irresponsible for Congress to exceed the President's proposed budget by so great an amount.

Last winter, I voted in the House to cut the permissible budget deficit from the proposed $68 billion. I believe we in Congress have a responsibility to keep the deficit within reasonable bounds. It now appears that even the $68.8 billion limit will be exceeded.

I sincerely hope that House and Senate conferees will exercise the restraint the situation demands and cut the excess expenditures from the foreign aid bill. If this is done, I will happily support the conference report when it is brought back to the House for a vote.

Mr. BIESTER. Mr. Chairman, I rise in support of H.R. 9005, the International Development and Food Assistance Act, of which I am a cosponsor.

I welcome the change in the House's approach in considering foreign assistance. Wisely, I believe, we have separated foreign economic from military aid. Both these program categories have been allocated billions of dollars over the years and, quite understandably, have been the focus of intense examination and evaluation by public officials and concerned citizens alike. While one can argue that foreign assistance, be it economic or military, may have related political objectives for our country, the impact each has on a recipient nation is a totally different story. Mixing food and fighter planes may have made some sense at one time, but it seems abundantly clear now that these commitments must be analyzed on their own merits. Tying the two together confuses very different elements and neither practically nor honestly allows for discussion on the merits of each thrust of our foreign policy. Legitimate reservations with regard to one should not jeopardize acceptance of the other because they have been combined into a single bill. Encouragingly, this is not the case this year and, hopefully, it will not be again.

This year's assistance legislation builds upon the constructive revisions of the 1973 Foreign Aid Act which implemented a more functional approach to assistance. Underlying this is a commitment on our part to channel aid to nations and efforts where the need is greatest and where self-help intiatives can be set into motion. As such, we focus on food and nutrition, education, human resources, population planning, health, and rural and agricultural development.

Almost 90 percent of the authorizations contained in this bill will go to nations having per capita incomes less than $500 per year.

Major features of the bill before us, which authorizes a total of $1.4 billion in fiscal year 1976 and $1.5 billion in fiscal year 1977, include consolidation of disaster relief provisions, guidelines for Food for Peace allocations to poor countries and contributions to international food reserve efforts, involvement of U.S. universities in cooperative agricultural developmental activities with third world nations, and increased attention to international organizations and multilateral activities.

It is not insignificant that a major theme running through the legislation is food and agricultural production, for no other single component of our assistance goes to the very core of developmental problems in the emerging nations. Beyond the urgent need to meet immediate short range demands to ward off starvation, we must be forthcoming in helping formulate and implement efforts which will better enable these nations to approach self-sufficiency in fulfilling their own food requirements. Once the developing nations can more adequately cope with the most basic of human needs—that for bodily sustenance—they can begin to step forward to undertake the other types of developmental projects which can lead to more diversified and broadening international relationships.

Without denying the need for capital and industrial development, our experience in the past has demonstrated, in my estimation and that of others, that our own priorities have been misdirected as to what we conceive to be the fundamental needs of the developing world. Our assistance dollars have not always found their way to those people and those projects which are most deserving and which may well hold the best prospects for laying the kind of foundation for progress that has been so lacking. This legislation follows our most recent "new directions" reforms to reflect a first-things-first perspective. Those other large scale projects—which are undeniably important—will not necessarily be overlooked and can be realized through private, international, and other governmental efforts.

I support H.R. 9005 and respectfully encourage my colleagues to do the same. The bill, in spirit and specifics, reflects a healthy attitude on the part of our Government, realistically geared to the third world situation and what our role should be in its development. It embodies elements and an outlook in which the American people can take pride.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in strong support of H.R. 9005, the International Development and Food Assistance Act of 1975. At the outset I want to commend the International Relations Committee on the masterful job it has done in pulling together the components of our development and food aid programs under its revised jurisdiction, and in splitting off the security assistance programs. The latter step is one which has long been recommended by numerous aid reform task forces, commissions, and outside groups.

This legislation authorizes $1.4 billion for foreign economic assistance in fiscal 1976 and $1.5 billion in fiscal 1977. This bill carries forward and expands on the new directions charted in the 1973 foreign assistance act of concentrating aid on the neediest nations and providing incentives for self-help development efforts. Moreover, it continues to channel increased funds into multilateral agencies. I think it is of particular significance to note that 72 percent of the aid authorized by this bill is directed to countries with per capita incomes of less than $275 a year, and 89 percent to countries with per capita incomes of less than $500. Nearly half the funds authorized in this bill are aimed at food and nutrition programs, and at least 70 percent of the Public Law 480 food assistance must go to those nations most seriously affected by food shortages as designated by the U.N. Moreover, the bill requires recipients of Public Law 480 food assistance to use the proceeds from sales to aid their poor and for agricultural and rural development. None of these proceeds may be used for defense procurements or internal security.

In addition, U.S. proceeds from repayment of prior year aid loans will be earmarked for our contribution to the new International Agriculture Development Fund, with remaining funds to be used for bilateral food and nutrition programs. Of the 1.5 million tons of food distributed annually through the Public Law 480 commodity donation program, at least 1 million tons are to be allocated through voluntary agencies and the world food program. And the bill also authorizes the President to negotiate the establishment of food reserves to guard against shortages.

Mr. Chairman, I particularly wish to commend my colleague from Illinois (Mr. FINDLEY) on his contribution to this legislation in the famine prevention section. Under the new provisions contained in this bill, assistance will be provided to land grant and certain other universities to work cooperatively with agricultural institutions in the developing countries on their food problems. This new program will be administered by a new Board for International Agricultural Development. I think this additional tool for assisting developing countries can make a substantial contribution to their efforts to develop their own food production capabilities.

Mr. Chairman, in addition to the numerous new provisions relating to food assistance, this bill provides $50 million in disaster assistance in both fiscal 1976 and 1977, and expands on our programs for human assistance, including population planning and health, education and human resource development; and technological aid.

In conclusion, I enthusiastically endorse this legislation and urge my colleagues to vote for it.

Mr. BEVILL. Mr. Chairman, I rise in opposition to H.R. 9005, the so-called International Development and Food Assistance Act.

Since coming to Congress, I have always been opposed to foreign aid, and the way in which it robs us of the ability to finance our domestic needs.

And despite the name attached to the current proposal, it is simply another one of those foreign aid giveaways.

This proposal before us is merely another attempt to add millions of dollars to the already staggering and deplorable foreign aid program.

This bill may go by another name and the context may try and avoid a connection with our past and present foreign spending policies, but it is simply another effort to justify pouring more of our dollars into foreign countries.

In my opinion the taxpayers of this Nation resent this unjustifiable spending.

The current proposal calls for $1.4 billion to be funneled into foreign countries for the fiscal year 1976 with that figure increasing by another $100 million in 1977.

What makes this bill and all similar foreign aid proposals so senseless is the failure of repayment by countries which have benefited from our foreign aid program including soft loans.

A look back should make it evident to everyone that we cannot buy friends.

We pour billions of dollars into other countries' economies and what happens?

The nations we aid in hopes of comradeship soon begin to speak out against what they label as the "imperialistic policies of the United States."

Europe offers the perfect example.

Ravaged and torn by the greatest war mankind has ever experienced, the continent was a picture of destruction in the mid 1940s.

The United States stepped in and practically rebuilt Europe.

Many of the European nations literally owe their existence to our country and its generosity.

And yet today, these same countries we helped save and rebuild verbally attack our system and what we stand for.

If these countries had reimbursed the United States, their attacks could be better explained.

But the sad fact is that of the countless countries we have rescued since the Marshall plan went into effect, only a very small fraction have ever reimbursed the United States.

A more recent example is the fact that seven members of the Organization of Petroleum Exporting Countries currently owe the United States $2.7 billion.

Since 1947, OPEC nations have received over $8½ billion in aid from the United States.

These are the same countries which have contributed to our inflation, our capital shortage and our general economic distress, by quadrupling the price of oil.

There is no question these OPEC nations could repay their outstanding debts to the United States and reimburse us for the foreign aid given them when they were in need.

The time has come for the United States to begin putting our country's interest first.

We have been the most generous Nation on Earth.

Our foreign aid giveaway programs including soft loans are more than all of

the other countries of the world combined.

America has certainly done its share.

We cannot continue to let deficit spending run wild in our economy.

And the bill we are debating today would do just that—send our budget even farther away from a balanced structure which this Congress has set as a goal for itself and which the people of this Nation have a right to expect.

The habit of giving away our natural resources is so ingrained in the minds of governmental bureaucrats who dish out the taxpayer's money for foreign aid that they seem to be unable to comprehend the effect.

They simply continue to ask for more, which is what this bill does. The passage of this bill will authorize an unnecessary expenditure of $2.9 billion that we in effect will have to borrow to give away.

I urge you to help put an end to this useless spending of American dollars abroad when there are so many worthwhile projects here at home that are being delayed due to lack of funds.

The working people of this country have carried the burden of foreign aid for too long.

And today they are looking to us here in the Congress to stop these giveaway programs and get our economic house in order.

We should ask ourselves one question, "Would passage of this bill be to the best interest of our Nation?"

I urge you to vote against this giveaway program.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. MORGAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 9005

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 "International Development and Food Assistance Act of 1975".

TITLE I—INTERNATIONAL DISASTER ASSISTANCE

INTERNATIONAL DISASTER ASSISTANCE

SEC. 101. The Foreign Assistance Act of 1961 is amended—

(1) by amending the chapter heading for chapter 9 of part I to read "CHAPTER 9—INTERNATIONAL DISASTER ASSISTANCE";

(2) by repealing section 491;

(3) by inserting immediately after the chapter heading for such chapter 9 the following new sections:

"SEC. 491. POLICY AND GENERAL AUTHORITY.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

"(b) Subject to the limitation on appropriations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country or international organization on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

"(c) In carrying out the provisions of this section the President shall insure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

"SEC. 492. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out section 491, $25,000,000 for each of the fiscal years 1976 and 1977. The President shall submit quarterly reports to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives on the programing and obligation of funds under this section.

"SEC. 493. DISASTER ASSISTANCE—COORDINATION.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator's responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.";

(4) by redesignating section 452 as section 494 and inserting it immediately after section 493;

(5) by redesignating sections 639A and 639B as sections 494A and 494B, respectively, and inserting them immediately after section 494; and

(6) by repealing section 639.

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—FOOD AID TO POOR COUNTRIES

POLICY

SEC. 201. Section 2 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

"In furnishing food aid under this Act, the President shall—

"(1) give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) to those countries most seriously affected by food shortages and inability to meet immediate food requirements;

"(2) continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world; and

"(3) relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of labor-intensive, small-farm agriculture.".

WORLD FOOD CONFERENCE TARGET

SEC. 202. The Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately after section 2 the following new section:

"SEC. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.".

EXERCISE OF AUTHORITIES

SEC. 203. Section 103 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by amending subsection (a) to read as follows:

"(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through labor-intensive, small-farm agriculture, and to reduce their rate of population growth;";

(2) in subsection (b), by inserting "and in section 106(b)(2)" immediately after "section 104"; and

(3) in subsection (d), by striking out the second proviso and inserting in lieu thereof *"Provided,* That this exclusion from the definition of 'friendly country' may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.".

FOREIGN CURRENCIES FROM OVERSEAS SALES

SEC. 204. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting immediately after "the House Committee on Agriculture" each time it appears "and the House Committee on International Relations"; and

(2) by repealing subsection (c).

USE BY FOREIGN COUNTRIES OF PROCEEDS OF SALES OF AGRICULTURAL COMMODITIES

SEC. 205. Section 106(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting "(1)" immediately after "(b)";

(2) by adding at the end thereof: "In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries."; and

(3) by adding at the end thereof the following new paragraphs:

"(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, and nutrition in those countries which are undertaking self-help measures to increase agricultural production, improve storage and distribution, and reduce population growth in accordance with section 109 of this Act, subject to the policies, procedures, restrictions, and other provisions applicable to funds provided under section 103 of the Foreign Assistance Act of 1961, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act and shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

"(3) In entering into agreements for the sale of agricultural commodities for dollars on credit terms, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—

"(A) is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;

"(B) provides for such objectives as—

"(i) making farm production equipment and facilities available to farmers.

"(ii) credit on reasonable terms and conditions for small farmers, and

"(iii) farm extension and technical information services designed to improve the marketing, storage, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

"(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

"(D) is designed to reach the largest practicable number of farmers in the recipient country.".

SALES AGREEMENTS WITH DEVELOPING COUNTRIES

SEC. 206. Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof: "In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.".

ASSISTANCE TO MOST SERIOUSLY AFFECTED COUNTRIES

SEC. 207. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 111. Not more than 30 per centum of the food aid commodities provided under this title shall be allocated to countries other than those most seriously affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining which countries are most seriously affected, for the purpose of this section, the President shall be guided by the United Nations designation of countries as 'Most Seriously Affected' by the current economic crisis. A reduction below 70 per centum in the proportion of food aid allocated to most seriously affected countries which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.".

CONTINUITY OF DISTRIBUTION UNDER TITLE II

SEC. 208. Section 201 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting "(a)" immediately after "SEC. 201."; and

(2) by adding at the end thereof the following new subsection:

"(b) The minimum quantity of agricultural commodities distributed under this title shall be one and a half million tons and the minimum distributed through nonprofit voluntary agencies and the World Food Program shall be one million tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: *Provided*, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.".

LIMITATION ON USE OF FOREIGN CURRENCIES

SEC. 209. Title II of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 206. Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth and agreed to by the United States and the recipient country, and (3) the currencies are used for purposes specified in section 103 of the Foreign Assistance Act of 1961, in accordance with the limitations, restrictions, and other provisions applicable to funds provided under such section. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.".

ADVISORY COMMITTEE

SEC. 210. Section 407 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting immediately before the period at the end of the first sentence ", or their designees".

REPORTS TO THE CONGRESS

SEC. 211. Section 408 of the Agricultural Trade Development and Asisstance Act of 1954 is amended—

(1) by inserting "(a)" immediately after "SEC. 408."; and

(2) by adding the following new subsections:

"(b) In his presentation to the Congress of planned programing of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109 (a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.

"(c) Not later than October 1 of each calendar year the President shall submit to the Congress a revised global assessment of food production and needs, and revised planned programing of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.".

INTERNATIONAL FOOD RESERVE SYSTEM

SEC. 212. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 412. The President is authorized and encouraged to seek international agreement for a system of national food reserves to meet food shortage emergencies and to provide insurance against unexpected shortfalls in food production, with cost of such a system to be equitably shared among nations and with farmers and consumers to be given firm safeguards against market price disruption from such a system.".

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE: Page 9, line 17, after "President", strike out "shall" and insert in lieu thereof, "may".

Mr. Chairman, on page 9 of the bill the proviso is made that in determining which countries are most seriously affected by inability to secure sufficient food for their immediate requirements, the President shall be guided by the United Nations designation of countries as most seriously affected by the current economic crisis.

My amendment simply takes the word "shall" out and says that he "may" be guided by the United Nations designation of countries. In talking to staff and reading the committee report, it appears that emphasis is placed on the word "guidance" as freeing the President from any straitjacket, any mandatory requirement that he must follow the list of nations most seriously affected that is provided by the United Nations.

It seems to me that if we are attempting to give the President flexibility, no harm is done and certainly an ambiguity is removed by substituting the word "may" for "shall".

Since the United Nations has become dominated by third world countries whose judgments and interests are increasingly antithetical to our own, many people are unwilling to delegate to this body any more authority or influence other than advisory. My amendment makes this position abundantly clear. Let the President have the final determination with such congressional review and oversight as is otherwise provided.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, as far as this side of the aisle is concerned, I think the gentleman's amendment improves the bill, and we have no objection to the gentleman's amendment.

Mr. HYDE. I thank the distinguished chairman of the committee.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we also agree that this amendment improves the bill, and we have no objection.

Mr. HYDE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. HYDE).

The amendment was agreed to.

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of the International Development and Food Assistance Act, H.R. 9005. This bill takes a dramatic new step toward relief of those nations and people most in need. I feel that it expresses the desire of Congress and the American people to share not only our food resources, but also our agricultural technology.

This is not a giveaway program, but one formulated to enable chronic food

shortage areas to develop their agricultural capabilities toward greater self-sufficiency. This bill insures that until such time as they are able to provide for themselves, America will do its best to see that the effect of famines and other natural disasters are minimized.

I support this bill because development and food assistance programs have worked in the past and I believe they have the potential to do even more in the future. U.S. economic assistance has provided Asian and African farmers with high yield wheat and rice. Our food grants and loans have given children around the world the protein necessary to develop into full adulthood. This aid has helped to control diseases, to provide family planning services, textbooks, and emergency disaster relief. We have a record we can be proud of, but we must support a further program of relief and development that will carry out the objectives of our "new directions" in foreign policy.

Mr. Chairman, the programs in this bill go directly to the heart of the developing nations' nutritional and agricultural needs. Seventy-two percent of the funds in the International Development and Food Assistance Act are designed for nations whose annual per capita incomes are below $275 and over 80 percent to those with incomes under $500. Title II gears our food aid so as to give top priority to those nations most in need. It also authorizes and encourages the President to negotiate an international agreement on a national food reserve system to alleviate spot shortages in the future. Planning ahead in this manner is what our aid program needs.

The development assistance provided for in title III is necessary to aid in the eventual self-sufficiency of nations now facing shortages of food. This section makes a two-pronged attack on hunger; first technological assistance to increase production, and family planning to slow the ever-increasing demand.

The newest section is a concept I have supported for many years and recently cosponsored. It is entitled "Famine Prevention and Freedom from Hunger." This section recognizes the great contribution that land-grant and other American universities have made in agricultural technology for so many years. American universities have long been active in research designed to aid those countries so much in need of increased production. However, to step up or even to maintain the current activities, American colleges need long-term Federal funding. This funding would be aimed at strengthening the ability of these schools to develop means by which they can improve production in developing countries.

It is important to note as well, the benefits that can come to our farmers and consumers as a byproduct of the collaboration between foreign and American universities. Advances made through this research, although aimed at developing nations, will also be useful to our economy.

In conclusion, Mr. Chairman, let me urge all of my colleagues to support this program for "new directions" in foreign aid. New directions that I hope will help alleviate suffering and hunger. Programs that will stimulate production and self-sufficiency in those countries now facing famine, malnutrition and poverty.

Mr. LEGGETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wish to join the many Members who are rising in support of the International Development and Food Assistance Act of 1975, H.R. 9005. This bill reaffirms the "new directions" policy we established for foreign assistance in 1973. The basic aim of those reforms was to concentrate increasing amounts of our assistance directly on the most pressing needs of the poorest people in poor countries. I am convinced that most of the American people will support foreign aid if they believe that it genuinely helps poor people, rather than primarily lining the pockets of the wealthy and only occasionally "trickling down" to those at the bottom of the economic heap.

I would note also that the exclusion of security assistance authorizations from this bill, even if it is due only to the administration's inability so far to submit its recommendations in this area, makes it easier for me and perhaps many Members to support this bill. I am sure we will all give the other proposals the closest scrutiny when they come before us later this year.

One of the key facets of the "new directions" has been an increased emphasis on agricultural and rural development. It is clear that hunger and food shortage is one of the harshest of the realities facing many of the world's poorest peoples. Both U.S. and world stocks of some grains, such as wheat, have been declining dramatically, particularly since 1972. With the increasing interdependence of world food markets, it is equally clear that Americans have, in addition to their traditional humanitarian concern, a direct and vital interest in increasing the quantity of food produced in the world.

One of the innovations included in this bill—title XII—is designed to make greater use of the capabilities of our land-grant and other agricultural colleges and universities to increase world food production. This title, which was originally introduced as a separate bill by Congressman FINDLEY and cosponsored by myself and about 100 other Members, is designed to increase agricultural productivity worldwide by doing a better job of getting the results of research to the farmers of the developing countries.

Famine and hunger in the world, however, are the result, not only of inadequate food production, but also of natural and other disasters. There has been a growing number of natural calamities in the world in recent years. Title I of this bill would provide a new focus on U.S. assistance to the victims of natural disasters, and a more clear-cut source of funding for this assistance.

I observed first hand the effects of one of the world's major current disasters this summer during the visit of the Special Subcommittee of Armed Services to Somalia. That country has experienced a devastating drought the last 2 years, which has affected upwards of 2 million of the Somali people. The drought has led to the drying up of large range areas, great loss of livestock, increases in imports and significant deterioration of Somalia's balance of payments. This calamity has created large numbers of destitute people and has caused a significant exodus from affected rural areas to relief camps and cities and towns. According to the Somali Government, almost a million people are facing starvation and have been directly or indirectly receiving relief assistance.

We have economic assistance programs with many countries in Africa, but Somalia is not now one of them, no doubt in large part for political reasons. Although the Somalis' supposed "Soviet" orientation may have resulted in their permitting the Soviets access to some military facilities, that should not be a bar to the United States responding to their genuine humanitarian needs. I give credit to the State Department for recognizing this fact and providing the Somalis $10 million of food assistance for drought relief in fiscal 1975. This is a clear instance of the need to approach the aid program from a humanitarian rather than a political standpoint. Furthermore, the Department has informed me that it is considering resuming a modest program of economic aid to Somalia in fiscal year 1976. I encourage the Department in this endeavor, and I hope that it will meet with the approval of my colleagues. In my view, this is the type of approach which was envisioned by the "new directions" policy of 1973.

I urge my colleagues to support this bill as representing the right kind of foreign aid program for America to pursue in the 1970's.

AMENDMENT OFFERED BY MR. LITTON

Mr. LITTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LITTON: Page 7, line 5, strike out "and nutrition" and insert in lieu thereof "nutrition, and population planning", and in lines 10 and 11, strike out "section 103" and insert in lieu thereof "sections 103 and 104".

Mr. LITTON. Mr. Chairman, today I am offering this amendment to H.R. 9005, the International Development and Assistance Act of 1975, in order to attack one of the critical problems facing the developing countries of the world—a problem which thus affects this Nation of ours and all of mankind. Although the amendment is concise and simplistic, the possibilities it offers for an enlightened, humanistic international assistance program are far-reaching.

My amendment is meant to provide stimulus to the developing countries of the world to come to grips with the real problems of hunger, malnutrition, and starvation. No one who has lived or traveled in these countries of Eastern Asia, Africa, and parts of South America will deny that a food crisis exists. My encounters in six African nations on the way to the World Food Conference in Rome presented real life portraits of famine that would grieve any of us in these Chambers. Many of us have had such firsthand experiences.

Being a firm believer that this is a world of people, rather than strictly a world of nations, I feel that it is the responsibility of the United States to do everything in its power to alleviate such suffering. My amendment does not "slap hands" reaching for the U.S. food assistance "cookie jar." It is not meant to deprive peoples of food; it is meant to finally confront the other half of the critical food problem. Yes, not only is a food problem the result of a shortage of food, but also is due to an excess of people. The countries of the world that suffer most from hunger also produce the most people each year. The vicious circle becomes ever more vicious. Thus far, the U.S. answer to the crisis has been to toss increasing amounts of food to these hungry mouths. That is a shortsighted, unimaginative approach. Of course, there are also the educational and developmental remedies which have been attempted, but they are slow and extremely intangible to the actual populations. A high-ranking member of the Agency for International Development told me just this week that in 20 years these sorts of programs will enlighten the native people of the developing nations to the extent that they will have their populations under control. Twenty years. With the gravity of the situation which exists today, what will be the population and hunger condition of countries such as Bangladesh, Zaire, and Indonesia 20 years from now?

A nation which the United States has in the past had extremely close contact with—the Philippines—shows the highest projected population increase rate in the next 25 years, according to statistics from the 1975 World Population Data Sheet of the Population Reference Bureau, Inc. Think of how many missionaries, educators, and humanistic organizations have given their most devoted assistance to this island nation. The Philippines has experienced more Western influence than any nation receiving Public Law 480 assistance. It is obvious that well-intended efforts at enlightenment have not worked as well as we had hoped. We are kidding ourselves to think that they will be drastically more effective in the future.

Since the World Food Conference in Rome my passions on this issue have burned intensely. They are ignited with each conference of the underdeveloped countries. The statements that have come from the Organization of African Unity meeting in Uganda and the Non-Aligned Countries Conference in Lima, Peru, incense most Americans. I join the protest of such ingratitude. But still, I am keeping my head and offering an amendment which emphasizes the desire of Congress to encourage population planning as a self-help instrument. Loans and sales payments will be forgiven for launching population planning programs. This is a positive incentive I offer in my amendment. Certainly, direct population solutions are equal in importance to learning the concept of crop rotation, the fundamentals of windmill construction, or the variety of ways to poach an egg. These are the sorts of incentives that H.R. 9005's Agriculture Commodities text addresses.

Line 8 of page 7 of H.R. 9005 presently includes the reduction of population growth as a goal as does section 104 of the Foreign Assistance Act of 1961 which is being amended by H.R. 9005. Certainly, the inclusion of a substantive monetary incentive plan is one of the most direct ways I know to induce a positive response.

I hope my amendment will receive the favorable consideration of this body.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman.

Mr. MORGAN. Mr. Chairman, I want to congratulate the gentleman on his amendment. I think it is an excellent amendment.

This section permits the use of proceeds to carry out programs of agricultural development, rural development, and nutrition; and I think the gentleman adding population planning is constructively broadening the provision.

Mr. Chairman, we have no objection to the gentleman's amendment.

Mr. LITTON. Mr. Chairman, I thank the gentleman for his remarks.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman.

Mr. BROOMFIELD. Mr. Chairman, we certainly join with the majority in accepting the amendment.

Mr. LITTON. Mr. Chairman, I thank the gentleman for his remarks.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. LITTON).

The amendment was agreed to.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the well simply to raise a question with the distinguished chairman of the Committee on International Relations.

In reading from the report that accompanies this legislation, I note that under the heading, "Additional Views of Hon. MICHAEL J. HARRINGTON," a member of the committee, it states in part as follows:

> In 1976 only three Latin American countries will receive food assistance under Title I: Chile, Haiti and Honduras. Chile, with a per capita GNP of $795 will receive 85 percent of the total Title I assistance for all of Latin America. Honduras, with a per capita GNP of $271, will receive 10 percent of the total and Haiti, recently termed an "island of hunger" with a per capita GNP of $113, will receive a mere 5 percent of the total Title I food aid for all of Latin America. In 1975, moreover, Chile received 83 percent of the total Title I food aid for Latin America.

The gentleman from Massachusetts (Mr. HARRINGTON) goes on to point out that Haiti and Honduras are both currently on the U.N. "most seriously affected list" and that, according to a recent report, 300,000 Haitians are in imminent danger of starvation. He continues as follows:

> Another MSA, El Salvador, is currently receiving no assistance whatsoever under Title I. And the Dominican Republic, currently experiencing the worst drought in 43 years, was also considered ineligible for Title I assistance.

He points out further that—

> Clearly, it is ultimately self-defeating to enact a food aid bill that fails to ensure the provision of food to those areas in greatest need of immediate food assistance.

Quoting the gentleman from Massachusetts (Mr. HARRINGTON) still further, he says as follows:

> Furthermore, it seems to me that there is something inherently wrong with a food aid bill that aims at using food to strengthen a political alliance with a regime that is, at present, the most ruthless dictatorship in the Western Hemisphere.
>
> From 1970 to 1974 absolutely no food aid whatsoever under Title I was provided to the Allende regime. Thus, the massive infusion of Title I aid amounting to $57.8 million in 1975 and $55.1 million in 1976 is merely the administration's technique of circumventing last year's congressional ceiling of $25 million on total economic assistance to Chile.

My question to the distinguished chairman of the committee is, No. 1: Is there any validity to this statement?

No. 2: What is the justification for Chile's receiving well over 80 percent of the food aid allocation when Honduras, Haiti, and several other nations, by the U.N.'s definition of "most seriously affected" nations, obviously warrant a greater percentage of the food allocation in this bill?

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the distinguished chairman of the committee.

Mr. MORGAN. Mr. Chairman, of course, it is important that the gentleman read the rest of the report to understand this. It is true the additional views of the gentleman from Massachusetts (Mr. HARRINGTON), in the third paragraph on that page, state that only three Latin American countries will receive food assistance under title I.

That is not the whole picture, however, because under title I, which covers sales, and under title II, which covers donations, 21 countries will receive food aid in Latin America.

Getting back to Chile, it is true, of course, that Chile did not have title I food sales for 4 years—since before Allende. Today, there are many poor people in Chile. They are in need of food—and that is why title I is being renewed. We are not doing this because of a change of government there. There are many hungry people there, people who are seriously hungry.

We tried to keep the political factors out of this bill, and we want to distribute food to people who actually need the food. That is why Chile is receiving more food under title I. That is under sales, of course.

Mr. DELLUMS. Mr. Chairman, may I ask the distinguished chairman of the committee this specific question:

Given the fact that it is well known that a substantial number of Haitians are living very desperate lives and that Honduras is also a very seriously affected country, can we justify the very high percentage of the title I sales to Chile when apparently there are other countries that could obviously benefit from a higher percentage of the total allocation?

Mr. MORGAN. Mr. Chairman, under title I of Public Law 480, Haiti does, insofar as its budget permits, purchase as much food as it can. It also gets some food under title II, under the grant program. I certainly am sympathetic with

seeing that Haiti gets more food assistance from this country. I agree with the gentleman in that respect.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(On request of Mr. MORGAN and by unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. MORGAN. To continue to answer the gentleman from California (Mr. DELLUMS), in Haiti the average annual income is around $113 a year, and if any country ever needed food on a grant rather than sale basis, this is it.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman.

Mr. WINN. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I have already spoken to this subject in my earlier support of H.R. 9005.

Since then, I have received a letter that I would like to share with the Members from Mr. Roger L. Mitchell, the vice president for agriculture for Kansas State University.

Kansas State, as many of the Members know, has done an outstanding job in the agricultural field and has worked for many, many years along this line.

After Mr. Mitchell compliments the gentleman from Illinois (Mr. FINDLEY) and me for our cosponsorship of the Findley famine prevention bill, he says:

Those of us involved in international agricultural work feel this concept's incorporation into title XII of the International Development and Food Assistance Act of 1975 can have several positive benefits in helping other countries more nearly feed themselves:

1. It separates economic and military assistance for the first time.

2. It emphasizes research targeted to needs of small farmers.

3. It provides longer term funding of such efforts.

4. It makes more effective use of our land grant universities in the international arena.

Then he points out that nearly 100 Kansas State faculty have been involved in the programs in the past 20 years, first in their work in India and now in Nigeria.

He also points out that approximately $17 million has been expended to assist those countries improve their food supply, and he urges that we support this bill.

I thank the Chairman.

AMENDMENT OFFERED BY MR. LITTON

Mr. LITTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LITTON: Page 13, immediately after line 7, insert the following new section:

LIMITATION WITH RESPECT TO POPULATION GROWTH

SEC. 213. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding immediately after section 412 the following new section:

"SEC. 413. No agricultural commodities may be provided under title I or title II of this Act for distribution in any country whose rate of population growth is greater than the world population growth rate average as such rates are set forth in the most recent United Nations Demographic Yearbook unless the President determines (1) that such country is making reasonable and productive efforts to stabilize and control its rate of population growth at a rate which does not exceed the world population growth rate average, or (2) that an extreme emergency exists in such country which requires that commodities provided under title I or title II of this Act be distributed in such country for humanitarian reasons. For purposes of this section, an extreme emergency exists in a country if the agricultural productivity of such country has been seriously impaired by a natural disaster or other event for which such country could not be expected to be prepared.".

Mr. LITTON. Mr. Chairman, this amendment addresses the real problem of world hunger.

We all recognize, I am sure, that world hunger is caused by two things: too many people and not enough food.

We can do something about food. We are not able to do too much about too many people in many countries of the world.

In traveling in some of the poorer countries of the world, I found time and again that in those underdeveloped countries which have difficulty in feeding themselves they have no interest whatsoever in addressing themselves to the problems of population growth. Oftentimes they are offended at any suggestion that they ought to consider that problem.

I think we have a responsibility, as one of the leading food producers of the world, to suggest to some of the less-developed countries that they must take some positive action in this regard.

What my amendment does is simply say that the United States will continue to be a compassionate, concerned, and humanitarian nation willing to face its responsibilities of helping other less developed countries of the world but we expect them to do something too, we expect them to do something with regard to their population. This amendment says only one thing, that we will help those countries that are willing to help themselves. It approaches welfare on a worldwide basis, on the same basis that many approach welfare here in the United States.

Someone has suggested that we should not tie strings to giveaways to countries around the world. But I would suggest that if we tie strings to the money we give away in the United States, to the cities and towns and people, then I see no reason why we should not tie strings to the money we give to other countries.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I would ask the gentleman from Missouri if it is not true that if we keep on buying food for countries without making them do something about their population growth that we may really indeed allow them to get in such a situation of having such a large population that scores of millions of people may die of starvation instead of millions now? And that the kind of thing that we are doing is suggesting to them that they have to come to grips with reality?

Mr. LITTON. The gentleman from Maryland is correct.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I understand the thrust of the gentleman's amendment but would the gentleman not agree with me that here we are in the United States with less than 8 percent of the world's population and yet we are consuming, as the authorities have pointed out, between 35, 40 or maybe even 50 percent of the world's resources, is it not rather hypocritical for us to take this kind of a policy toward the poorer nations throughout the world when the United States with some 210 million people is consuming massive amounts of the world's resources, we are consuming 8 times more milk, 10 times more steel, and the list can go on ad infinitum? So I think it would be rather hypocritical for this country to go on record as saying to the underprivileged countries and the underdeveloped nations of the world that we are going to penalize them with respect to their rate of population growth when, I repeat, we in this country are consuming almost half of the world's resources with our greed and glutinous consumption patterns. I believe that if we are going to try to change them, then maybe we ought to talk about this country changing its consumption patterns rather than hypocritically saying to the countries of the world that if they have babies they will starve to death because we do not want to give them food.

Mr. LITTON. In reply to the gentleman from California, let me state that I think one of the kindest things that could have been done to us would have been if the Arabian countries of the world would have suggested to us that there was a marked shortness in oil, and that they were going to raise the price of oil from $2.35 a barrel to $13 a barrel in 10 years and we should start conserving energy and finding alternative sources. I believe that would have been the proper way to have approached that situation, and all I am suggesting through my amendment is that we do something similar as the leaders in the world food production.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I commend the gentleman from Missouri on offering his amendment. I think the amendment attacks a very fundamental problem. I would point out further that the amendment which is being offered in no way says that we are penalizing foreign nations as such in that the population growth rate in this Nation of ours is below that which we would like to see in other lands.

Mr. LITTON. The gentleman is correct, it is about 0.9 percent.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I like the thrust of what the gentleman from Mis-

souri has to say, and further, that the gentleman from Iowa also has another amendment, however, it seems to me that there are other considerations, for example the percentages that developing countries spend on armaments and other things, so that we really ought to go back to the committee in order to indicate some kind of foreign aid formula that ties in exactly with what the gentleman is doing here. I do feel that there is great importance to the thrust of what the gentleman is pointing out here but it would seem to me that we ought to have this considered by the committee further on this matter. I will vote against the amendment right now, but I think the gentleman is right that there is merit in tying in economic assistance with a number of these areas.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. LITTON. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I have to confess that in a number of respects I am rather sympathetic to the gentleman's amendment since I was one of the cosponsors of an amendment adopted in our committee which increased by $29 million the authorization level for family planning programs.

This is a concept to which I am very much committed, and I think the gentleman is right in suggesting in the long run the only way we are going to solve this global problem of malnutrition is through some kind of meaningful population-planning program. But I have a feeling that however well-intentioned the amendment may be, it is a matter of hard reality that it is not going to accomplish its purposes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I think most of these countries which have a rate of growth in excess of the world average in point of fact will reject our development assistance rather than accept the mandated family-planning programs that we would insist on.

Second, I think it is important to point out that there are a variety of ways to achieve the objective of population control. A number of experts in this area have suggested that one of the main reasons families throughout the developing world have so many children is a form in effect of social security or old age insurance. They have a lot of children because they have a very high infant mortality rate, and they have to make sure they have enough kids so that enough will survive so that when the parents get old, they will have children to take care of them.

One of the ways to deal with that aspect of the problem is to provide adequate nutritional programs to the young people of these developing countries. If we cut off our title I and title II Public Law 480 programs, thereby reducing the amount of nutritional assistance available, we will have the effect of increasing the forces which tend to produce an increase in the rate of population growth, so I think if this amendment were adopted, it could actually be counterproductive in terms of the laudable objectives which the gentleman seeks to achieve.

Mr. LITTON. I suggested to the leaders of 84 nations at the World Food Symposium in Paris 3 months ago, that the attitude of the American people is changing with regard to world food giveaway programs. Many years ago we had granaries that were full and we had 40 million idle acres. Now the granaries are empty and the acres are not idle. Most consumers will not complain about paying more for food because of our world food giveaways if they think those receiving the food need it and are trying to help themselves.

I think there is going to come a time when the housewives of this country are going to object to paying more for food as a result of food giveaways going to countries that are doing absolutely nothing to solve their own problems. This means there will be less support for world food aid in this country in the future if developing countries receiving the food are not willing to help themselves.

I have to first direct my compassion to the 23 million Americans whose income is at a poverty level. Many of them are awfully hungry. The aged, the unemployed who genuinely want to help themselves, the sick, and the population struggling to overcome the natural oppressions of their ghetto environments feel this hunger and deserve the assistance they need to achieve the respect they are striving for. I am certain that it is difficult for them to watch the ships leave the docks bound for countries which most of us cannot pronounce to nations that have scoffed at our generosity in open forums such as the Organization of African Unity in Uganda and the World Food Conference in Rome.

Those who simply hold out their hands, rather than using them for labor they might find on the next block, are a group that must be dealt with in other ways. Those lined up simply for the food and welfare doles in this country should also feel stronger strings and positive incentives toward self-help. If not, as former HEW Secretary Caspar Weinberger stated, by 1985 one-half of the American people will be supporting the other half. That prospect frightens me. So, for those who argue that we should practice what we preach, I echo "Amen." For anyone who says let us not ask of others what makes sense for all of mankind, I respond, "let us not demand universal folly." Let us announce to the world our belief in self-help. That message must travel across this nation to all of the countries of the world. Then, let us show the beautiful spirit of our proud Nation by rewarding those who are willing to try harder to help themselves.

Providing help to others, whether they be people or countries, should include with it ways and incentives for those receiving the help to be able to help themselves in the future. To do less is to make the recipient dependent on the giver and the giver less able to help others in need in the future.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I certainly applaud the objectives the gentleman has expressed. I have long supported measures to provide funds for population education programs, both here in this country and abroad, and I continue to.

I see three problems with the language now pending before this committee. First of all, it applies to both title I and title II of Public Law 480, which means it would apply as well to the dollar credit sales of food products as to the donation of food products. Is it really prudent for us to deny dollar credit sales to a particular country simply because its population growth rate is too high?

The second problem I see is that the amendment defines extreme emergency in a very tight way. It is possible that an emergency could be induced by one regime which suddenly would be out of office, and the successor regime would be prevented from receiving AID benefits because of this restrictive amendment.

The third objection I see is the reference to growth rate instead of population birth rate. A lot of countries are making advances in the medical science field which has the effect of increasing the population growth rate. Of course, while a nation should be commended for reducing its death rate, it should also tackle the question of birth rate. Because of the death rate factor, it would be possible for a nation to reduce its birth rate while at the same time experiencing a growth in population. This amendment would be far better if it dealt with just birth rate instead of population growth rate.

For these three reasons, the gentleman's amendment should be rejected.

Mr. WHALEN. Mr. Chairman, I rise in opposition to the amendment and I move to strike the requisite number of words.

Mr. Chairman, I, too, sympathize with the objectives of the gentleman from Missouri with respect to the need for effective population control programs. However, I object to his amendment on two counts.

First, I am concerned about the use of the average as the criterion to determine whether or not a nation shall be eligible for economic assistance. An average is a composite of figures which are above it and below it. Since every nation cannot be below the average in terms of its population growth, certain countries will be penalized. As the gentleman from New York (Mr. SOLARZ) has so effectively pointed out, most of those nations which will be above the world average are the poor nations for the reasons which he so clearly cited.

Second, as the world average falls, certain nations, even though they have reduced their own population growth rate, will be denied aid because they fall below the average.

I just do not think this is an effective way of dealing with the problem of population control and therefore I urge the defeat of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I associate myself with the remarks of the gentleman from Ohio and those speakers who previously opposed the amendment. I have had a little experience with food aid programs and in my experience the effort to hit countries over the head to get them to take steps that are not directly related to the use of the aid almost invariably fails. I think this would be very poorly received by the countries of the world as a way of trying to use food aid to force countries to adopt policies which in many cases are still very sensitive matters, matters which they consider very much within their own domestic prerogatives.

I have been very strongly in favor, as the gentleman knows, of increasing our programs to help nations with population control programs, but to try to tie the two together and say that we will withhold food from those countries which do not do as we say I think would be a terrible mistake and counterproductive.

Mr. WHALEN. I thank the gentleman from New York.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Pennsylvania, the chairman of the committee.

Mr. MORGAN. Mr. Chairman, I thank the gentleman for yielding.

I think this amendment would punish the poor people for the mistakes of their governments. I think it would make it even more difficult for the poorest countries to finance their population control programs.

Also, under the amendment, we would have to be both the judge and the jury and say whether the poor countries will get aid for improving population control or whether they have to stay where they are and go hungry and perhaps even starve to death.

I think the amendment would be counterproductive and I think it should be defeated.

Mr. WHALEN. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, I too rise in opposition to the amendment and move to strike the requisite number of words.

The Executive branch is very much opposed to this amendment. It seems to reverse our current congressional stated policy in title X of the Foreign Assistance Act, programs relating to population growth, which states that every nation is and should be free to determine its own policy and procedures with respect to problems of population growth.

I agree with the chairman of the committee. I think this amendment would be counterproductive.

Mr. SYMINGTON. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, I certainly commend my friend and colleague for addressing himself to an extremely serious problem, the rapidly advancing population growth rates in various parts of the world. Something useful must and should be done in that regard.

I understand the population of Mexico passes that of the United States in 40 years at the current projected rates of the two countries. The United Nations has established an agency to aid countries interested in taking advantage of the latest methods and ideas in family planning.

I understand the Government of Mexico has decided to accept this kind of advice and help. Such multilateral attention to population growth through U.N. programs is both wise and necessary. However, Mr. Chairman, denial of food assistance by the United States based solely on population growth is ill-advised. I worked for our Food for Peace program 14 years ago. One thing that we were most careful to observe was that we should not try to export a philosophy that we would not adopt here at home.

I think it could be argued either that we were calling for a double standard or establishing as a general principle that food that is available should be denied any families which do not adapt to cultural norms as perceived by our Government. Thus a principle that applied overseas could be applied here at home, and food stamps might be made available only to those families who managed to keep their numbers down. I think that is a dangerous concept and I think we invite that consideration should we endorse an amendment of this kind.

Moreover, Mr. Chairman, there is a valid point in the old Spanish saying, which translated into English reads: "Hunger is a bad adviser."

Hunger, indeed, is a bad adviser. Statistics show that nations which suffer a high infant mortality rate, usually correlated with low nutrition, if not hunger and famine, generally have a very high fertility rate. Perhaps it is an unconscious effort to overcome the tragic conditions food deficits create. Moreover, conditions like that exist now in many countries, and need no "natural disasters" for emphasis.

It is also shown, I believe, that countries with low protein diets frequently number among those with the very highest population growth. The facts suggest; indeed they establish that starvation is not the answer, unless we mean it should be the ultimate answer, a result not contemplated by the author of the amendment.

Finally, there may be situations in which our foreign policy would be adversely affected by such a rigid construction of one form of aid, the very form in fact which does actually reach people and does not wind up in Swiss bank accounts. Today the President is empowered to examine a wide variety of considerations in determining whether we should aid a nation; our national security, global strategy, trade arrangements with a special emphasis on raw materials, and a hundred other factors, factors that would justify aid to countries even though they may not have been able to adopt or adapt in a practical fashion to a family planning program we would endorse. India has tried for 25 years to elicit the cooperation of its people in this regard and has been unable to do it. This amendment would require not only an effort, but a successful "productive" effort. What may seem "reasonable and productive" effort to the American bureaucrats overseeing such a program, might and I think in many cases would appear nothing short of cultural imperialism to the countries concerned. That would not be in the best interest of our foreign policy, and inasmuch as Public Law 480 deals with foodstuffs over and above those consumed here at home and sold for dollars abroad I am not persuaded it would be of any benefit to our farm policies either.

Mr. Chairman, for those reasons and with a deep appreciation for the concern that motivated the amendment, I must reluctantly oppose it.

Mr. DEVINE. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, I will not take the full time, but I think the Members on the floor, and there are not many here, should understand just exactly what the amendment says. The gentleman from Missouri, I think, makes a very good point there. A lot of people get up and say, "I appreciate the thrust of the amendment. I think the idea is good, but I am not going to support it."

I take the opposite point of view, because I think these countries that expect to receive benefits from our Nation, I do not care what it is, commodities, food, military aid or other aids, should not object to reasonable guidelines and that is all the amendment does. It sets down guidelines under which other countries can benefit from the largess of the American people.

The amendment of the gentleman from Missouri does not put it hard and fast. It sets forth the guidelines in the most recent United Nations Demographic Yearbook and it outlines three other conditions; unless our President feels that such country is making reasonable and productive efforts to stabilize and control its rate of population, or that an extreme emergency exists in such country which requires that commodities provided under title I or title II of this act be distributed in such country for humanitarian reasons.

I think it is a very logical amendment. It does the right thing and it does provide guidelines and it should be supported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. LITTON).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HARRINGTON

Mr. HARRINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRINGTON: Page 10, immediately after line 2, insert the following new section 208 and redesignate existing sections 208 through 212 as sections 209 through 213, respectively:

LIMITATION ON SALES TO CERTAIN COUNTRIES

SEC. 208. Title I of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 112. No agricultural commodities may

be sold under this title in any fiscal year to any country in Latin America with a Gross National Product per capita which exceeds $650 unless (1) the President reports to the Congress the reasons why such commodities should be sold to such country in such fiscal year, and (2) neither House of Congress, within 30 days (excluding any day in which both Houses are not in session) after receiving such report, adopts a resolution stating in effect that it objects to such sale.".

Mr. HARRINGTON. Mr. Chairman, first let me apologize to the members of my committee. I think that this amendment would perhaps take on more legitimacy if it had been offered during the course of the extended—and, I would say comprehensive—debate which took place on what I considered to be, on the whole, a very worthwhile piece of legislation, and very well done. My absence from many of those sessions, I hope, will in no way be construed as any lack of interest, at least in this part of it.

Mr. Chairman, I rise really, as I have indicated, perhaps just to raise the consciousness concerning a situation which has been alluded to in debate earlier today by the gentleman from California (Mr. DELLUMS), and possibly others. I make specific reference to the fact that in this otherwise generally laudable economic foreign aid bill, we are devoting a very sizable portion, 85 percent of it, to the hemispheric aid package to one country.

That country is Chile. That country was the subject, in the course of last year's foreign aid debate, of a restriction imposed by the Congress limiting amounts of aid, economic and military, to $25 million. We find ourselves, though, with a Food for Peace program outside the framework of our control, despite last year's aid limitations, stemming in large part from the ability of the Interagency Staff Committee to juggle figures. It is important, though, to protest that we are distorting once again the ostensible humanitarian purposes of this program. That has been expressed for about 20 years in a variety of ways, and more recently reaffirmed in suggesting that the purpose of this program is to define goals and help those countries most in need of it.

I suggest that whether one measures need based on caloric intake, on per capita income, or on the comparative needs that exist in other countries, that the allocation of 85 percent of our total hemispheric effort in Title I Food for Peace assistance to one country is not consistent with any of the congressional mandates.

The amendment I have offered today deals narrowly with the hemisphere, but it is based on the experience we had with the food-for-peace program in both Vietnam and Cambodia. In that instance, a sizable portion of both titles I and II food-for-peace assistance was allocated to just two countries in a backdoor effort to fund a war. In this instance, it is not a war we are funding, but a regime that has been recognized by a variety of sources across the world as not only repressive, but impervious to criticism of how it deals with human rights. This country has become, moreover, because of relaxations in our military aid program, a major purchaser of American military hardware—exceeding, in fact, Brazil by $10 million as the major purchaser of that hardware in 1974.

While I appreciate the humanitarian intent of this bill, one is still led to the conclusion that through the provision of additional currency to the junta we are indirectly subsidizing the Chilean Government. We are aiding that country's arms purchases through food-for-peace in a way that distorts the original purposes of the program.

So today I offer an amendment which basically restricts aid to countries in Latin America having a per capita income in excess of $650 and directs this aid toward the most needy sector of this hemisphere. The amendment further allows the President, if he so chooses, to justify the hemispheric aid package before the Congress, at which point this body may determine whether or not the rationale of it is, in fact, sensible.

I do not like to see, under the guise of what I have indicated is an otherwise essentially laudable effort, aid given in a way that deprives the most needy and rewards the most insensitive when it comes to the broad humanitarian concerns which underlie the scope of this program.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I will yield to the gentleman.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Will the gentleman comment on this: The gentleman mentioned a per capita GNP of $650 and, as I understand it, Israel has a per capita of $2,732. It is also receiving aid. Why is the gentleman singling out countries in Latin America?

Mr. HARRINGTON. I tried to direct that question to myself just preceding this debate, and the best I can do, in response to the gentleman from Michigan (Mr. BROOMFIELD), is to suggest that my interest in this particular area is perhaps comparatively stronger than my ability, I suppose, to deal with the global inadequacies of the program.

As I have indicated, I addressed what is most important to me.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

I assume this amendment is directed toward Chile, because the author of the amendment picks the GNP figure of $650, which is the annual average for the residents of Chile.

I just want to say that Chile really needs food because its own agriculture is in bad shape. But because of the sharp decrease in copper prices and production, and the steep rise in the cost of oil and other imports, Chile has no foreign exchange to pay for such food and needs credit. We are not the only country in the world that is helping Chile with its financial and food problems. It is recognized in many of the democratic countries around the world that Chile really needs help. Reducing the amount of food that will go to Chile will not help the poor people of Chile. The food shortage in Chile, of course, will lead to higher prices, and it will hurt the poor people the most.

I felt when we brought this bill out that it was a nonpolitical bill, that it was a humanitarian development assistance bill.

Political type amendments, such as this, aimed at a particular country, should be more appropriately heard when legislation dealing with other kinds of aid is brought to the floor sometime later this year.

I would hate to see this amendment adopted here, singling out a country, and making it more difficult for the poor people of that country, because of a bad record of a previous administration in that country, and our legislation, to get food for their kids. I would hope that the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. HARRINGTON).

The amendment was rejected.

AMENDMENT OFFERED BY M'DONALD OF GEORGIA

Mr. McDONALD of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONALD of Georgia: Page 5, line 21, insert "and" immediately after the second semicolon; in line 23, strike out "; and" and insert in lieu thereof a period; and on page 6, strike out lines 1 through 6.

Mr. McDONALD of Georgia. Mr. Chairman, section 103 of the Agriculture Trade Development and Assistance Act of 1954 (Public Law 480) authorizes the President to make sales agreements only with those countries that are friendly to the United States. It further specifies that "friendly country" shall not include—

(1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) . . . any country or area dominated by a Communist government, or (3) . . . any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam . . . any equipment, materials, or commodities so long as they are governed by a Communist regime . . .

This third specification of a nonfriendly country, however, is followed by a proviso granting the President the authority to waive the prohibition on sales agreements with countries trading with Cuba or North Vietnam if the trade involves medical supplies, nonstrategic raw materials for agriculture or nonstrategic agricultural or food commodities, and if the President finds that such agreement would be in our national interest.

Paragraph (3) of section 203 of H.R. 9005 amends this by deleting the above proviso for a waiver under the specified circumstances and substituting a much broader waiver authority. The new language is:

Provided, That this exclusion from the definition of "friendly country" may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.

Thus H.R. 9005 would allow the President to by-pass the prohibition on agreements with countries trading with Cuba and North Vietnam, even if they are supplying these countries with strategic military equipment.

My amendment is quite simple: it deletes this new waiver provision and restores the old one.

Thus my amendment would prevent subsidies, in the form of various agricultural supplies or commodities, to countries supplying such things as military materials to Cuba and North Vietnam. Keep in mind that it would not prevent trade with such countries, however laudable, such a prohibition may be. Nor would it prohibit subsidies to countries supplying Cuba and North Vietnam with certain nonstrategic materials, however commendable that prohibition may be.

It would simply prevent our Government from forcing U.S. taxpayers to subsidize certain agriculture agreements with countries supplying military equipment to the Communists in Cuba and North Vietnam.

The necessity for such an amendment should be obvious, particularly in regard to Cuba. Fidel Castro has, is, and by his own statements and actions will continue to export revolution to other countries. Exporting revolution means employing any methods possible to establish a Communist-style dictatorship in the target country. For example, Cuba has been training Communist terrorists who have recently conducted bombings in Puerto Rico and New York City. This has been substantiated not only by the Federal Bureau of Investigation but also by the Governor of Puerto Rico, Rafael Hernandez-Colon.

Cuba continues its aggression and intervention in the internal affairs of other countries, and remains a serious threat to the security of the countries of North and South America. And this is not to mention Cuban Premier Fidel Castro's continued disregard for human rights and continued inhumane treatment of political prisoners.

While it seems obvious that a waiver of the prohibition against agreements with countries trading with Cuba would not be in our national interest, it is also obvious that the President cannot be trusted to grasp this fact. His foreign policy, under direction of Henry Kissinger, includes the goal of establishing "friendly" relations with Communist countries in general, and apparently, Cuba in particular. For example, at the meeting of the Organization of American States in Costa Rica during July, the United States not only voted to make trade with Cuba easier, but actively encouraged other countries to do so.

Thus it is clearly up to Congress to protect the American taxpayer from being forced to subsidize countries supplying Cuba and North Vietnam with military equipment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first of all, let me point out to the committee that what the language in the committee bill does is to give the President the authority to waive certain restrictions which have been in Public Law 480 legislation for some years.

I, for one, am prepared to leave that authority to waive with the President of the United States. I think that the provisions that are in the law were adopted at a different time. They were adopted when we were engaged in a struggle with North Vietnam, and we were trying actively to prevent countries from trading with North Vietnam.

That situation does not prevail today. We have an embargo of our own against North Vietnam, which is questionable, but we are not actively engaged in trying to persuade countries to sell or not to sell industrial commodities to North Vietnam.

The same thing is true with respect to Cuba. We have abandoned our position as a nation in trying to persuade other countries not to trade in industrial commodities with Cuba.

We maintain our own embargo. Again, I think that is a questionable policy, but that is not the issue here. The issue is whether we want to continue to try to force other countries not to trade in industrial commodities with Cuba and North Vietnam. I submit, the conditions that existed when those provisions were put into the law have passed by.

The gentleman from Michigan (Mr. BROOMFIELD) raised a question as to what countries would be affected by this.

I happen to know of one country that has been affected by this type of provision. It has some ships that sailed under its registry and got a few dollars for it as a means of national income, and those ships stopped at Cuba and North Vietnam. This country was Somalia.

U.S. aid to that country was actually discontinued because of the fact that these ships, which they had no effective control over, were stopping at these ports.

That country, as a result of that prohibition of aid, felt that we in the United States were discriminating against them. The step we took brought about the opposite effect of what was intended, it did not stop the Somali from having their ships going to those ports, all it did was have them turn more and more to look for help from the Communist side.

So I would say that the purposes of these provisions in the law have not been effective, they have been counterproductive. But, more than that, they are today anachronistic. For goodness sakes, let us leave the matter in the hands of the President to determine whether the waivers should be granted.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to add a few brief words to the thoughtful remarks of the distinguished gentleman from New York (Mr. BINGHAM).

A few years ago, pursuant to this rather anachronistic provision in the law, Bangladesh, which was then in the midst of one of its periodic famines, sought agriculture assistance from our country in order to mitigate the consequences of the famine which was then ravishing that country.

We said to them that we would be happy to give them assistance under title I of Public Law 480 but only if they were willing to stop selling jute bags to Cuba which the Cubans use, I think, to put their rice or their sugar in after it has been harvested for export elsewhere.

It seems to me that it was most unbecoming of a great and powerful nation like the United States to say to a poor country like Bangladesh that, in spite of the fact that it had millions of people who were on the verge of starvation, we were not going to give them any agricultural assistance unless they stopped trading with Cuba.

Yet, at that time, we had started trading with China, we had been trading for years with the Soviet Union, and we have lifted the embargo on trade between subsidiaries of American corporations operating from third countries with Cuba. To me, Mr. Chairman, this is not only incongruous but anachronistic as well. I think the entire legislation ought to be repealed but so long as it remains on the books we ought to give the authority to the President to use the waiver power which, at the moment, is rather limited.

I might also tell the Members, in addition, that the administration has advised us that they support very strongly the provisions contained in the bill which this amendment seeks to delete because they believe that the President ought to have a waiver authority with respect to our ability to sell title I food to other countries, even if they trade with Cuba, which is broader than the waiver authority which exists at the present. The existing waiver authority applies essentially to agricultural products, it does not apply to manufactured products. The administration has announced it will use the waiver with respect to the sale of agricultural products by third countries to Cuba, but it will not be able to use the waiver authority under the existing legislation for manufactured goods because the waiver authority does not go that far. This legislation extends the waiver so that the administration can consistently waive the prohibition on the sale of title I food to other countries that trade with Cuba not only for agricultural goods but all the goods that they produce.

Lastly, Mr. Chairman, let me say that in Lima on July 29, the OAS voted to lift the embargo of Cuba, and they said at that time, and I quote from their declaration, that "in the context of coexistence we cannot justify any more a boycott against Cuba."

There are at least three countries in Latin America, Chile, Haiti, and Honduras, which receive title I assistance from the United States, who also sell manufactured goods to Cuba or who may be selling them to Cuba and which, if we do not reject this amendment, and if the language in the bill is not adopted, will not be eligible to receive title I assistance unless they cut off their trade with Cuba, regardless of the OAS declaration rejecting a multilateral embargo of Cuba. I would submit, therefore, that the adoption of this amendment would seriously prejudice our relations with other countries throughout the Western Hemisphere at the same time that it clearly would be a step backward in terms of our emerging effort to establish a normalization of relations in the Caribbean.

(By unanimous consent, Mr. BROWN of Ohio was allowed to speak out of order.)

SENATE SUSTAINS PRESIDENT'S VETO OF S. 1849

Mr. BROWN of Ohio. Mr. Chairman, I have just been informed that the Senate has voted to sustain the President's veto of S. 1849, which would have extended the Emergency Petroleum Allocation Act for another 6 months until March 1, 1976. I applaud the Senate's sound judgment and political courage in its rejection of the legislation and its obvious intent to delay further the resolution of the oil pricing issue. With this action, the groundwork has been laid for the acceptance of a gradual decontrol plan, and the Congress must now move in that direction.

On Monday, I introduced legislation (H.R. 9425) which would extend the EPAA until October 20. Passage of this legislation would prevent any market dislocations while the details of a gradual oil price decontrol plan are worked out. The President has indicated a willingness to accept such an extension provided a compromise decontrol plan will be put into effect. I urge the House to expeditiously consider this legislation.

We have all heard the arguments surrounding decontrol several times on this floor. But the fact remains that only with decontrol will our domestic oil supplies increase and the hammerlock of OPEC pricing and supply policy be broken. A gradual decontrol plan will allow us to ease back to a free market situation where we will have the economic incentives to conserve petroleum and increase production. Those are the keys to freeing ourselves from the whims of OPEC.

Avoiding politically sensitive decisions is what the Congress seems to do the best. Certainly no one wants higher energy prices. But I think that the American people are ready to accept slightly higher prices for energy independence. The Senate today has demonstrated the statesmanship required in making a tough decision that moves toward solving our vast energy problems. It is time for the House to follow suit and enact a 45-day extension and a compromise gradual decontrol plan.

I hope, Mr. Chairman, we will do that as soon as possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. McDONALD).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. McDONALD of Georgia. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—DEVELOPMENT ASSISTANCE

POLICY

SEC. 301. Section 102 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, 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.".

FOOD AND NUTRITION

SEC. 302. (a) Section 103 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by inserting: "$628,800,000 for the fiscal year 1976 and $760,000,000 for the fiscal year 1977," immediately after "1975,"; and

(2) by adding at the end thereof the following new subsections:

"(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

"(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

"(e) Dollar receipts from loans made pursuant to this part and from loans made under predecessor foreign assistance legislation are authorized to be made available for each of the fiscal years 1976 and 1977 for use, in addition to funds otherwise available for such purposes, for the purposes of supporting the activities of the proposed International Fund for Agricultural Development (a total of $200,000,000 of such receipts may be used only for such purpose), undertaking agricultural research in accordance with section 103A, and making loans for other activities under this section. Such amounts shall remain available until expended.".

(b) Section 203 of the Foreign Assistance Act of 1961 is repealed.

AGRICULTURAL RESEARCH

SEC. 303. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding after section 103 the following new section:

"SEC. 103A. AGRICULTURAL RESEARCH.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.".

POPULATION PLANNING AND HEALTH

SEC. 304. Section 104 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately before "In";

(2) by inserting "$248,100,000 for the fiscal year 1976 and $280,600,000 for the fiscal year 1977," immediately after "1975,";

(3) by adding at the end thereof the following new sentence: "Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning."; and

(4) by adding at the end thereof the following new subsection:

"(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 305. Section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" immediately before "In";

(2) by inserting "$89,200,000 for the fiscal year 1976 and $101,800,000 for the fiscal year 1977," immediately after "1975,"; and

(3) by adding at the end thereof the following new subsection:

"(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS; INTERMEDIATE TECHNOLOGY

SEC. 306. The Foreign Assistance Act of 1961 is amended—

(1) by repealing sections 106, 107, and 241; and

(2) by inserting immediately after section 105 the following new sections:

"SEC. 106. TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

"(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

"(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

"(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and

into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

"(4) programs of reconstruction following natural or manmade disasters;

"(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

"(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

"(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $99,550,000 for the fiscal year 1976 and $104,500,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

"SEC. 107. INTERMEDIATE TECHNOLOGY.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of $20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries.".

COST-SHARING

SEC. 307. Section 110(a) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the period at the end thereof the following: "and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which meets the United Nations' criteria for relatively least developed countries".

DEVELOPMENT AND USE OF COOPERATIVES

SEC. 308. Section 111 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 111. DEVELOPMENT AND USE OF COOPERATIVES.—In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than $20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.".

INTEGRATING WOMEN INTO NATIONAL ECONOMIES

SEC. 309. Section 113 of the Foreign Assistance Act of 1961 is amended by striking out "Sections 103 through 107" and inserting in lieu thereof "Part II".

DEVELOPMENT ASSISTANCE

SEC. 310. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by amending section 209(c) to read as follows:

"(c) 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.";

(2) by amending section 214—

(A) in subsection (c)—

(i) by inserting "and for each of the fiscal years 1976 and 1977, $25,000,000," immediately after "$19,000,000,", and

(ii) by adding at the end thereof the following new sentence: "Amounts appropriated under this subsection may not be used to furnish assistance under this section in any fiscal year to more than four institutions in the same country, and not more than one such institution may be a university and not more than one such institution may be a hospital."; and

(B) in subsection (d), by inserting "and for each of the fiscal years 1976 and 1977, "$7,000,000," immediately after "$6,500,000"; and

(3) in section 223—

(A) by striking out "June 30, 1976" in subsection (i) and inserting in lieu thereof "September 30, 1978"; and

(B) by adding at the end thereof the following new subsection:

"(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects, are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements on a pilot basis. Of the aggregate face value of such guaranties hereafter issued, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed $5,000,000 in any fiscal year.".

FAMINE PREVENTION

SEC. 311. Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new title:

"TITLE XII—FAMINE PREVENTION AND FREEDOM FROM HUNGER

"SEC. 296. GENERAL PROVISIONS.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

"The Congress so declares because it finds—

"(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

"(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

"(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

"(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

"(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

"(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

"(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

"(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

"(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

"(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

"(3) international agricultural research centers;

"(4) contract research; and

"(5) research program grants.

"(c) The United States should—

"(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

"(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

"(3) assist such universities in cooperative joint efforts with—

"(A) agricultural institutions in developing nations, and

"(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

"(d) As used in this title, the term 'universities' means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as 'land grant' universities and other United States universities which—

"(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

"(2) can contribute effectively to the attainment of the objectives of this title.

"(e) As used in this title, the term 'Administrator' means the Administrator of the Agency for International Development.

"SEC. 297. GENERAL AUTHORITY.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

"(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

"(2) to build and strengthen the institutional capacity and human resource skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problems-solving effort and to introduce and adapt new solutions to local circumstances;

"(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

"(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

"(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

"(b) Programs under this title shall be carried out so as to—

"(1) utilize and strengthen the capabilities of universities in—

"(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

"(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

"(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

"(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

"(2) take into account the value to United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

"(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture.

"(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, and (3) be adapted to local circumstances.

"(d) The President shall exercise his authority under this section through the Administrator.

"SEC. 298. BOARD FOR INTERNATIONAL AGRICULTURAL DEVELOPMENT.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Agricultural Development (hereafter in this title referred to as the 'Board') consisting of seven members, not less than four to be selected from the universities and one of the seven shall be selected from a non-land-grant university. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

"(b) The Board's general areas of responsibility shall include, but not be limited to—

"(1) participating in the planning, development, implementation of,

"(2) initiating recommendations for, and

"(3) monitoring of,

the activities described in section 297 of this title.

"(c) The Board's duties shall include, but not necessarily be limited to—

"(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

"(2) developing and keeping current a roster of universities—

"(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

"(B) having capacity in the agricultural sciences,

"(C) able to maintain an appropriate balance of teaching, research, and extension functions,

"(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

"(E) able to contribute to solving the problems addressed by this title;

"(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

"(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

"(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purpose of this title;

"(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

"(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

"(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of duties, including but not limited to the following:

"(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297(a)(3) of this title; and

"(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297(a)(2), 297(a)(4), and 297(a)(5).

"(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

"SEC. 299. AUTHORIZATION.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110(b), 211(a), and 211(d) of this Act.

"(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

"(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

"(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and inhand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

"SEC. 300. ANNUAL REPORT.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 312. (a) Section 302 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a), by inserting immediately before the period ", and for the fiscal year 1976, $194,500,000 and for the fiscal year 1977, $219,900,000";

(2) in subsection (b)(1), by striking out "$51,220,000" and inserting in lieu thereof "$61,220,000";

(3) in subsection (b)(2), by inserting "and for use beginning in the fiscal year 1976, $27,000,000," immediately after "fiscal year 1975, $14,500,000,"; and

(4) in subsection (d) by striking out "1974 and 1975, $18,000,000" and inserting in lieu thereof "1976 and 1977, $20,000,000".

(b) Section 54 of the Foreign Assistance Act of 1974 is amended by striking out "part III" and inserting in lieu thereof "part I".

ASSISTANCE TO THE CAPE VERDE ISLANDS

SEC. 313. Section 496 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$5,000,000" and inserting in lieu thereof "$7,750,000";

(2) by striking out "$20,000,000" and inserting in lieu thereof "$17,250,000"; and

(3) by adding at the end thereof the following new sentence: "Notwithstanding the provisions of section 620(r) of this Act, the United States is authorized to forgive the liability incurred by the Government of the Cape Verde Islands for the repayment of a $3,000,000 loan on June 30, 1975.".

SUPPORT OF REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 314. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "in each of the fiscal years 1975 and 1976" and inserting in lieu thereof "in the fiscal year 1975 and $2,000,000 in each of the fiscal years 1976 and 1977".

TRANSITION PROVISIONS FOR INTERIM QUARTER

SEC. 315. Part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 665. TRANSITION PROVISIONS FOR INTERIM QUARTER.—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 year 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 such period shall not exceed one-fourth of the total amount authorized to be appropriated for the fiscal year 1976 for such programs and activities.".

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection

to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I have a point of order against language in the section. I presume that would come at this point.

The CHAIRMAN. The gentleman will still have an opportunity to press his point of order.

Mr. BAUMAN. I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Maryland will state the point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the language of section 302, page 15, lines 6 through 17, on the ground that it violates clause 5 of rule XXI of the House of Representatives which forbids the inclusion in any authorization bill of an appropriation which is beyond the jurisdiction of an authorizing committee and reserved only to the Appropriations Committee.

As a second ground for my point of order, I point out that the language cited seeks to reappropriate an existing fund by the device of creating a new authorization for a proposed international fund for agricultural development, which at this point is not even in existence under current law.

I cite to the Chair Cannon's Precedents, volume 7, paragraph 2146:

A proposition to reappropriate or make available an appropriation previously made or to divert such appropriation to any purpose other than that for which originally made is equivalent to a direct appropriation and is not in order in connection with a bill reported by a committee without authorized jurisdiction to report appropriations.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. MORGAN. Yes, Mr. Chairman, I rise in opposition to the point of order.

Mr. Chairman, this is the same point of order which was made before the beginning of the debate.

Proposed section 103(e) of the Foreign Assistance Act of 1961—contained in section 302(a) of H.R. 9005, as reported—which authorizes repayments on prior year foreign aid loans to be made available for specified purposes, does not, in effect, appropriate funds and hence is not subject to a point of order under clause 5 of rule XXI. The funds referred to in section 103(e) will not be available for reuse unless and until they are appropriated. The committee does not intend that these funds be exempted from the appropriation process as can be seen from the following:

(1) *The clear language of the bill*—Proposed section 103(e) specifically provides that amounts repaid "are authorized to be made available . . . for use" (i.e., and authorization for appropriation); it does not provide that they shall be available for use (i.e., an appropriation).

(2) *Prior practice*—Proposed section 103(e) merely reinstates (with modifications irrelevant to the issue at hand) the provisions applicable to foreign aid loan reflows in fiscal years prior to FY 1976 (see sec. 203 of FAA of 1961) which, in language identical to that contained in proposed section 103(e), authorized foreign aid loan reflows to be made available for certain uses. Reuse of reflow funds under the old law was subject to the appropriation process (see e.g., the Foreign Assistance Appropriation Act, 1975) and, accordingly, so will reuse under the new law.

(3) *The committee report*—The report of the Committee on International Relations on H.R. 9005 (Report 94–442) makes clear that the advantage of authorizing foreign aid loan reflows to be made available for the specified purposes is that certain programs can be carried out without appropriation of any *new* funds. Amounts previously appropriated for foreign aid loans which are repaid to the United States can be reappropriated for foreign aid purposes instead of taking money out of the U.S. Treasury for such purposes. Although loan reflow funds appropriated under section 103(e) will be supplemental to amounts appropriated from the U.S. Treasury, they are still funds which must be appropriated by Congress.

The CHAIRMAN. Does the gentleman from Maryland desire to be heard further?

Mr. BAUMAN. Mr. Chairman, the gentleman from Pennsylvania is correct in part. I had made a previous point of order on different grounds relating to the Budget Control Act at the beginning of consideration of this bill, but the gentleman has not answered all my contentions as embodied in Cannon's Precedents which I cited to the Chair, that even though this language may be within the purview of clause 5 of rule XXI, it seeks to reappropriate funds previously appropriated as well as funds presently being appropriated at some future date, and therefore this language exceeds the authority of this committee and impinges on the exclusive jurisdiction of the Appropriations Committee.

The CHAIRMAN (Mr. PRICE). The Chair is ready to rule.

The Chair concurs with the statement of the chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN), and feels that this language follows previously established precedents on at least one or two other occasions and particularly that cited in chapter 25, section 3.3 of Deschler's Procedures which reads:

Language in an amendment to a bill reported by the Committee on Banking and Currency increasing the authorization for loans and grants for technical assistance and providing that "receipts from such repayments shall be credited to the appropriation available for assistance under this section" where the receipts so credited could not be reused without further appropriation thereof was held not to be an appropriation within the purview of clause 4 Rule XXI. 109 CONG. REC. 12722, 88th Cong. 1st Sess., June 12, 1963 [H.R. 4996, Area Redevelopment Act amendments, 1963].

Based on these precedents, the Chair overrules the point of order.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, if I may be heard further, I make a further point of order.

The CHAIRMAN. The gentleman will state the further point of order.

Mr. BAUMAN. Mr. Chairman, I make a point of order against the language on lines 16 and 17, page 15:

Such amounts shall remain available until expended.

I do so on the basis of Cannon's Precedents, volume 7, section 2145, which says:

A proposition to render an annual appropriation available until expended is in effect an appropriation for succeeding years and is not within the jurisdiction of a committee other than the Committee on Appropriations.

I cite the ruling of Speaker Gillett on July 27, 1921 on almost the exact same question where a previously existing appropriation was sought to be made available beyond the fiscal year in a bill reported by an authorizing committee, rather than by the Appropriations Committee.

I point out that the pending authorization is only for 1976 and 1977, that the new language I have indicated seeks to employ loaned funds to be repaid during these years and there is no likelihood or probability that this money can be expended during the 1975–76 years and, in effect, I make a point of order that this procedure circumvents the appropriation process and is not in order.

Mr. MORGAN. Mr. Chairman, I again rise against the gentleman's point of order. This language occurs in lines 16 and 17 and is definitely subject to annual appropriations. I have again reviewed other parts of the act, Mr. Chairman. These can be used in the available time and are subject to an annual appropriation.

Mr. BAUMAN. Mr. Chairman, if I may be heard further, the gentleman has again failed to address my point. My point of order is based on the precedents of the House that clearly show that this language is written in a manner which extends this authorization beyond the purview of this committee, and by so doing infringes upon the jurisdiction of the Appropriations Committee and their right in the future to control these loan funds. Therefore, I contend it is not within the rules of the House.

The CHAIRMAN (Mr. PRICE). The language which the gentleman points out in the point of order, "Such amounts shall remain available until expended," in the first place, that language is common in many authorization bills. It enables the Committee on Appropriations, when it appropriates these funds, to make the money available until it is expended, without legislating in an appropriations bill. "Such amounts" refers back to the word "authorized" on line 8 on page 15. Since the funds must again be appropriated by the Appropriations Committee for this language to apply, the precedent cited by the gentleman from Maryland is not applicable. The Chair overrules the point of order.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Page 21, immediately after line 19, insert the following new section 310 and redesignate existing sections 310 through 315 as sections 311 through 316, respectively:

ACCELERATED REPAYMENT BY OPEC COUNTRIES OF FOREIGN AID LOANS

SEC. 310. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 116. Accelerated Repayment by

OPEC Countries of Foreign Aid Loans.—It is the sense of the Congress that the President should immediately enter into negotiations with each member of the Organization of Petroleum Exporting Countries which has any outstanding debt to the United States arising out of any loan made under this part, in order to arrange for accelerated repayment of each such debt. The President shall report to the Congress—

"(1) not more than 6 months after the date of enactment of this section, on any steps taken to initiate the negotiations described in the preceding sentence; and

"(2) not more than 12 months after such date of enactment, on the results of any such negotiations.".

Mr. LONG of Maryland. Mr. Chairman, seven oil-rich OPEC nations owe the United States almost $2.7 billion in foreign assistance (Public Law 480), and Export-Import Bank loans. My amendment calls on the President to take steps to accelerate these OPEC nations' repayments of their outstanding loans.

The need for my amendment is obvious. By the quadrupling of oil prices and threats of new increases, the OPEC nations have contributed to our inflation, our chronic capital shortage and general economic distress, while piling up substantial balance of payments surpluses. Morgan Guaranty Trust of New York estimates that the external financial assets of all the OPEC countries will rise to almost $200 billion by the end of 1976. Since 1946, the members of OPEC have received over $8½ billion in aid from the United States, with $78 million in aid proposed for fiscal year 1976.

The seven OPEC members which have significant amounts of United States loans outstanding—Indonesia, Iran, Venezuela, Algeria, Ecuador, Nigeria, Saudi Arabia—will receive an estimated $60 billion in 1975 in total oil revenues. Surely, these OPEC nations could accelerate their payment of their outstanding U.S. loans.

To those who argue that we cannot change the terms of repayment of loans, I would point out that since 1956 the United States has participated in 35 debt reschedulings in which more than $1.3 billion in U.S. loan repayments have been postponed. Indonesia, a member of OPEC, has benefited from four reschedulings of U.S. loans amounting to $311 million. If loans can be stretched out through rescheduling, why cannot repayments be accelerated? Accelerated repayments of this $2.7 billion outstanding loans would bolster our balance of payments, which showed an $11 billion deficit in 1974, mainly because of oil payments. These funds would also help, at least marginally, to ease our chronic capital shortage, lower interest rates and provide needed capital for energy exploration, housing, education, help to the elderly health services, and other pressing domestic needs.

Mr. Chairman, I urge the committee to support my amendment today. Adoption of this amendment will give clear notice to the administration of the Congress feeling that the administration should at least make an honest try to get oil countries to whom we have loaned money in their time of need to repay us in our time of need. Therefore, I urge adoption of my amendment. I would like to include tables that show the amounts of loans outstanding and other evidence.

First. The OPEC oil-producing countries with substantial amounts of U.S. loans outstanding.

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

Second. Debts in arrears.—Principal and interest due and unpaid 90 days or more—on loans and other credits by the U.S. Government. Source: Treasury Department, table as of December 31, 1974.

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

Third. Reschedulings.—A list of the 35 reschedulings over the last 20 years. Indonesia, an OPEC oil-rich country, has benefited from four of these reschedulings in which $311 million in U.S. loan repayments have been rescheduled or stretched out. Total loan repayments from all donors and other creditors which were rescheduled for Indonesia in these reschedulings exceeded $2.5 billion.

INTERNATIONAL DEBT RESCHEDULING EXERCISES, 1959-75

[Dollar amounts in millions]

Year and country	Total amount rescheduled	Amount of U.S. debt rescheduled	Consolidated period	Terms	Comments
1956—Argentina	$500.0	0	Arrears to June 30, 1956	No grace, 9 yr—3½ percent	
1959—Turkey	400.0	0	5 yr, 5 mo	No grace, 12 yr—3 percent	Only U.S. commercial debt rescheduled.
1961—Brazil	300.0	0	4 yr, 7 mo	6-mo grace, 5 yr—various percents	Eximbank rescheduled $305,000,000 in separate arrangement.
1962—Argentina	240.0	0	2 yr	No grace, 6 yr—various percents	Eximbank extended a $72,000,000 refinancing loan in 1963.
1964—Brazil	200.0	$44.5	2 yr	2 yr grace, 5 yr—various percents	Eximbank only.
1965—Chile	96.0	43	2 yr	2 yr grace, 5 yr—various percents	
1965—Turkey	220.0	15	3 yr	5 yr grace, variable	
1965—Argentina	76.0	18	1 yr	2 yr grace, 5 yr—various percents	Eximbank only.
1966—Ghana	170.0	.511	2 yr, 7 mo	2½ yr grace, 7½ yr—various percents	Eximbank only.
1966—Indonesia	247.0	51	1½ yr	3 yr grace, 8 yr—3-4 percent	Interim rescheduling.
1967—Indonesia	95.0	23	1 yr	3 yr grace, 8 yr—3-4 percent	Interim rescheduling.
1968—India	300.0	27	3 yr	62 percent grant element	
1968—Peru	58.0	0	1½ yr	1-1½ yr grace, 4 yr—various percents	Only U.S. commercial debt rescheduled.
1968—Indonesia	85.0	22	1 yr	3 yr grace, 8 yr, 3-4 percent	Interim rescheduling.
1968—Ghana	100.0	.141	3½ yr	2 yr grace, 7¼ yr—6 percent	Eximbank only.
1969—Peru	70.0	0	2 yr	1 yr grace, 4 yr—8-9 percent	
1970—Indonesia	2,100.0	215	All maturities	30 yr—0 percent	Incorporates 1966-67 and 1968 rescheduling.
1970—Ghana	25.0	0	2 yr	Variable	Eximbank only.
1971—India	92.0	9	1 yr	62 percent grant element	
1971—Yugoslavia [1]	59.0	59	2 yr	2 yr grace, 10 yr—5 percent	
1971—Egypt [1]	145.0	145	4.5 yr	27 mo grace, 5 yr—6.6 percent	No grace on CCC credits.
1972—Cambodia	2.0	0	1 yr	2 yr grace, 8 yr—3 percent	
1972—Chile	160.0	65	1 yr, 2 mo	2 yr grace, 6 yr—5-6 percent	
1972—Pakistan	234.0	51	2 yr, 2 mo	2 yr grace, 3 yr—5 percent (maximum)	
1972—India	153.0	29	1 yr	59 percent grant element	Continuation of 1971 agreement.
1972—Cambodia	2.5	0	1 yr	2 yr grace, 8 yr—3 percent	
1972—Turkey	114.0	0	All maturities	5 yr grace, 25 yr—3 percent	Proceeds assigned to United States as partial reimbursement for U.S. establishment via grants of European monetary fund.
1973—Poland [1]	32.0	32	2 yr	4 yr grace, 8 yr—6 percent	
1973—Pakistan	103.0	23	1 yr	2 yr grace, 3 yr—5 percent (maximum)	Temporary and partial extension of 1971 agreement.
1973—India	187.0	29	1 yr	55 percent grant element	Continuation of 1970 and 1971 agreement.
1974—Ghana	290.0	0	Pre-1966 commercial	10 yr grace, 18 yr—2½ percent	Incorporates 1966-68 and 1970 rescheduling.
1974—Chile	367.0	136	2 yr	80 percent at 3 yr grace, 7 yr—various percent	
1975—Chile	240.0	83			
1974—Pakistan	650.0	210		4 yrs, 62 percent grant element	
1974—India	194.0	45		1 yr—62 percent grant element	
35 reschedulings	7,896.0	1,324.1			

[1] Bilateral.

Note: The concept of "grant element" is a measure of concessionality of lending terms. It compares a loan on given terms with a hypothetical loan at 10 percent with no grace period; the lower the grant element (expressed as a percentage), the closer the rescheduling terms are to this hypothetical loan.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be glad to yield to the chairman of the committee.

Mr. MORGAN. Mr. Chairman, I think the objective behind the gentleman's amendment is certainly laudable, to require nations with large oil fund surplusses to repay loans so the the funds can be used to assist more needy nations. But has the gentleman done any research as to how many OPEC countries are involved here in owing us money?

Mr. LONG of Maryland. Indonesia, $1,018,300,000; Iran, $1,013,700,000; Venezuela, $213,700,000; Algeria, $108,900,000; Ecuador, $113,700,000; Nigeria, $100,800,000; Saudi Arabia, $40,900,000.

I might point out that Iran, one of the richest OPEC countries, still owes the United States $36 million in past due debts incurred right after World War II according to a General Accounting Office report.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MORGAN, and by unanimous consent, Mr. LONG of Maryland was allowed to proceed for 1 additional minute.)

Mr. MORGAN. If the gentleman will yield further, I think the gentleman's figures are far out of line. The gentleman is adding Public Law 480 money, and other credits, where the gentleman's amendment only applies to development loans.

Under the gentleman's amendment, the figure the gentleman read for Venezuela is way out of line and, of course, the same for Ecuador.

Mr. LONG of Maryland. In the case of outstanding loans for Venezuela, $102.7 million is outstanding in foreign assistance loans, $111 million in Export-Import Bank loans, and none of it in Public Law 480 loans.

Mr. MORGAN. The figure we have for Venezuela, is only $41.5 million, not the figure the gentleman has just read.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LONG of Maryland was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. I am not quite clear what the gentleman's point is on this. These are figures on loans outstanding. The source is the Treasury Department.

If the gentleman is talking about the payments that are overdue, that is another question. I am asking that we try to get the repayments accelerated, even though it may not be overdue at this time. As a matter of fact, there are substantial sums that are overdue right now from these seven countries—a total of $47.8 million.

Mr. MORGAN. The gentleman is reading figures that are not covered by his amendment. The gentleman is including Public Law 480 and Export-Import Bank loans. They are not covered by the gentleman's amendment.

The gentleman is going far afield in citing these figures.

Mr. LONG of Maryland. I can give the gentleman the figures, excluding Public Law 480. From these seven countries, $813.9 million in foreign assistance loans are outstanding.

Mr. MORGAN. I think the gentleman's figures are terribly inflated.

Mr. LONG of Maryland. The Public Law 480 figures are only a small part of this. $2.7 billion is the total amount outstanding, of which only $700 million is Public Law 480. So $2 billion is the amount, excluding Public Law 480.

I do not think I have exaggerated the problem, Mr. Chairman.

Mr. BIESTER. Mr. Chairman. I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I join with the chairman of the full committee in recognizing the laudable purpose of the gentleman from Maryland, but while his purpose is good, the impact of his amendment would be, it seems to me, detrimental to not only the interest of the countries affected, but to the interest of the foreign policy of the United States.

The impact of the gentleman's amendment would be to strike out only those nations which did not participate in the embargo against the United States.

The countries on which loans are outstanding are, in fact, the poorest of the countries who are members of OPEC. They include Nigeria. Nigeria has a per capita income of about $200 and is listed as one of the least developed countries of the world.

Not listed among those who would be affected by this are the Arab countries, the oil rich sheikdoms, against whom I fully understand the tenor of the gentleman's remarks, but they are left out of the impact of the gentleman's amendment.

So, in effect, we would be passing an amendment that would not affect those who hurt us most and would be hurting those who deserve our consideration the most and in time of the embargo protected the markets of the United States and kept some oil flowing into us.

For those reasons I, in a sense, understand the purpose of the gentleman's amendment, but I urge that it be rejected because, in effect, it hurts those who have helped us.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with his remarks.

I think, although the purpose of the amendment is certainly laudable, the problem with the admendment offered by the gentleman from Maryland (Mr. LONG) is that it lumps all the OPEC countries together. Actually they fall in many different categories. Some of them are indeed very rich, but they are not going to be hurt by this amendment. Some of them are very poor.

The largest amount of money outstanding, as I understand it, is from Indonesia. The fact is that Indonesia still has overwhelming developmental problems. It is certainly not in the category of Saudi Arabia or some of the wealthy Arab States.

Mr. BIESTER. Mr. Chairman, Indonesia is certainly one of the friends of the United States in the area of East Asia.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Florida.

Mr. FASCELL. Not only that, Mr. Chairman, but this shotgun approach shoots down the very friends of the United States who helped us when we had problems. This would include Nigeria and Venezuela. I do not understand why we would want to have this amendment apply to them.

There is one other problem here. It might be all right to talk about this as a laudable objective, but to accomplish it by legislation does harm to all parties.

Rescheduling means that people get together and agree on how to do it for the benefit of both parties. What this legislation would seek to do is to reschedule by acceleration, and tells the administration that we would treat friend and foe alike.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BIESTER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I wonder whether the gentleman understands my amendment.

Mr. BIESTER. I think I do, Mr. Chairman.

Mr. LONG of Maryland. Mr. Chairman, my amendment does not require that any country do anything. My amendment simply asks the administration to enter into negotiations with these countries to try to get them to do it; that is all. The administration is amply equipped to take account of the differences in the circumstances of various countries we are trying to help.

Mr. BIESTER. Mr. Chairman, the problem with the gentleman's amendment is that the countries with whom the administration might enter into negotiations all have the same kinds of difficulty in terms of payment problems. All of them were friends of the United States during the time of the embargo, and all are major suppliers to the United States at the present time, as I understand it.

These countries include Indonesia and Nigeria.

So the very countries the gentleman would provide help for are countries that are totally excluded from the impact of his amendment, totally excluded from the impact of the sense of Congress, and totally excluded from negotiation on the part of the administration.

Mr. LONG of Maryland. Mr. Chairman. if the gentleman will yield further, I wonder if the gentleman realizes that a number of these countries, including Indonesia as one of them, are not in any way having any balance of payment problems. The fact is they have enormous balance of payment surpluses.

Although a great number of people in Indonesia are poor, this is the fault of the leaders in that country who have shown no disposition to share the wealth that is extracted from us with their own poor people. No matter what we do here, they are not going to share their wealth

with the poor people of their own countries.

We might as well try to get that money back to help us with our own problems.

Mr. BIESTER. Mr. Chairman, the gentleman is talking about one country in East Asia which is friendly toward the United States and which was friendly to us during the oil crisis, and which, in terms of the needs of the American economy and the needs of our foreign policy objectives, deserves the best of consideration from us in the field of international and economic relations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG).

The amendment was rejected.

AMENDMENT OFFERED BY MR. HARKIN

Mr. HARKIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARKIN: Page 21, immediately after line 19, insert the following new section 310 and redesignate existing sections 310 through 315 as sections 311 through 316 respectively:

HUMAN RIGHTS

SEC. 310. Part 1 of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 115 the following new section:

"SEC. 116. HUMAN RIGHTS.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights (including torture or cruel, inhuman, or degrading treatment or punishment), prolonged detention without charges, or other flagrant denials of the right to life, liberty, and the security of a person, unless—

"(1) the President determines that such assistance will directly benefit the needy people in such country and reports such determination to the Congress together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country; and

"(2) neither House of Congress adopts, within 30 days (excluding days when both Houses are not in session) after receiving such report, a resolution stating in effect that such House objects to furnishing such assistance to such country.

"(b) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross or groups or persons acting under the authority of the United Nations or of the Organization of American States."

Mr. HARKIN. Mr. Chairman, first of all, I would like to commend and congratulate the distinguished chairman of the Committee on International Relations for bringing this bill to the floor. I think it is a giant step forward for the House to take to separate the economic, food and development assistance from the military and security assistance provisions of the aid bill.

My amendment is a simple, straightforward human rights amendment.

As it was reported, paragraph (a) basically says that no assistance will be provided the government of any country that engages in a consistent pattern of gross violations of internationally recognized human rights. However, discretion and leeway are left to the executive branch of the Government, and here is where I disagree with those of my colleagues who want to cut off all aid to certain specific countries, because in many cases when we do that, we hurt the very people who need the aid. Those are the needy people in those countries.

Therefore, while I might oppose aid to those countries as a method of supporting their budget—for example, now I am talking about those governments that fall under these provisions of violating human rights—while I might oppose aid to those governments, if the aid is given to the needy people of those countries, then I have no opposition to this form of aid.

I have long believed that we cannot be the policeman of the world, but we can be as careful and judicious as possible in giving aid to the needy of other countries as we are in giving aid to the needy in our own country.

Recognizing this fine line, subparagraph (1) of my amendment leaves to the executive the discretion to exempt a country that may fall under the provisions of this paragraph of violating human rights. The executive can still, by showing Congress and by giving us a detailed report, go ahead and give development assistance to that country if he can spell out how that aid reaches the needy people of that country.

Subparagraph (2), after that, gives either the House or the Senate 30 days to override the decision of the executive branch of Government that such country can receive this aid and such aid is, in fact, being given to the needy of that country.

Here, I believe, we are just exercising the proper oversight that we ought to exercise in Congress in this regard.

I would like to point out that if the Executive determines that a country is not violating internationally recognized human rights, then the responsibility falls upon the appropriate committee of Congress—and that would be the Committee on International Relations—to examine this determination and to call up those from the executive branch to find out on what basis they made that decision. Therefore ultimate responsibility and oversight is still left up to the committee.

Finally, subparagraph (b) says that in making the basic determination of whether or not a country falls under the provisions of this amendment, consideration, not absolute consideration, but consideration must be given to the extent of the cooperation that was given by that country to an unimpeded investigation by appropriate agencies and international organizations such as the Red Cross, the United Nations, and the Organization of American States.

My amendment is not something that is brand new. As a matter of fact, most of the language of my amendment is exactly like that which is found in section 502(b) that was passed last year in this Congress on last year's Foreign Assistance Act.

It is basically the same language. However, section 502(b) of course goes to the security assistance, my amendment covers the rest of that part that goes to economic and food assistance to countries. My amendment differs from section 502(b) in three important areas: First, section 502(b) is only a "sense of Congress" provision; my amendment is operative as a section of a law; second, section 502(b) covers security and military assistance, my amendment covers development assistance; and third, an avenue is left open in my amendment to continue such development aid if it can be shown that such aid is going to the needy people of a country falling under the provisions of section 116, paragraph (a).

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman from Iowa for yielding to me and I commend the gentleman on offering the amendment he has, which the gentleman has discussed, and which I intend to support. While there are many laudable humanitarian purposes contained in the International Development and Food Assistance Act of 1955 which have been considered by the Committee on International Relations, we still do not actually know how many countries will receive it and what countries are going to receive it, and whether we will be bailing out any dictatorships in so doing.

Let us take the Republic of India, for example, which I understand has recently imprisoned several thousands of political opponents of the President, Mrs. Ghandi who, recently, I might add, had a law repealed under which she was accused so she could not be convicted under it, and I wonder whether under the scope of this amendment economic aid, which I understand India expects to get under this legislation, could be cut off because of the activities there in imprisoning, without just reasons, political opponents of the present administration?

Mr. HARKIN. To answer the question of the gentleman from Georgia, it could be shut off, unless the executive branch could show us that that aid was clearly getting to the needy people of that country.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. LEVITAS, and by unanimous consent, Mr. HARKIN was allowed to proceed for 1 additional minute.)

Mr. LEVITAS. Who would make that determination?

Mr. HARKIN. It would be up to the executive branch to make that determination, it seems to me, to decide that the aid was getting to the needy people of the country, they of course could con-

tinue the aid. However, either House of the Congress has 30 days after the report to override the decision of the executive branch.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. BINGHAM and by unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from New York.

Mr. BINGHAM. I would like to ask the gentleman a question or two. The first is about what the gentleman means by aid that would directly affect needy people? I think that is a definition that can cause real trouble. I sympathize with what the gentleman is trying to get at in his amendment. But, for example, what about agricultural research programs that are designed to develop hardier strains of grain, better seeds, would that fall within the category of aid that would directly benefit needy people?

Mr. HARKIN. Yes; I think it would. I am talking strictly about the kind of aid that is given directly to a government and we do not trace it and follow it down to make sure it is reaching people. But, in terms of agricultural development aid, yes.

Mr. BINGHAM. What about, for example, aid to a school to train vocational teachers? Would that be aid that would directly benefit needy people?

Mr. HARKIN. I do not know if I can answer the gentleman's question on that, I would have to defer that to the Department of State or to the committee to answer that type of question. I could not answer it without having more facts.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WHALEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to pose a question or two to the author of the amendment if the gentleman will remain in the well for that purpose.

The gentleman's amendment proposes that aid be denied where there are gross violations of internationally recognized human rights. What worries me is who makes the determination that these gross violations do exist?

Mr. HARKIN. Again I would think this would be principally determined through the committee. I think it would be made by the Department of State, that is, the executive branch of the Government, and also the appropriate subcommittee of the Committee on International Relations. That subcommittee I believe would be the Subcommittee on International Organizations and Movements. I believe that is the proper subcommittee that is chaired by the gentleman from Minnesota. For example, they have been conducting an investigation into those areas and I believe they could adequately make that determination.

Mr. WHALEN. But the fact that the President in his request to Congress requests aid for a specific country, does not that imply that the President feels that there are no gross violations?

Mr. HARKIN. That is what I mean. The appropriate subcommittee or the committee itself could make that determination on its own, that country X falls under the provisions of this amendment and, therefore, it could call the Department of State in and say, "Why have you not placed this country under this amendment? Justify your reasons for not doing that."

Mr. WHALEN. But legislatively, how would this preclude the granting of that aid to the country that has been determined by the appropriate subcommittee to be guilty of gross violation?

Mr. HARKIN. All I can say is that I think then the executive branch would have to point out the dollar amounts and a detailed explanation of how this aid would directly benefit the needy of that country, not just simply that we are giving so much to the Government and that is it. That is all. We are following through on it, by requiring exactly a detailed description of how it is getting down to the needy people.

Mr. WHALEN. To reiterate my concern, there is no official determination of gross violations in the absence of such decision by the executive branch. Therefore, there is nothing to preclude the executive branch from saying, "We do not recognize this as such, and we are going to go ahead and grant the aid."

Mr. HARKIN. The gentleman is absolutely correct. That is where we rely upon the committee itself to make that determination. That is where we come into the dual role which I think is an appropriate role for both the executive and legislative branch to play.

Mr. WHALEN. What the gentleman is suggesting, then, is a bargaining process without any real authority granted to the Congress.

Mr. HARKIN. Of course, the real authority always lies in the committee and in this House, in the Congress. That is where the authority lies. But I think by adopting this type of amendment, again the gentleman is right: It is not so tight that it cuts everything off, and I purposely left it fairly open with that loophole that the aid could go to the needy, recognizing the fact that both the executive branch and the committee itself have appropriate roles to play in this regard.

Mr. WHALEN. I appreciate the gentleman's concern. But if the subcommittee, the full committee, and, indeed, the Congress conclude that a country is guilty of gross violations of human rights, and despite this fact the administration has requested AID funds, does it not require some legislative action to insure the fact that this country will not receive such assistance?

Mr. HARKIN. Yes, and I think again, if I understand the thrust of the gentleman's remarks, here again is where the President would say, "Yes, we are going to continue aid to that government." But then I think they would have to spell out how it gets to the needy people. Again here is where the provisions of subparagraph (2) would come into play, and then we would have 30 days to object to that determination.

Mr. WHALEN. If I may summarize, then. First, as I see it, there is no authority to determine what countries are guilty of gross violations; second, the executive branch, therefore, is perfectly free to ignore the thrust of this particular amendment if it were adopted?

Mr. HARKIN. I understand that, and I purposely left that as it is because I do not want the amendment to say that the executive can make that determination and then we are locked in. Neither should we make that determination without some input from the executive branch, and that is the dual role I am talking about.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

I would like to ask the gentleman in the well a question. As I read his amendment, he is imposing upon the President the duty to determine that such assistance will directly benefit the needy people, and provide this Congress with a detailed explanation of the assistance to be provided; is that correct?

Mr. HARKIN. Yes; that is right.

Mr. HYDE. As one of the most outspoken advocates of slashing the President's staff, does the gentleman think the President will have adequate staff to comply with this new duty the gentleman is imposing on the White House?

Mr. HARKIN. I think there is enough staff in the Department of State to come up with this. I think if we cut the staff of the Department of State in half, they could still come up with this.

Mr. HYDE. I thank the gentleman.

Mr. WHALEN. I thank the gentleman for his responses to my questions.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the colloquy that we have just listened to demonstrates one of the major difficulties with an amendment of this kind. This is not the first time all of us have struggled with the difficulty that arises when we seek to do good things, right things, or to express a strong moral position with respect to the implementation of the foreign policy of the United States, and to use as a means of attempting to assure or to bring about a change, or at least to maintain our position, that tool which is available to us is "a program of the United States" to bring it about.

I do not know how many times we have tried to do that by legislative mandates of one kind or another without too much success.

The Subcommittee on International Organizations chaired by the distinguished gentleman from Minnesota (Mr. FRASER) has gotten very deeply involved in the whole question of human rights; the values which should be supported by the U.S. Government in its programs; and to give recognition to the factor of human rights as a matter of national policy. And I must add that consider-

able improvement in consideration of human rights as a matter of national policy has occurred.

How was that done? It was done in several ways. First, there was a long series of hearings highlighting the facts and our concern. Second, explicit legislative action was taken where a determination was actually made by the Congress. Third, we provided in the present law, as the sponsor of this amendment has correctly pointed out, that it is the sense of Congress that consideration of human rights is a very important ethical matter which ought to occupy a high place in the foreign policy considerations of the United States. Fourth was to bring the matter to the attention of the administration at a high enough level so that we would begin through the whole diplomatic and implementation process to get the meaning into practice. That is the place to become effective. I must give great credit to the gentleman from Minnesota. Mr. FRASER and others who joined with him in having our Government respond affirmatively. The Secretary of State has appointed a special Assistant to the Secretary of State whose sole concern are the questions of human rights—thus upgrading the concern of the United States on this very important question.

Let me conclude by saying this. This is an issue which morally does confront the United States. A balance is sometimes very frustrating and difficult to achieve in our relations with another country, between various factors of great importance to the United States and where we are going to place a particular factor in our relationship with that country. What we have been saying in the International Relations Committee and I think what we have been able to do, is to raise the recognition and consideration of human rights to the high level where it belongs as an ethical and moral factor in the foreign policy of the United States.

No one can quarrel with what the proponent of this amendment is trying to do, but I say respectfully that to mandate this in legislation is not the way to do it. Let us decide what we want to do; when we get a chance to act, let us in Congress act affirmatively as we have done in the past; and in the meantime let us keep the pressure on the administration to see that this question is considered and implemented properly, and that we also consider our other interests at the same time. That is the only reason why I would hope that this amendment is not agreed to.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. Is it not true that as recently as August of this year the Director of the AID program, Mr. Dan Parker, had again circulated a memorandum for assistant administrators and heads of offices which advocated and outlined an affirmative program in the area of human rights? There are definite steps being taken in many of the areas to influence and promote human rights. I submit it can be done properly and more effectively rather than to mandate it in legislation. The course the gentleman's amendment would require would be counterproductive.

Mr. FASCELL. The difficulty is not the concept. We are trying to do and are doing what the gentleman in his amendment is trying to do. Mandating it is not the way to do it.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, this must be since I have been on the Committee on Foreign Affairs the one-thousandth time I have heard somebody get up, as the gentleman from Florida did, and say, "Oh, this is a good amendment. It's a great idea. It ought to be done, but it's too hard for the bureaucrats to do."

Now, that is a lot of baloney. The only reason we got this bill here really mainly, the reason they are pushing it downtown is so that bureaucracy can stay in business. God knows they do little enough now and to give them one little additional thing to do is not going to hurt them any. It may even get them to working for a change.

I will guarantee that anyone can go down and walk through that foreign aid agency and find 20 percent of them asleep, 20 percent reading newspapers, 20 percent out for coffee, 20 percent in the various men's or lady's rooms, and another 20 percent are taking a vacation; so you have darn near nobody there at any given time.

Now, what does this amendment say? It says:

> No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights.

Then it gives the President the right to go ahead and do it, but he has to say why he does it. He has to spell out whether or not the money is getting to the people.

Now, we are appropriating or going to appropriate a lot of money here and we can go home and explain it to our constituents. Why when New York is bankrupt and they are not getting what they ought to get that we are putting out this kind of money—to whom? The British Solomon Islands. They are getting a handout. Now, I am fond of the British, but on the Solomons I say they will have to take care of it.

I do not know if anyone knows Sri Lanka, but that used to be Ceylon. Do we know who is the head of that government, that miserable Bandaranaike woman, who is only exceeded in her miserableness by the head of the Government of India, to whom we are also giving a handout.

Then we are giving some to Chile. We gave some to Greece when it was governed by the colonels who were pulling people's fingernails out and doing all sorts of torture, and yet some Members may say this is imposing a terrible burden on the bureaucracy to decide these countries are doing it. It is no big burden. All we have to do is read the newspapers.

Like in South Vietnam, I remember people used to get up on the floor and say, "You know, the Government of South Vietnam is so rotten and so miserable and so horrible." I do not hear anybody saying that anymore. It still may be, but there are no Americans there to write about it. They threw them all out.

So what is wrong with this amendment? It is well-intentioned. It may do some good. The bureaucracy may enforce it a little bit. We ought to put their feet to the fire and give them a chance to try it.

The gentleman from Chicago (Mr. HYDE) talks about the President. The gentleman has been around long enough to know that when we say the President, we do not mean the President. We mean somebody the President delegates. I do not care whether he delegates Mr. Parker or anyone of Mr. Parker's 75 assistants. Somebody ought to be making the determination. Somebody ought to be cutting it off if we are going to take care of the money of the people of the United States.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would like to associate myself with the statement of the gentleman from Ohio. It is far beyond the time when we ought to cut off these giveaways generally but until this House is more enlightened in our own self-interest, we should at least cut off aid to repressive regimes.

I do not favor the section of the amendment which makes reference to the United Nations since the historical pattern of its action show anything but objectivity or dependability but the overall purpose is meritorious and should be supported.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope very much that this House will not accept this amendment. It is very possible that in those countries where people are most depressed, most tortured, most miserably treated, they most need food. We are not here talking about money we are going to give governments; we are talking about food and help for people, with the distribution to be handled by such groups as the Lutherans, the Catholic Relief Services, and Care. It goes directly from the purses of our taxpayers into the mouths of those who are starving.

Herbert Hoover went to Communist Russia with food after the first World War. Have we so fallen in compassion that we care more about who is in the palace than we do about the people starving in the cities and in the fields?

This is a bad amendment. We are not here dealing with aid to governments. We are talking about suffering people, and when we have, as the Meyner amendment would have provided and this bill does provide, aid to people through agencies we can trust, there is no use

talking about whether or not the government is to our liking. We are talking about people in trouble, and they need help.

Mr. TSONGAS. Mr. Chairman, I move to strike the last word.

If the author of the amendment would take the well for a moment, I would like to put a question to him.

I am sympathetic with the intent of the gentleman, but let me ask a question: Take the average person living in Ethiopia, a country with which I am familiar, in which there has been a great deal of trouble lately so that it would not qualify under this amendment and would violate internationally recognized human rights, if the amendment is invoked by either the Congress or the President, what causative effect, if any, will that have on the average citizen living in a country such as Ethiopia, positive or negative?

Mr. HARKIN. Will the gentleman rephrase the question? I am not sure I understand exactly what the thrust of it is.

Mr. TSONGAS. If we pass this amendment, are we tweaking the noses of some people we do not like and at the same time hurting the average person in the country, or are we not taking into account the average person in Ethiopia or any country the gentleman wants to name in which this amendment is involved—is that going to help him or hurt him?

Mr. HARKIN. That would hurt him. However, we have that loophole which is left here and which the gentlewoman from New Jersey who just spoke did not recognize.

That is, if the President can offer a sufficient reason for this aid, that this aid is given to the needy people in that country, then they can go right ahead with that aid.

Again, what I am opposed to is the blanket giving of this economic aid to governments where there is no follow through, where it is not getting through to the people who need it.

Mr. TSONGAS. If the gentleman was the leader of a country and we invoke this provision, he would blame the United States for it and go for whatever political domestic consumption that would be worth, so that the leadership we are worried about would not be hurt by this amendment; rather, the average person living in the country.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I think I understand the gentleman's genuine concern, and I share it, but let me say to the gentleman—and I am surprised that the gentlewoman from New Jersey with her many years of experience has not recognized this fact—that we do not get down to the people in many, many countries unless the heads of the governments let us. That is where the sticking point is. We can give all the aid we want to to the people of Ethiopia, but it is going to be filtered through the government, whoever it is.

Some of it is going to stick there and the rest is going to be directed to where they want it to go or it is not going to go anywhere. So, I do not see that this amendment is going to hurt the filtering down at the bottom which we are trying to help, if the President makes a determination we will get to him. The amendment does not apply then.

I have been in the field in a good many of these cases, and I have seen some where the aid was getting through and others where it never got past the capital. I think that is what the gentleman from Iowa is trying to do, to filter out. I am not saying his amendment will do it perfectly, but I think it will help.

Mr. TSONGAS. Let me respond to that. I have been in Ethiopia for 2 years where we did have violations of human rights, and American economic aid had impact on average persons living in that country.

Mr. HARKIN. That is why I believe, if I can respond, why I believe the gentleman from Ohio is absolutely correct. It may not be the most perfect, airtight, absolute amendment in the world, but it does take a step in the right direction. It does put them on notice that we, or at least our executive branch of this Government, has to make a determination that this aid is given to the people. That is what we care about.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. TSONGAS. I yield to the gentleman.

Mr. RYAN. I would like to support this amendment and I would like to say, in response to the gentleman's concern, I think it is a very real concern.

In response to what the gentleman from Ohio (Mr. HAYS) has to say, and whose comments are totally adequate, what actually happens is that when this country refuses or cannot send aid to a particular country because of the nature of the government itself, it indicates to the people themselves, "Look, we would like to help you, but you have got some meatheads in the capital who are trying to repress your rights. We would like to help you further if you can put pressure on them."

Where pressure is placed on any head of state, he is forced to say to the public that he cannot get food because of the nature and tactics of his government.

If we would have done this before now, we would have a much better kind of foreign aid program than we do have now.

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment for one specific purpose, to clarify the remark of the gentlewoman from New Jersey (Mrs. FENWICK) when she stated it was not a question of who lives in the palace but where the people are, and there are very worthwhile agencies who would funnel these moneys down to the people.

The fact of the matter is that these moneys of necessity have to be funneled through the administration of the respective nations, and where the administration of that nation does not permit the moneys to descend to the people, then it should be incumbent upon us, and we, as the donor nation, have the responsibility of turning that funnel off.

Conversely, if it is administered properly, then the country should be permitted to receive these moneys.

This amendment is sufficiently flexible to deal with these circumstances.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK, I thank the gentleman for yielding.

Mr. Chairman, we very often send in the food itself. I do agree that there have been some abuses. I have heard of packages of food marked "Gift of the American People, Not For Sale," being sold in the mountains of Peru to the Indians. Why? Because those packages of food, that rice, was delivered to the government and the government distributed it.

I am speaking on behalf of the program which allows us, wherever there is starvation and wherever we do not trust the government, to send it in the form of food directly—food, not money—and that food will be delivered to Catholic Charities, to CARE, to the Lutherans, whoever happens to be on hand, and they put it in the mouths of the people. They do not give it to the government. The government never receives it.

Mr. BIAGGI. That may well be, and I am not being critical of the agencies. The fact of the matter is that there is corruption, and the fact of the matter is that these moneys do go to the administration.

Mrs. FENWICK. If the gentleman will yield, it does not have to be moneys. It can be food.

Mr. BIAGGI. It could be moneys or food. But we are dealing with a practical situation.

I have checked with the gentleman from Florida, who, in fact, testifies that these moneys or food, go, in the most part, to the administrations. And the issue is whether or not it in fact does reach the people. If it does, we have no objection. We should have no objection to this amendment. As a matter of fact, very frankly, we are talking in terms of current abuses by certain ostensibly democratic nations—India, and the like. But let us extend this right to Russia. There is an abuse in Russia, an abuse of the people.

We have discussed that in this chamber, and the principle is fundamental. We should adhere to that principle, and there should be a check. This blank check business is out. It is inconsistent with proper government.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I think the whole crux of what the gentlewoman from New Jersey (Mrs. FENWICK) was saying is that if the money is going to CARE or if the food is going to the Red Cross or if the food is going to a Catholic charity and the President so certifies, then the amendment becomes inoperative.

What we are trying to do is eliminate the short-circuiting, in cases where the food is being sent to a Catholic charity,

we will say, and intercepted at some government level and confiscated and something else being done with it, and yet we just continue sending it there.

I believe this amendment would help in the area of what the gentleman is talking about, not hurt it.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words.

I wish to take a few minutes to point out a few things. I wish to remind the gentleman from New York that he was the author of the disaster assistance provision for Cyprus. This bill, of course, has a disaster section in it.

I know the gentleman will agree with me that during the recent crisis, both sides in Cyprus violated human rights. There was torture on each side, for instance. I wonder what determination the President would be able to make under the proposed amendment as far as Cyprus is concerned.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I am surprised at the statement of the chairman of the committee. I would like to give the gentleman an analogy.

If I am living in my home with my family and a burglar comes into the house in the middle of the night and abuses a member of my family, that would be an atrocity and an abuse. Now, if I in defense shot and killed that burglar, would the gentleman regard me as an abusing person?

I do not think the analogy the gentleman gave is accurate. Really I do not.

Mr. MORGAN. But there have been violations of human rights.

Mr. BIAGGI. Not necessarily. Yes, that is true, but only by the initial aggressor: Turkey, in the gentleman's analogy, and the burglar who came into my home, in the analogy I cited.

Mr. MORGAN. Would the assassination of an American Ambassador be a violation of human rights? The Ambassador was not violating anyone's rights.

Mr. BIAGGI. Mr. Chairman, that was a tragic occurrence, and I certainly condemn that. But let us deal, if we may, with the total picture. That was an unfortunate incident, I am sure the chairman of the committee would agree, but it does not relate to the initial offense.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I am willing to use Cyprus as a perfect example of what we are talking about. My friend, the chairman of the committee, is exactly right; there were atrocities committed on both sides.

However, this amendment would not affect that if the President makes a simple statement that the aid we are sending is getting to the people. That is all we are talking about. There is nothing more to it.

Mr. Chairman, what we are really talking about is a government which short-circuits the aid and does not permit it to get to the people. I think that is what the gentleman from Iowa (Mr. HARKIN) is driving at in his amendment.

Mr. MORGAN. Mr. Chairman, I just want to say to the gentleman from Ohio that there is no money in this bill for Solomon Islands.

Mr. HAYS of Ohio. Well, you have it listed in the book.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I would like to follow up what the gentleman from Ohio (Mr. HAYS) said on the use of the example of Cyprus. It is not just as simple as it sounds to have the President make a certification that the aid is getting through, because under this amendment somebody first has to determine that human rights were being violated.

Who makes that determination?

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I suppose any one of the 10,000 bureaucrats over at the AID agency, whoever is designated, would make the determination. I do not know which one it would be, but they can easily assign one.

Mr. DU PONT. Mr. Chairman, if the gentleman will yield further, I cannot tell from this amendment today whether Cyprus would be eligible for aid or not. I do not think it is possible to come to that decision.

There is nothing worse than agreeing to an amendment and then having no logical conclusion for the various cases it has to deal with.

Mr. MORGAN. Mr. Chairman, I want to say that this is a humanitarian bill. I knew we were going to get some political amendments offered, but I am sorry to see it happen.

I feel that the amendment offered by the gentleman from Iowa (Mr. HARKIN) has some merit, but I feel it has a political dimension which does not belong in this bill. I hope it is not adopted.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not seen this amendment before it was offered. I listened to the debate carefully and I listened to the remarks made by the gentleman from Iowa (Mr. HARKIN), whom I greatly respect. I think his intentions are entirely in accord with those of all of us.

However, the more I have thought about this matter and the more I have studied this amendment, the more I think this would be a disastrous amendment for us to adopt.

What really troubles me about it, as I look at it, is that the President, every time any assistance is offered under title I, would have a terrible responsibility. Bear in mind that these are all the types of programs that we in the committee have been trying to focus on; they are programs that do help the people.

The President is going to have to decide initially, however, or someone that he deputizes is going to have to decide whether he has to file a statement under this amendment. That means he is going to have to decide whether a country is one which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture and prolonged detention without charges having been filed—there are a lot of people in this country in detention without charges—and violations of other rights, such as the right to life, liberty, and the security of their persons. There are plenty of people who feel that the United States of America should fall into this category—and with some justification.

Look around the country. Look around the world. How many countries are there which can pass the test of a clean bill of health in this regard, particularly the developing countries, which are struggling to establish their own identity?

How many democratic countries are there in Africa, for example, which practice our kind of democracy, the kind that we believe in? They are one-party states, for the most part. They are struggling to establish their own identity, and they do not share our notions as to what are essential human rights.

Mr. Chairman, I do not want to see the President required to come in to decide with respect to each country in Africa that we are sending some food to or some seed to, or which we are trying to develop better farming or to cope with their health problems or with population planning, whether or not that is a country which falls within the category of systematic violation of human rights, and, if it does, he has to submit a statement in justification of the aid.

Maybe he could justify the aid in any case, but every time he files a statement, it would be, in effect, an insult to the country concerned, and would upset our relations with that country.

By the very filing of that statement, he would have to be finding that that country is engaging in a consistent pattern of gross violations of human rights, very broadly defined.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. Yes, I yield to the gentleman from Iowa.

Mr. HARKIN. First of all, I remind the gentleman that I did not mention in my amendment the word "democarcy." I mentioned "human rights." I think that transcends that type or form of government, whether it is a democracy, a dictatorship, or whatever it might be.

I did not mention the word the gentleman used in his remarks.

Mr. BINGHAM. That is quite right.

Mr. HARKIN. I would also ask the gentleman whether he was in opposition last year when the House adopted section 502 (b), which, in essence, if the gentleman will read it, is almost word for word like my amendment.

Mr. BINGHAM. If the gentleman will permit me to answer—this is my time—we did that because that was political assistance. That was security support assistance or military assistance.

That is very different from the kind of development aid we are trying to concentrate on here.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. Yes, I yield to the gentleman from Florida.

Mr. FASCELL. The language in the present law, at section 502(b), is sense of Congress language.

Mr. HARKIN. Mr. Chairman, if the gentleman will yield further, the only difference, then, in section 502(b) is that it contains sense of Congress language, but with respect to my amendment, it is operative. In other words, the gentleman from Florida does not want an operative amendment. He only wants a sense of Congress amendment.

Mr. BINGHAM. Let me just answer one thing at a time. This is my time.

The gentleman has requested the House to adopt and to vote for a tougher provision with regard to development assistance and everybody has agreed that the committee has done a good job in concentrating on that type of assistance—than we have in regard to security development assistance.

Mr. HARKIN. If the gentleman will yield further, I recognize that, and that is why I left a loophole in it, so that if they could determine that it was going to the needy people of that country, that aid could be continued.

Mr. BINGHAM. The loophole is not good enough because the loophole only operates if the President comes in here and files a statement that a country is a consistent violator of human rights.

I think that would cause us endless trouble.

Mr. KOCH. Mr. Chairman, I support the amendment offered by Mr. HARKIN of Iowa. The purpose of that amendment is surely salutary. It ends assistance to any country which "engages in a consistent pattern of gross violations of internationally recognized human rights."

Yet, it provides that the President may determine that continued assistance is necessary and will directly benefit the needy people in such countries, providing that neither House of the Congress after is receives such a report from the President objects to furnishing such assistance. I recognize that there are those who believe that we must never end assistance to any country of a humanitarian nature, notwithstanding the inhumanity of the Government toward its own people. I take a different point of view and believe that the elimination of such aid causes inhuman governments to lessen their inhumanity vis-a-vis their own people.

And most important, this amendment provides the safeguard that not withstanding our desires to take such action, under circumstances approved by the President and not opposed by the Congress, such aid can continue. It is a wrenching step for many to oppose the delivery of economic aid to people receiving such assistance from the United States. But for those unable to take such a step under any circumstances, I say that they are failing in their responsibility to exert those pressures needed to change governments and cause them to end torture, cruel, inhuman, and degrading treatment or punishment against their own people.

One beneficiary of such aid, unless stopped by this amendment would be the totalitarian government of Chile. I am for stopping that and will vote for the amendment.

It should also be pointed out that this amendment is directed to ongoing regular programs, not to help in emergencies because of disasters, which help will surely qualify under the escape clause of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. HARKIN).

The question was taken and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HARKIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 164, not voting 31, as follows:

[Roll No. 505]

AYES—238

Abzug	Duncan, Oreg.	Lent
Addabbo	Early	Levitas
Alexander	Eckhardt	Lloyd, Calif.
Ambro	Edgar	Lloyd, Tenn.
Anderson, Calif.	Edwards, Calif.	Long, La.
	Eilberg	Long, Md.
Annunzio	English	Lott
Armstrong	Evans, Colo.	McDade
Ashbrook	Evans, Ind.	McDonald
Aspin	Fisher	McHugh
AuCoin	Fithian	McKay
Badillo	Flood	Macdonald
Bafalis	Florio	Madden
Baldus	Flowers	Madigan
Baucus	Flynt	Maguire
Bauman	Fountain	Mahon
Beard, R.I.	Fraser	Mann
Bedell	Giaimo	Martin
Bennett	Ginn	Mathis
Bergland	Grassley	Meeds
Biaggi	Green	Melcher
Blanchard	Gude	Mezvinsky
Blouin	Guyer	Mikva
Boggs	Hagedorn	Miller, Calif.
Boland	Hall	Miller, Ohio
Brademas	Hanley	Mills
Brinkley	Hannaford	Minish
Brodhead	Hansen	Mink
Brooks	Harkin	Mitchell, Md.
Brown, Calif.	Harrington	Moakley
Broyhill	Harris	Moffett
Buchanan	Hawkins	Montgomery
Burke, Calif.	Hayes, Ind.	Moore
Burton, John	Hays, Ohio	Moorhead, Calif.
Burton, Phillip	Hechler, W. Va.	
Byron	Heckler, Mass.	Mottl
Carney	Hefner	Neal
Carr	Heinz	Nix
Chisholm	Helstoski	Nolan
Clancy	Henderson	Nowak
Clausen, Don H.	Hightower	Oberstar
	Holland	O'Hara
Clawson, Del	Holt	Ottinger
Clay	Holtzman	Patterson, Calif.
Cohen	Horton	
Collins, Tex.	Howard	Pattison, N.Y.
Conlan	Howe	Peyser
Conte	Hubbard	Pickle
Conyers	Hughes	Pike
Corman	Hungate	Pressler
Cornell	Jacobs	Randall
Cotter	Jenrette	Rangel
Coughlin	Jones, N.C.	Rees
D'Amours	Jones, Tenn.	Richmond
Daniels, N.J.	Karth	Riegle
Danielson	Kastenmeier	Rodino
Davis	Kazen	Roe
de la Garza	Kelly	Rogers
Delaney	Kemp	Roncalio
Dellums	Ketchum	Rose
Dent	Keys	Rosenthal
Derrick	Koch	Roush
Devine	Krebs	Rousselot
Dodd	LaFalce	Roybal
Downey, N.Y.	Latta	Runnels
Drinan	Lehman	Russo
Ryan	Spence	Vander Jagt
St Germain	Staggers	Vander Veen
Santini	Stanton, James V.	Vanik
Sarasin		Waxman
Sarbanes	Stark	Weaver
Satterfield	Steelman	White
Scheuer	Stokes	Wilson, Tex.
Schroeder	Studds	Wirth
Schulze	Sullivan	Wolff
Seiberling	Symington	Wylie
Sharp	Symms	Yates
Shipley	Teague	Yatron
Shuster	Thornton	Young, Fla.
Smith, Iowa	Treen	Young, Ga.
Spellman	Tsongas	Zeferetti

NOES—164

Adams	Gilman	Perkins
Anderson, Ill.	Goldwater	Pettis
Andrews, N.C.	Gonzalez	Poage
Ashley	Goodling	Preyer
Barrett	Gradison	Price
Beard, Tenn.	Hatey	Pritchard
Bell	Hamilton	Quie
Bevill	Hammer-schmidt	Quillen
Biester		Railsback
Bingham	Harsha	Regula
Bolling	Hastings	Reuss
Bonker	Hicks	Rhodes
Bowen	Hillis	Rinaldo
Breaux	Hinshaw	Risenhoover
Breckinridge	Hutchinson	Roberts
Broomfield	Hyde	Robinson
Brown, Mich.	Ichord	Rooney
Brown, Ohio	Jeffords	Rostenkowski
Burgener	Johnson, Calif.	Schneebeli
Burke, Mass.	Johnson, Colo.	Sebelius
Burleson, Tex.	Johnson, Pa.	Shriver
Burlison, Mo.	Jones, Ala.	Sikes
Butler	Jordan	Simon
Carter	Kasten	Sisk
Casey	Kindness	Skubitz
Cederberg	Krueger	Slack
Chappell	Lagomarsino	Smith, Nebr.
Cleveland	Landrum	Snyder
Cochran	Leggett	Solarz
Collins, Ill.	Litton	Stanton, J. William
Conable	Lujan	
Daniel, Dan	McCloskey	Steed
Daniel, R. W.	McCollister	Steiger, Wis.
Dickinson	McCormack	Stratton
Diggs	McEwen	Stuckey
Dingell	McFall	Taylor, Mo.
Downing, Va.	Mazzoli	Taylor, N.C.
Duncan, Tenn.	Meyner	Thompson
du Pont	Milford	Thone
Edwards, Ala.	Mitchell, N.Y.	Traxler
Emery	Moorhead, Pa.	Ullman
Erlenborn	Morgan	Vigorito
Eshleman	Mosher	Waggonner
Fascell	Moss	Walsh
Fenwick	Murphy, Ill.	Wampler
Findley	Murphy, N.Y.	Whalen
Fish	Murtha	Whitehurst
Foley	Myers, Pa.	Whitten
Ford, Mich.	Natcher	Wiggins
Ford, Tenn.	Nedzi	Wilson, Bob
Forsythe	Nichols	Winn
Frenzel	O'Brien	Wydler
Frey	O'Neill	Young, Tex.
Fuqua	Passman	Zablocki
Gaydos	Patman, Tex.	
Gibbons	Patten, N.J.	

NOT VOTING—31

Abdnor	Jarman	Pepper
Andrews, N. Dak.	Jones, Okla.	Ruppe
	McClory	Steiger, Ariz.
Archer	McKinney	Stephens
Burke, Fla.	Matsunaga	Talcott
Crane	Metcalfe	Udall
Derwinski	Michel	Van Deerlin
Esch	Mineta	Wilson, C. H.
Evins, Tenn.	Mollohan	Wright
Fary	Myers, Ind.	Young, Alaska
Hébert	Obey	

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the reasons that I am a convert to the foreign aid program and I have come to believe it is in the national interest of the United States is because of a little known fact about this program. Many people have recognized that it is in our national interest to continue this program from the

point of view of world stability, from the point of view of our interdependence in this shrinking world of which we are a part economically, politically, and militarily; but few people realize that most of the dollars in this program are actually spent at home. Eighty-five percent of the dollars involved go to American firms and institutions in forms of contracts here that help provide jobs at home and support for our institutions while the fruit of their work goes to help people in other lands.

One outstanding program, by way of illustration, is that of Auburn University in my own State of Alabama. Auburn has had a research contract with AID for some years. A few years ago the then AID Administrator Hanna pointed out that Auburn had accomplished what he described as a miracle in fish production.

In the Philippines and elsewhere in the developing world the work of Auburn research has gone to provide a major source of protein in terms of the aquaculture that they have developed in Auburn, Ala.

The greatest beneficiary, however, of this whole program has been the Southeast United States, because that same research has been applied there. In this new bill, in recognition of this kind of achievement, we have a new section of the Foreign Assistance Act of 1961 authored by the gentleman from Illinois (Mr. FINDLEY), which in recognition of the key role of land grant universities of the United States is increasing and strengthening that role in development.

I would commend the gentleman for this section, which I coauthored when we introduced it as a separate bill. During his remarks in general debate, the gentleman from Illinois made plain that he did intend for aquaculture to be included in the definition of agriculture as treated in this important section of this bill. I ask the gentleman now to confirm that, if he will.

Mr. FINDLEY. The gentleman is very correct on this point. In fact, the universities that have operated extension services so successfully for so many years have involved themselves in aquaculture very successfully in many parts of the country. The language of the section of this bill is broad enough to cover the application of this same aquaculture expertise in other countries. I commend the gentleman for bringing this to the attention of the committee. As the author of the Famine Prevention program, I want it clearly understood that I intend it broad enough to authorize research and extension in aquaculture.

Mr. BUCHANAN. I thank the gentleman.

I would like to ask the chairman of the committee if he would join with the author of this section in agreeing that aquaculture is intended to be included within the definition of agriculture as treated in this section of the bill.

Mr. MORGAN. Yes, it is.

Mr. BUCHANAN. I thank the chairman for that legislative history. The reason I must raise this question is because the Department of Agriculture in the United States has not heretofore taken that position in its definition of agriculture. I hope that is a situation that can change, but this program spells great hope for people all over the world.

It is a vital part of the foreign assistance effort of this country, and it is illustrative of the way that we can help our institutions and our small farmers and our job holders at home through the dollars spent here to provide research and contracts for goods and services to help other people in developing countries around the world.

I commend this bill to the members of the committee as one that is tightly drawn, that is modest and that will do much good for our country and for humanity when it is passed.

AMENDMENT OFFERED BY MR. MOORE

Mr. MOORE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORE: Page 37, after line 11 insert the following:

SEC. 316. Section 620(q) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(q)(1) No assistance may be furnished under this Act to any country which is in arrears more than one hundred and eighty days on any payment to the United States of any principal or interest due on any loan or credit furnished to such country under this Act unless the provisions of this paragraph have been suspended with respect to such country in accordance with the provisions of paragraph (2).

"(2)(A) The provisions of paragraph (1) shall be suspended with respect to a country described in such paragraph if—

"(i) the President, having determined that continued assistance to such country is in the national interest of the United States, recommends suspension of such provisions with respect to such country to the Congress; and

"(ii) the Congress, by concurrent resolution, approves suspension of such provisions with respect to such country. Any recommendation submitted by the President to the Congress under clause (i) shall include a statement of the President's reasons for making such recommendation.

"(B) The Congress may attach such conditions as its approval of any suspension of the provisions of paragraph (1) as it deems appropriate, including any of the following:

"(i) Negotiation of a revised payment schedule.

"(ii) Partial payment of the amount in arrears.

"(iii) Restrictions of the type or amount of assistance which may be furnished.

"(C) A suspension of the provisions of paragraph (1) with respect to a country described in such paragraph shall be effective—

"(i) during such portion of the fiscal year during which the Congress approves suspension of such provisions with respect to such country, or

"(ii) during such portion of the first fiscal year beginning after such approval,

as the Congress may designate at the time of such approval."

Mr. MOORE. Mr. Chairman, there were some great speeches given a few minutes ago, in support of placing some sort of reform in this act. The amendment I offer this afternoon does just that, in my humble opinion.

The amendment requires that no funds may be furnished under this act to any country which is in arrears more than 180 days on any sort of grant or credit payment owed to the United States unless the President determines it is in the national interest and Congress approves by a concurrent resolution suspending this amendatory language.

According to the figures I have been shown, over 101 countries or entities are right now in arrears in repayments of loans to the United States in the sum total of $547,611,096, a sizable sum for a country that is in recession and a country that is having problems with deficit spending and inflation.

I think it is high time we stopped fooling the people of this country.

If we are going to give a grant or a gift to a country, let us call it that; let us not call it a loan and have the people of the United States think we are going to collect it. If we are going to call it a loan, let us make some effort to collect it and see to it that the loan is repaid. Let us not disguise gifts as loans.

I think today we can quite obviously no longer afford to support the entire world. We have our own problems here at home in terms of our economy, inflation, and unemployment. I think the people here at home expect us to see to it that debts owed this country are paid. Every dollar we spend right now in this bill is a dollar we do not have. It is deficit spending. That is bringing on inflation, recession, and unemployment. It is depriving our working people of this country of their standard of living, of money to feed their families, through taxation and inflation.

I think it is time we give them the protection that they deserve, the protection that we will make some effort to collect this money by having some semblance of a repayment obligation in this bill. I think that each one of the national borrowers from this country's Treasury have some obligation to repay as our citizens certainly must do when they borrow.

Mr. Chairman, I ask the Members to support this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the existing language already in the law prohibits assistance to countries more than 6 months in arrears in payments to the United States of principal or interest on foreign aid loans.

Obviously, this provision has served its purpose well, since the percentage of loans in arrears is very, very small. Less than seven-tenths of 1 percent—less than seven-tenths of 1 percent—of all loans made by AID or its predecessor agencies were found to be in default as of March 31, 1975. This will compare favorably, very favorably, with the experience of almost any commercial bank.

Of the total of $149 million in loan payments delinquent or due as of March 31, 1975, $120 million, or 81 percent, were either paid off after that date or have been rescheduled.

The rescheduling referred to has to do with three countries, Pakistan, India, and Bolivia. This leaves less than $29 million in real delinquencies in the whole history of the foreign assistance program.

The waiver authority provided for in existing law, section 620(Q), has been

used very, very rarely. Rarely has the President used this waiver authority. This is a pretty tight provision.

Mr. Chairman, with that kind of a record, I just do not think the amendment offered by the gentleman from Louisiana (Mr. MOORE) is necessary.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I want to express my agreement with the chairman of our committee. I think this amendment that is being offered is totally unnecessary, and I think the record of the AID agency in collecting these payments has been very commendable.

For that reason, Mr. Chairman, I urge the defeat of the amendment.

Mr. MORGAN. Mr. Chairman, I thank the gentleman for his remarks, and I join with him in urging the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. MOORE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MOORE. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. SOLARZ

Mr. SOLARZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLARZ: Page 37, immediately after line 11, add the following new section:

"SEC. 316. (a) The Congress finds that—

"(1) in 1970, at the beginning of the second development decade, the General Assembly of the United Nations recommended that by 1975 each developed nation provide official development assistance in an amount not less than 0.7 percent of its gross national product;

"(2) the level of official development assistance provided by the United States, expressed as a percentage of gross national product, dropped from 0.31 percent in 1970 to 0.21 percent in 1974;

"(3) on the basis of the percentage of gross national product devoted to official development assistance, the United States ranks fourteenth among the world's seventeen developed nations in furnishing assistance; and

"(4) an annual increase by the United States in official development assistance equal to 0.1 percent of its gross national product would reverse the decline in the amount of assistance furnished in recent years and would reaffirm this Nation's desire to aid those countries most in need of development assistance.

"(b) Accordingly, it is the sense of the Congress that—

"(1) the United States should commit itself to the goal of devoting 0.7 percent of its gross national product to official development assistance; and

"(2) beginning with fiscal year 1978, the development assistance budget of the United States should be increased annually by an amount equal to 0.1 percent of the gross national product of the United States until the objective of assistance equal to 0.7 percent of the gross national product is reached."

Mr. SOLARZ. Mr. Chairman, I think that this is basically a very good bill, but it seems to me that if there is any real criticisms that can be made of it, it is not that we are providing too much, but rather that we are providing too little, in the way of development assistance to the developing nations of the world.

In 1970, at the beginning of the second development decade, the United Nations urged all of the developed nations of the world to carmark seven-tenths of 1 percent of their gross national product as assistance for the developing nations of the world.

I regret to report that in those terms we have simply not met our obligations.

The Members may be interested to know that in terms of the totality of our development assistance we are, in the current fiscal year, providing somewhere in the vicinity of only three-tenths of 1 percent of our gross national product for development assistance to the poorest nations of the world—a figure which is well below the seven-tenths of 1 percent called for by the United Nations.

The Members may, in addition, also be interested to know that of the 17 most economically advanced nations in the world, the United States ranks 14th in terms of the percentage of its gross national product which is earmarked for development assistance. Indeed, in the course of the last few weeks, Italy, Norway, Sweden, Canada, and several other nations, have all indicated at the United Nations that they were planning, over the course of the next few years, to provide seven-tenths of 1 percent of their gross national product for development assistance to the developing nations of the world.

In an effort to bring the level of our own development assistance up to the standard called for by the U.N. back in 1970, my amendment provides that beginning in the fiscal year 1978, which is 1 year after this bill expires, it is the sense of the Congress that starting in that year we begin to increase each year, by increments of one-tenth of 1 percent of our GNP, the amount of development assistance we provide to the developing nations of the world until such time as we have reached the U.N. level of seven-tenths of 1 percent of our gross national product for such purposes.

Consequently, the passage of my amendment would cost the taxpayers of our country nothing for the next 2 years. However, it would put the administration on notice, and it would put the rest of the countries of the world on notice, that it is the sense of the Congress that beginning in 1978 we are going to move in that direction.

Mr. Chairman, I simply want to close by saying that if we look at the figures, it turns out that we now spend almost twice as much on toilet articles as we do on foreign aid; we spend three times as much on tobacco as we do on foreign aid; and we spend almost five times as much on alcohol as we do on foreign aid.

Therefore, it seems to me that in terms of both our obligations and our capacity, we could be doing a lot more than we are doing at present. If there is any criticism that can be made of this bill, it is that we ought to be spending more rather than less.

Therefore, Mr. Chairman, I ask the Members to support this amendment.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. Yes; I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I have one problem with respect to this amendment.

As I remember, I think we gave something like $10 million to India to help the starving people. I believe they used all of that money in order to build atomic weapons.

Is there anything in the gentleman's amendment or in this bill that would prevent that? For instance, they would get $75 million. Are we guaranteeing that this is to help the starving Indians or is there the possibility that there will be more military armaments manufactured, even though this is not a military appropriation bill?

Mr. SOLARZ. This amendment, as I think the language shows, has nothing to do with military or security assistance. It applies only to humanitarian and developmental assistance.

Mr. GOODLING. If the gentleman will yield further, that is true, and so did the $10 million and the $75 million in the bill.

Is there anything in the gentleman's amendment that will prevent their doing that which we do not want them to do, that is, using the money for military armaments rather than for what we want?

Mr. SOLARZ. All my amendment does is to establish the sense of Congress that this is the direction in which we want to move. It does not appropriate a single cent.

I must tell the gentleman that I would support him in any subsequent efforts that he might make in order to prevent the kind of eventuality he refers to.

Mr. GOODLING. If the gentleman will yield further, could I ask the chairman whether there is anything in this legislation that would prevent this money from being used as India last used it rather than as money to help themselves and their starving people?

Mr. MORGAN. If the gentleman will yield, the funds programed for India are mostly for fertilizer.

Mr. GOODLING. And that is the only way they can use it? They cannot develop atomic weapons, as they did with the last $10 million we sent?

Mr. MORGAN. No, of course not; it is for fertilizer and food.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, I would like to say that I support the gentleman's amendment. I think that, without any binding effect on future Congresses, it would be putting the Congress on the right road.

Mr. MORGAN. Mr. Chairman, I rise reluctantly in opposition to the amendment offered by the gentleman from New York. The gentleman offered this amendment in the committee. It did not carry. The amendment has a good objection but

if we go to seven-tenths of 1 percent of our gross national product by 1978, we will have a foreign aid bill that will amount to over $10 billion.

Mr. SOLARZ. If the gentleman will yield, I would just like to clarify the fact that the amendment calls only for an increase of one-tenth of 1 percent beginning in 1978, so we will not reach the seven-tenths of 1 percent figure until well into the 1980's.

Mr. MORGAN. I still feel, Mr. Chairman, that we are not in a position at this time to make this kind of a commitment. With the costs of everything increasing, and with all our security commitments at home and abroad, and then with a $10 billion economic foreign aid bill on the horizon, it may all add up to more than we could carry.

I think the amendment has a good objective, but I just do not feel at this time that it should be in this bill.

Mr. FRASER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York (Mr. SOLARZ).

I appreciate what the chairman of the committee has said when he indicated that this is a good amendment, but was concerned about what it might eventually provide. Let me reemphasize two things about this amendment: First, it is only a sense of the Congress amendment so it has no binding effect. Second, it does say, if we adopt it, that the United States believes that in our future planning for official development aid we are going to gradually move upward over the years ahead until we reach the agreed upon international figure of seven-tenths of 1 percent of our gross national product.

Development has been the subject of the Special Assembly of the United Nations that took place last week. I served as a delegate to that special session and listened to the speeches of our neighbors from Europe and Canada.

Here, for example, is what Mr. MacEachen of Canada said in the U.N. this last week:

> We are determined to achieve for official development assistance the official United Nations target of 0.7 percent of our gross national product . . .

The Foreign Minister from Italy speaking on behalf of the European community said:

> The community has confirmed its determination to achieve the target of 0.7 percent of gross national product for public aid . . .

The Foreign Minister from Sweden said:

> We clearly affirm the goals and commitments of the Second Development Decade strategy, particularly the 0.7 percent target for official development assistance.

Norway said:

> Norway expects to reach the target of 0.7 percent of its gross national product this year.

Denmark said:

> We expect to reach the 0.7 percent target by the end of this decade.

So we have here what is only a sense of the Congress resolution. We do not say we expect to meet it this year, we are not even going to try to meet it, nor next year, but we urge the administration in subsequent years to come in for an incremental increase in our aid programs in order that we can join our neighbors in Europe and Canada in meeting the official figure of 0.7 percent.

I think this is a good amendment. It certainly can do no harm and would clearly strengthen our role in Congress in providing some leadership in a most important matter for the world community.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from New York. What he is asking us for basically is leadership. The gentleman from Minnesota (Mr. FRASER) hit it right on the head. If Sweden, Norway, Denmark, and Japan are doing this right now—the Netherlands, incidentally, is at 1.2 percent—are we going to say that we have less compassion than they do? Some of my colleagues I hear are saying, "Yes." I do not think the people back home—and I come from the poorest district in the State of Illinois economically—say that.

I think we ought to look at our history just a bit. Under the Marshall plan we devoted almost 3 percent of our gross national product helping the poor beyond our borders. But then the Members of Congress and the Members of the Senate could go back to their districts and say to the Schmidts, "I am helping your relatives in Germany." They could say to the Zagnellis, "I am helping your relatives in Italy." They could say to the Thompsons, "I am helping your relatives in Great Britain."

But now the people who need help live in Bangladesh, and countries where there is no political sex appeal in this thing, but there are two things: One, our own self-interest. Keep in mind, No. 1, ultimately the defense of this Nation rests not only on bombs and bombers and submarines and ships, but in people who have food in their stomachs. To spend roughly, as I was calculating just a minute ago, 63 times as much on that as on economic assistance is not in the long-range best interests of my 2 children.

The second thing I would remind the Members is what John F. Kennedy used to remind us again and again: "The rising tide lifts all the boats." If we can help people in Indonesia and Bangladesh and other places, ultimately we are helping ourselves.

The Marshall plan, which I think we viewed as charity, has turned out to be an investment in our own economic prosperity, and the same will be true in the future for other countries. The gentleman from New York (Mr. SOLARZ) has asked us to lift the vision of this Nation, and I think he is wise. I hope we will be as wise.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Minnesota.

Mr. FRASER. I thank the gentleman for yielding.

The gentleman remarked about the security of the United States not resting in bombers and bombs and planes and tanks. I thought he might be interested in knowing that when the Soviet representative of the United Nations spoke this last week, the Soviet representative said:

> We are not responsible for the problems of the Third World, and so do not expect us to do much about them.

So the real question is whether we want, it seems to me, to distinguish ourselves, separate ourselves, from this rather cold position of the Soviet Union, or whether we will remain at the bottom of the donor list. What has happened in the United Nations is that some of the old antagonisms are melting as the United States is showing that it has the will and the capacity to come to grips with some of these particular problems.

This amendment would be enormously useful in that context.

Mr. SIMON. I thank the gentleman.

I would add that the Moynihan-Kissinger speech the other day in the United Nations was a turning point, and the adoption of this amendment would be another message to the people of the world, a very fundamental message. Again if I may refer to John F. Kennedy, I would recall for you the days when this Nation conveyed somehow the message that we cared. I think this amendment would do that and I think this bill even without the amendment would do that.

Mr. MILLER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. MILLER of Ohio. Mr. Chairman, while we are referring to the vision which is held about the United Nations, could the gentleman tell us how many nations voted that we spend seven-tenths of 1 percent of our GNP on foreign assistance? Who are those nations? Are they the nations that would receive the aid, the recipients of the foreign assistance program? And if they are setting that value, perhaps they could set it at 10 percent. Could the gentleman tell me how many nations and whether they are the nations that would receive the assistance we would give?

Mr. SIMON. I cannot obviously give the gentleman that list of nations right now and it is probable a majority of the nations who voted are recipients. It is just the same in the community of the gentleman when perhaps a majority vote for a school bond issue or a school levy, that recipients rather than major donors in that community are the majority in the vote, but the whole community is benefited when we have a better school system. We are going to have, if we assist the poor beyond our borders, a better world and I would like to have our Nation do its part just as other nations are.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. BINGHAM, and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman from Illinois for yielding.

Mr. Chairman, just in further response to the question of the gentleman from Ohio, is it not true that this figure represents the kind of thinking of the developed nations, the industrial nations on the Development Assistance Committee of the OECD, which have been focusing on the problems of the developing world? In other words this figure does not come just from the developing nations, but from the developed countries as well.

As has been pointed out, of the 17 countries of the Development Assistance Committee, we rank now 14th in terms of the amount of aid we give as a percentage of GNP.

Mr. SIMON. I think that is correct. The only western European nations below us are Spain and Portugal at the present time.

Mr. Chairman, the question is on the amendment offered by the gentleman from New York (Mr. SOLARZ).

The amendment was rejected.

AMENDMENT OFFERED BY MR. M'DONALD OF GEORGIA

Mr. McDONALD of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCDONALD of Georgia: Page 36, immediately after line 15, insert the following new section 314 and redesignate existing sections 314 and 315 as sections 315 and 316, respectively:

ASSISTANCE TO COMMUNIST COUNTRIES

SEC. 314. The second sentence of section 620(f) of the Foreign Assistance Act of 1961 is amended by striking out "unless the President" and all that follows thereafter through "international communism".

Mr. McDONALD of Georgia. Mr. Chairman, this amendment would prohibit our Government from forcing the American people, through their tax money, to subsidize Communist countries.

Section 620(f) of the Foreign Assistance Act of 1961 prohibits assistance to any Communist country. However, this restriction may be waived by the President if he—

finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) the recipient country is not controlled by the international Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism.

My amendment would leave the prohibition on assistance to any Communist country intact, but would delete the President's waiver authority.

Now I realize that our present foreign policy of détente means we are supposed to be friendly with the Communists. But should this friendship include subsidies? If so, this would amount to a sort of international blackmail: "Subsidize us, you capitalist warmongers, or we'll become hostile and attack."

Has our self-esteem fallen to such a level that we would meekly acquiesce to an international shakedown or protection racket?

Or is the argument that we have a humanitarian duty to help the people in Communist countries? But is not their system supposed to bring prosperity? If their people are hungry and constantly in need of capitalist assistance, is this our fault or the fault of their system?

Many Communist countries do seem to be able to send tanks to the Middle East, guns and guerrillas to Southeast Asia, and KGB agents everywhere. Possibly this explains their inability to feed their own people.

Nevertheless, whatever the merits of being "friendly" with the Communists, there is no justification for this including subsidies. If they wish to be treated on an equal basis, they can engage in trade, stop aggression and limit their arms buildup. If they are unable to compete on an equal basis without capitalist money, they can change their system. A little freedom does wonders in transforming lethargy into productiveness.

I also wish to emphasize that this amendment would not tie the President's hands in the conduct of foreign policy, at least not in regards to a rational foreign policy. He will be free to make agreements, allow trade, et cetera. The only new restriction imposed on his freedom in this area is that he will be unable to force the taxpayers to subsidize dictatorships many consider to be enemies.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

The gentleman's amendment would strike the waiver authority in section 620(f). Now, over the years the President has never abused this waiver authority. Although this waiver authority has existed for many years, it has not been used except in the case of Yugoslavia. That was over a decade ago for moderate amounts of assistance, less than $2 million.

Now, we do know that there is a need at times to assist Communist countries in order to wean them away from the control over them by the U.S.S.R. or some other large Communist country. This amendment would deny the President the possible use of a lever to help those countries adopt policies independent of the Soviet Union, or to take actions which could advance important U.S. interests. That would be counterproductive.

In the month of August, with Speaker ALBERT, a group of us visited the U.S.S.R., Romania, and Yugoslavia. I cannot imagine that Yugoslavia could exist with its independent policy and positions if we had not assisted that country in the past. If we foreclose the opportunity to assist socialist governments, we will drive them into utter dependence on the Soviet Union.

Removing the waiver unnecessarily restricts the President in adapting U.S. foreign policy to changing conditions in international affairs.

The present waiver authority provides for full and prompt disclosure to the Congress of any Presidential finding to provide assistance to any of the countries enumerated in the section.

I think we have sufficient control that the Congress need not be worried. I hope we will defeat this amendment, because it, indeed, would tie the President's hands.

Mr. McDONALD of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Georgia.

Mr. McDONALD of Georgia. Mr. Chairman, I can recall back in the last few years of the Vietnam war when Tito of Yugoslavia stated after receiving this aid that Yugoslavia stands shoulder to shoulder with their brothers in North Vietnam in the defeat of the aggressors, the United States, in South Vietnam.

Can we honestly say that such subsidized assistance to Yugoslavia is good. Can we go to the families of those dead and missing in action in South Vietnam and say that was a benefit?

Mr. ZABLOCKI. Mr. Chairman, I might say to the gentleman, there were people in our own country that said we should stand shoulder to shoulder with some of "our brothers in North Vietnam," those people claimed to be Americans. There has been an increase in U.S. contacts in Yugoslavia, including trade and business. I think this is a very bad amendment. We should not adopt it.

Mr. SYMMS. Mr. Chairman, I rise in support of the amendment. I would like to ask the gentleman from Georgia if he could simplify this. Does this legislation, if the gentleman's amendment is adopted, mean that no Communist country would be allowed to be eligible for any of this aid?

Mr. McDONALD of Georgia. It simply means that no longer are we going to be finding ourselves in a situation where, either directly or indirectly, we will be financing and feeding an enemy at the same time we are fighting him. We have done this, certainly in the case of the war in Southeast Asia where we sent men to die in South Vietnam and ultimately wound up shipping goods to Communist countries.

It seems to me there is no reasonable basis for giving any subsidized assistance, and all this does is simply to prohibit any subsidized assistance to a Communist country.

I agree with the gentleman from Idaho and I appreciate his question. All this amendment would do is simply to remove the subsidy to the Communist countries. I think that if they have such a hot system, let them prove it to their own people.

Mr. SYMMS. I thank the gentleman. I think that sounds like a very commonsense idea. We shall decide what side we are on and support that side and not the other side; as we have been doing for the past 30 years.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I would like to say that I agree with the statement on one account, because there is no aid in this bill for any Communist country. We are talking about sheer rhetoric. The President has never abused the authority. If this is in the bill, then we force the President to do something else because it does not make sense. We have direct prohibitions, and there is no assistance in the bill.

Mr. SYMMS. Then I am sure the gentleman would not have any objection to the amendment.

Mr. FASCELL. We can legislate and relegislate and relegislate to suit ourselves. That is political expediency of the moment, but that is not good legislation.

Mr. SYMMS. It seems inconsistent that the only area we would not want to tie the President's hands would be in giving aid to Communist countries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. McDONALD).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. McDONALD of Georgia. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI: Page 35, in line 20 strike out "and"; in line 23 strike out the period and insert in lieu thereof "; and"; and immediately after line 23 insert the following new paragraph:

(5) by adding the following new subsection at the end of such section:

"(i) None of the funds available to carry out this chapter may be obligated or expended, directly or indirectly, to support the International Labor Organization or to support any program of the United Nations Development Program which is administered by such Organization or by the United Nations Educational, Scientific, and Cultural Organization.".

Mr. ZABLOCKI. Mr. Chairman, very simply, the amendment would prohibit U.S. funds to United Nations development programs for UNESCO and ILO. The amendment would have three effects.

It would prohibit the use of any funds in the act to support, directly or indirectly, the International Labor Organization.

It would prohibit the use of any U.S. funds contributed to the United Nations Development Program, UNDP, from being used on projects carried out by the ILO.

It would prohibit the use of any U.S. funds contributed to the United Nations Development Program from being used on project carried out by UNESCO.

The question may be asked, why? What is the reason? Why should the amendment be adopted?

Mr. Chairman, I submit that the reason for the amendment is to complete the work begun by Congress when it, first, put a prohibition in the Foreign Assistance Act of 1974 against further funds to UNESCO until it rescinded its political actions aimed at Israel; and second, put a prohibition of further paying of dues to the ILO until it ceases to take such actions as admitting the PLO to observer status.

Further, this amendment would serve as a signal to the members of the United Nations, particularly those within the international organization, that the United States will no longer stand by when certain groupings of nations continue their shenanigans and harassment of our nation in the United Nations.

Mr. Chairman, although no U.S. funds can be directly channeled to either organization, there is an indirect channel through the UNDP which has given those organizations $60 million last year for projects.

Thus, the amendment would close an existing loophole.

Testimony was received by the committee from the president of the AFL–CIO, George Meany, in favor of such a ban on UNDP funding.

This amendment does not cut any money from UNDP, but simply says that it shall not use any U.S. funds for UNESCO or ILO projects. It can use the funds for other beneficial projects.

The $60 million this year could be, I submit, used for other good projects, outside any UNDP contracts with ILO and UNESCO projects.

In a sense, this amendment is a bookkeeping amendment similar to one which is still on the books barring U.S. funds in UNDP being used for Cuba.

At the same time, however, it would express in a concrete way the displeasure of the United States at UNESCO and ILO for their actions of a purely political character.

I think this is an amendment, as I said before, that gives notice to certain groupings in the United Nations that they cannot continue their harassment.

Mr. Chairman, I hope the amendment will be adopted.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was the author of the amendment that was adopted last year that cutoff U.S. funds from UNESCO until the President can certify that UNESCO had stopped its political activities against Israel. That amendment is still in effect. I think it is having a beneficial effect. Our assessments to UNESCO were not paid. UNESCO is feeling the pressure.

But while the gentleman from Wisconsin said that this amendment will carry out the same purpose, I beg to differ: it will not accomplish the same purpose. It will not help Israel in any way. Israel is not interested in this amendment. Israel contributes to UNDP. It does not say its funds cannot go to ILO or to UNESCO projects. It benefits from the funds. As a matter of fact, it gets more from the UNDP than it contributes.

Moreover, let us distinguish between UNESCO and ILO. UNESCO engaged in a series of political activities aimed at Israel and deserved our actions of last year, which are still on the books.

The ILO, on the other hand, has done nothing comparable and it was already one of the international organizations to accept the PLO as an observer. Indeed, the United Nations General Assembly did the same thing. I deplore that these organizations did that, but they all did it. And ILO was actually the last one to take that step. It does not give the PLO a vote. It means they are there as an observer. Does that mean we should cancel our projects and try to interfere with the projects that these organizations carry on.

What kind of projects are we talking about here?

I have visited a number of projects that both of these organizations carry on in various developing countries. The ILO primarily does vocational training work. I have here a list of those projects which is very illustrative. The ILO sets up institutions to train vocational teachers. Nothing could be more important to a developing country than that type of work. The ILO does not get any money from these projects. As a matter of fact, it loses money because it does not get fully repaid for its overhead expense. The ILO acts as the contracting agency for the UNDP in carrying out that type of project.

UNESCO carries out projects, again as a contracting agency, mainly in the field of education. Adult literacy programs are carried on by UNESCO.

Does the gentleman from Wisconsin (Mr. ZABLOCKI) really want to say that we no longer will support adult literacy programs in the developing countries because ILO accepted the PLO as an observer at its meetings? It does not make any sense.

This would hurt the countries that are being benefited by these programs. It would not hurt ILO, and it certainly would not help Israel.

So, Mr. Chairman, I plead with the Members not to go along with this amendment.

Let me make one final point. It is true that Mr. George Meany testified on behalf of an amendment of this character, but this is a personal opinion of Mr. Meany's. He has had, if I may say so, a feud with the ILO for a number of years. He has not liked the way the ILO has operated.

This amendment is not something that we have heard from the labor unions about. Your vote on this amendment can not be regarded as a prolabor or an antilabor vote. The amendment reflects the personal views of Mr. George Meany which he is entirely entitled to present and entirely entitled to hold, and he speaks for the AFL–CIO. But we should not consider this amendment as an amendment of concern to organized labor generally.

This is an amendment that would hurt the best type of program that the U.N. carries on. Of all the activities the U.N. is engaged in—and the Lord knows some of them in recent years have been deplorable—the U.N. is one outfit that everybody says is doing a good job. It does the job by contracting out to various agencies in their specialized fields.

Mr. Chairman, let us not try to interfere with this program by saying that our

funds cannot be used to carry out programs for adult literacy or programs for vocational training. That would not make any sense.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I will be brief. There are three reasons why I think this amendment would be a mistake.

First, the prospect that Israel might be the subject of a move to suspend it from the General Assembly of the U.N. has moderated substantially. The problems that Israel faced in the U.N. are substantially less than they were 3 months ago or 6 months ago. I think that to put this issue in here now and to raise the issue would do no one any service. It certainly would be of no assistance to the country of Israel.

Second, the United Nations development program is one of the least politicized programs in the United Nations. If we decide we are going to begin to politicize it, we should first remember who has the operating majorities in the U.N. It is the Third World countries, and they are not always sympathetic to our point of view.

If we decide that the UNDP can be politicized and we say that we are going to go ahead and politicize it, we can imagine what the result of that is going to be. The result will be bad. It will be bad from the point of view of the United States, and it will be bad from the point of view of the problems of development.

Let me make one last point. If this amendment is agreed to and this becomes law and if its full intent were to be carried out presumably some ILO projects in Israel could be ended. There are nine projects today in Israel from which Israel is getting the benefit, and they are administered by the International Labor Organization.

One of these projects has to do with safety controls for steam boilers and steam pressure equipment; another has to do with industrial medicine and medical service.

Another has to do with administration of regional control of industrial safety and health; another with environmental tests, and so on.

These are projects that Israel has requested. They have asked ILO to be the executing agency. ILO is administering these programs today in Israel.

If this amendment passes and if the UNDP stopped using the ILO as an executing agency, these could be stopped dead in their tracks. Who would benefit by such an action?

I think the gentleman from New York was exactly right in saying that the case of UNESCO is such, that we have cut their funds; we have cut off their funds until they straighten out.

That is a direct, specific way to deal with this issue.

To take on the UNDP and to politicize it, I think, would be a tragic disservice to Israel, to the United Nations, and to the world community.

Mr. BIESTER. Mr. Chairman, will the gentleman yield?

Mr. FRASER. Yes, I yield to the gentleman from Pennsylvania.

Mr. BIESTER. Mr. Chairman, I wish to associate myself with the remarks of the gentleman in the well and to underscore his opposition. In fact, in the long run, the adoption of this amendment would not only hurt many of our friends, but we would wind up inevitably hurting ourselves through the overpoliticization of the UNDP. We are the ones who would be the ultimate losers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was rejected.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had intended to offer an amendment to page 36 by inserting a new section 314, which reads, in part, as follows:

All assistance furnished under Part I of this Act to a country shall be immediately terminated if such country, on account of race, religion, color, national origin, age or sex, discriminates against, or denies entry to, any national of the United States who is involved in furnishing such assistance, or who would be so involved but for such discrimination or denial of entry.

This issue came to my attention as chairwoman of the Subcommittee on Government Information and Individual Rights of the Government Operations Committee. As a matter of fact, it was brought to my attention by another Member of this House, the gentleman from Wisconsin (Mr. KASTEN), who pointed out that, a practice existed whereby countries to whom we have furnished aid caused agencies of the Government inciuding AID to discriminate against their own employees, albeit there were laws on the books, Executive orders, and, indeed, internal regulations prohibiting discrimination against employees by reason of sex, religion, race, national origin, age, or color.

This was accomplished by nations to whom we provided assistance, for example, by simply refusing to give visas to certain employees if they did not meet the requirements of that country. A country that discriminated against black people in this way prevented American employees who were black from entering that country under an AID program or a country that did not allow Jews to come into their country, prevented American employees who were Jewish from entering that country.

The interesting thing about our hearings was that although AID had regulations which prohibited discrimination on these grounds, they also lived by certain criteria for assignment which said that they did not recommend employees in AID programs if such assignment did not insure the possibility of effective performance in the local environment. This appears to be tacit acceptance of discrimination by the agency itself.

The details of these practices can be found in testimony given during the hearings of the Government Operations Subcommittee on April 7 and April 8.

In my proposed amendment, I was not suggesting that we dictate to other nations what their standards or what their codes should be, but rather that we should not allow other nations particularly those to whom we provide aid, to use their laws, their customs, and their practices to influence or force us in this way to discriminate against our own employees, in violation, indeed, of our own laws and regulations.

I have not received any evidence to date that those practices have changed. I wonder whether the gentleman from Pennsylvania (Mr. MORGAN), chairman of this very committee, shares my concern and is prepared to go into this question to make certain that indeed AID and the State Department, will insist that they cannot permit any country to refuse visas or use any other methods which have the effect of discriminating against our employees, and that we alone assign employees in our foreign assistance and other programs without discrimination.

Mr. MORGAN. Mr. Chairman, if the gentlewoman will yield, I have read the proposed amendment of the gentlewoman from New York with great interest and I believe the objective of her amendment is very good. I just want to say that the Committee on International Relations does not condone any discrimination against any U.S. citizen on account of race, religion, sex, or for any other reason.

Some years ago problems in this respect were called to the attention of the committee and we held hearings on this very issue. As a result we put in the Foreign Assistance Act and in the State Department authorization language to make clear that the Congress does not condone any discrimination.

As I understand, the gentlewoman from New York has held hearings on this. If she has any data to give to the Committee on International Relations we would be glad to look into it and follow through with some recommendations when we bring legislation. As I say, I think the amendment is a good amendment but I believe we should try to develop further information before we seek to write an amendment into law.

Ms. ABZUG. I thank the gentleman.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Ms. ABZUG was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I was interested in one facet of the gentlewoman's amendment, and I am just wondering about it. There are certain countries that will not allow marriages to take place, for example, unless the religion of the people involved is one that the state recognizes. I was wondering if we would get into an area here that might be just a little bit outside of our

province if we should go too far in this direction. For instance, would it cover American citizens, for instance, if they wanted to get married in a certain country and that country's law did not allow them to get married?

Ms. ABZUG. Mr. Chairman, the main purpose of the amendment I had intended to present dealt with the external pressures of the nations to which we provide aid. Under it, we make clear that we are not going to succumb to discrimination in violation of our own laws in providing aid to those countries, and in providing the kind of personnel, the kind of employees that we choose to send along with our aid programs.

Mr. ASHBROOK. If the gentlewoman will yield further, I do not think I see anything in the gentlewoman's amendment that refers to external or internal pressures, you are merely talking about a country which denies our citizens basic rights, or discriminates against them.

I do not know what is meant by external pressures.

Ms. ABZUG. If a country denies entry to any national of the United States employed by the U.S. Government then they are actually putting pressure upon us by simply denying a visa to a person. If an AID program goes to X-country and we send employee Y to them, or if employee Y is going to go to that country and we cannot get a visa for that person because that person is a female, or because that person is black or Jewish these are external pressures. There is ample evidence in the record of the hearings in April on this matter.

Mrs. MEYNER. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentlewoman from New Jersey.

Mrs. MEYNER. I wish to commend the gentlewoman from New York upon her proposed amendment, concerning the spirit and the intent of it, and to say that when that amendment does come up in the future that it will certainly have my support. I think it is a good amendment.

Ms. ABZUG. I thank the gentlewoman.

The CHAIRMAN. Are there any further amendments to title III?

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 37, after line 12, add the following new section:

"Notwithstanding any other provision of this Act, every authorization made by this Act and every allocation or limitation thereunder shall be reduced by five percent."

Mr. ASHBROOK. Mr. Chairman, certainly it is not necessary to take the entire 5 minutes. I think everybody can understand this. This amendment would result in a net reduction of roughly $144 million, as I figure it, over the next 2 years. I think there are many of us, despite the statements we have heard that we are not doing enough, who feel that possibly in our own financial and economic situation we are carrying too much of a burden. I would like to give the House an opportunity to vote on a 5-percent cut.

Mr. Chairman, I yield back the remainder of my time.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment is just a meat-ax type of cut. It is not unusual to have amendments of this kind offered. As a straight across-the-board cut, it would affect many programs that are absolutely necessary and are authorized under this legislation.

I ask the House to defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the only reason I take the time, and I apologize for it, is mainly to correct an error that appears in the report, because it may not seem important here, but it is to the people concerned. In the famine prevention section of the bill, section 311, it was originally intended that only land-grant universities participate. This is no longer the case. The gentleman from Illinois (Mr. FINDLEY) has heretofore in his statement and in the report stated the fact that other universities that qualify under certain criteria would be eligible to participate under the famine prevention program.

Also I would like to add in passing that in the report it states that Texas Arts and Industries University is one of those interested. I might add that the correct name of that school is Texas A. & I. University of Kingsville, Tex., which is very important to them. The matter of the land-grant colleges as related to the other universities that are not land grant I think has been explicitly covered by the interpretation of the report and the statement of the gentleman from Illinois (Mr. FINDLEY), who is the original author of a separate bill.

Mr. Chairman, I yield back the remainder of my time.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to H.R. 9005, legislation which would authorize appropriations of almost $1.5 billion in fiscal year 1976 and over $1.5 billion in fiscal year 1977 for international development assistance and international disaster assistance programs. In addition, H.R. 9005 would authorize almost $340 million for the transitional quarter.

The fiscal year 1976 authorization as reported by the committee is over $190 million more than the amount authorized for fiscal year 1975, over $517 million more than the amount appropriated for fiscal year 1975, and over $61 million more than the President's budget request for fiscal year 1976. The fiscal year 1977 authorization is almost $360 million more than the amount authorized for fiscal year 1975, almost $687 million more than the amount appropriated for fiscal year 1975, and almost $63 million more than the President's budget request for fiscal year 1977.

We can no longer ask the citizens of our Nation to bear the burdens of inflation/recession as a result of deficit spending by the Federal Government. We do not have the money authorized to be appropriated in this bill to share with foreign countries, and especially when this sharing would be at the expense of our own Nation.

Achieving economic stability for the United States should be the prime goal of this Congress—a stability that can only be realized by reducing Federal spending to bring expenditures into balance with anticipated revenues. The deficit for this fiscal year alone will in all probability run over $80 billion pushing the total deficit close to, if not over, $630 billion. This will further deprive the private sector of the capital needed for job-producing programs.

I strongly urge my colleagues to join with me in voting down this legislation.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration 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, pursuant to House Resolution 707, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. YOUNG of Florida. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. YOUNG of Florida moves to recommit the bill H.R. 9005 to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken: and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 244, nays 155, not voting 34, as follows:

[Roll No. 506]

YEAS—244

Abdnor	Evans, Colo.	McKay
Abzug	Evans, Ind.	Macdonald
Adams	Fascell	Madden
Alexander	Fenwick	Madigan
Anderson, Ill.	Findley	Maguire
Andrews, N. Dak.	Fish	Mazzoli
Annunzio	Fisher	Meeds
Armstrong	Flood	Melcher
Ashley	Foley	Metcalfe
AuCoin	Ford, Mich.	Meyner
Badillo	Forsythe	Mezvinsky
Baldus	Fraser	Michel
Baucus	Frenzel	Mikva
Beard, R.I.	Giaimo	Miller, Calif.
Bedell	Gilman	Mineta
Bergland	Gonzalez	Minish
Biester	Gradison	Mink
Bingham	Green	Mitchell, Md.
Blanchard	Gude	Mitchell, N.Y.
Blouin	Guyer	Moakley
Boggs	Hagedorn	Moffett
Boland	Hall	Moorhead, Pa.
Bolling	Hamilton	Morgan
Bonker	Hanley	Mosher
Brademas	Hannaford	Moss
Breckinridge	Harkin	Murphy, Ill.
Brodhead	Harrington	Murphy, N.Y.
Brooks	Harris	Myers, Pa.
Broomfield	Hastings	Nedzi
Brown, Calif.	Hawkins	Nix
Brown, Mich.	Hayes, Ind.	Nolan
Buchanan	Hays, Ohio	Nowak
Burke, Calif.	Heckler, Mass.	Oberstar
Burke, Mass.	Heinz	Obey
Burton, John	Helstoski	O'Hara
Burton, Phillip	Hicks	O'Neill
Byron	Hillis	Ottinger
Carney	Hinshaw	Patten, N.J.
Carr	Holtzman	Pattison, N.Y.
Cederberg	Horton	Perkins
Chisholm	Howard	Peyser
Clay	Howe	Pickle
Collins, Ill.	Hyde	Preyer
Conable	Jacobs	Price
Conte	Johnson, Calif.	Pritchard
Corman	Johnson, Colo.	Quie
Cornell	Johnson, Pa.	Railsback
Cotter	Jones, Ala.	Rangel
Coughlin	Jordan	Rees
D'Amours	Karth	Regula
Daniels, N.J.	Kasten	Reuss
Danielson	Kastenmeier	Rhodes
Dellums	Keys	Richmond
Diggs	Koch	Riegle
Dingell	Krebs	Rinaldo
Dodd	Krueger	Rodino
Downey, N.Y.	LaFalce	Roe
Drinan	Leggett	Rooney
Duncan, Oreg.	Lehman	Rostenkowski
du Pont	Lent	Roybal
Early	Litton	Ryan
Eckhardt	Long, La.	St Germain
Edgar	McCormack	Sarasin
Edwards, Calif.	McDade	Sarbanes
Eilberg	McEwen	Scheuer
Erlenborn	McFall	Schneebeli
	McHugh	Schroeder
Schulze	Steiger, Wis.	Waxman
Sebelius	Stokes	Weaver
Seiberling	Stratton	Whalen
Sharp	Studds	Wilson, Bob
Simon	Sullivan	Wilson, C. H.
Sisk	Symington	Wilson, Tex.
Smith, Iowa	Thompson	Winn
Smith, Nebr.	Thone	Wolff
Solarz	Traxler	Wydler
Spellman	Tsongas	Yates
Staggers	Ullman	Yatron
Stanton, J. William	Vander Jagt	Young, Ga.
	Vander Veen	Young, Tex.
Stanton, James V.	Vanik	Zablocki
Stark	Vigorito	
	Walsh	

NAYS—155

Ambro	Gaydos	Natcher
Anderson, Calif.	Gibbons	Neal
	Ginn	Nichols
Andrews, N.C.	Goldwater	O'Brien
Archer	Grassley	Passman
Ashbrook	Haley	Patterson, Calif.
Bafalis	Hammer-schmidt	Pettis
Barrett		Pike
Bauman	Hansen	Poage
Beard, Tenn.	Harsha	Pressler
Bell	Hechler, W. Va.	Quillen
Bennett	Hefner	Randall
Bevill	Henderson	Risenhoover
Bowen	Hightower	Roberts
Breaux	Holland	Robinson
Brinkley	Holt	Rogers
Brown, Ohio	Hubbard	Roncalio
Broyhill	Hughes	Rose
Burgener	Hungate	Roush
Burleson, Tex.	Hutchinson	Rousselot
Burlison, Mo.	Ichord	Runnels
Butler	Jenrette	Russo
Carter	Jones, N.C.	Santini
Casey	Jones, Tenn.	Satterfield
Chappell	Kazen	Shipley
Clancy	Kelly	Shriver
Clausen, Don H.	Kemp	Shuster
	Ketchum	Sikes
Clawson, Del	Kindness	Skubitz
Cleveland	Lagomarsino	Slack
Cochran	Landrum	Snyder
Cohen	Latta	Spence
Collins, Tex.	Levitas	Steed
Daniel, Dan	Lloyd, Calif.	Steelman
Daniel, R. W.	Lloyd, Tenn.	Stephens
Davis	Long, Md.	Stuckey
de la Garza	Lott	Symms
Dent	Lujan	Talcott
Derrick	McCollister	Taylor, Mo.
Devine	McDonald	Taylor, N.C.
Dickinson	Mahon	Thornton
Downing, Va.	Mann	Treen
Duncan, Tenn.	Martin	Waggonner
Edwards, Ala.	Mathis	Wampler
Emery	Milford	White
English	Miller, Ohio	Whitehurst
Eshleman	Mills	Whitten
Florio	Mollohan	Wiggins
Flowers	Montgomery	Wylie
Flynt	Moore	Young, Fla.
Ford, Tenn.	Moorhead, Calif.	Zeferetti
Fountain		
Frey	Mottl	
Fuqua	Murtha	

NOT VOTING—34

Addabbo	Fithian	Pepper
Aspin	Goodling	Rosenthal
Biaggi	Hébert	Ruppe
Burke, Fla.	Jarman	Steiger, Ariz.
Conlan	Jeffords	Teague
Conyers	Jones, Okla.	Udall
Crane	McClory	Van Deerlin
Delaney	McCloskey	Wirth
Derwinski	McKinney	Wright
Esch	Matsunaga	Young, Alaska
Evins, Tenn.	Myers, Ind.	
Fary	Patman, Tex.	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Matsunaga for, with Mr. Hébert against.
Mr. Wirth for, with Mr. Addabbo against.
Mr. Patman for, with Mr. Teague against.
Mr. Pepper for, with Mr. Delaney against.
Mr. Van Deerlin for, with Mr. Evins of Tennessee against.
Mr. McKinney for, with Mr. Goodling against.
Mr. Esch for, with Mr. Conlan against.
Mr. McClory for, with Mr. Steiger of Arizona against.
Mr. McCloskey for, with Mr. Jarman against.
Mr. Rosenthal for, with Mr. Burke of Florida against.
Mr. Ruppe for, with Mr. Crane against.

Until further notice:

Mr. Biaggi with Mr. Jones of Oklahoma.
Mr. Udall with Mr. Conyers.
Mr. Wright with Mr. Aspin.
Mr. Fary with Mr. Young of Alaska.
Mr. Fithian with Mr. Jeffords.
Mr. Derwinski with Mr. Myers of Indiana.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

APPOINTMENT OF ADDITIONAL CONFEREE ON H.R. 6674, THE ARMED SERVICES PROCUREMENT AUTHORIZATION ACT

Mr. PRICE. Mr. Speaker, I ask unanimous consent that an additional member of the conference committee be appointed on H.R. 6674, to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following additional conferee: Mr. LEGGETT.

PETROLEUM PRICE CONTROLS VETO SUSTAINED BY SENATE

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

Mr. FRENZEL. Mr. Speaker, today the Senate voted to sustain the Presidential veto of the extension of petroleum price controls for 6 months. I congratulate that body in its wisdom.

The day before yesterday the New York Times editorially termed the 6-month extension as a copout. The Congress, unable to formulate an energy policy, and afraid to reveal its ineptitude to its constituency, has tried to cover up

its failures by attacking the President's program.

The sooner Congress is forced to make a decision the better. The veto was the only way to force a bumbling Congress into action. The sustaining of that veto was a good thing for the country.

COMMUNICATION FROM THE CLERK OF THE HOUSE

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

WASHINGTON, D.C.,
September 3, 1975.

HON. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: On this date, I have been served with a subpoena duces tecum by a representative of the U.S. Department of Justice, that was issued upon application of the United States of America and signed by the U.S. Magistrate for the U.S. District Court for the Eastern District of Wisconsin.

The subpoena commands me to appear before the U.S. District Court for the Eastern District of Wisconsin on September 22, 1975, and requests a letter dated January 14, 1972 addressed to Wilbur D. Mills, Chairman, Committee on Ways and Means, as outlined in the subpoena itself, which is attached hereto.

House Resolution No. 9 of January 14, 1975, and the rules and practices of the House of Representatives indicate that no official of the House may, either voluntarily or in obedience to a subpoena duces tecum, produce such papers without the consent of the House being first obtained. It is further indicated that he may not supply copies of certain of the documents and papers requested without such consent.

The subpoena in question is herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

With kind regards, I am,
Sincerely,

W. PAT JENNINGS.
Clerk, House of Representatives.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

[In the U.S. District Court for the Eastern District of Wisconsin, No. 74 CR 211]

UNITED STATES OF AMERICA v. NATIONAL BOARD OF FUR FARM ORGANIZATIONS, INC., ET AL.

To W. Pat Jennings, Clerk of the House of Representatives, room H-105, The Capitol, Washington, D.C.

You are hereby commanded to appear in the United States District Court for the Eastern District of Wisconsin at 225 Federal Building, 517 E. Wisconsin Avenue in the city of Milwaukee on the 22nd day of September 1975 at 11:00 o'clock A.M. and bring with you a letter dated January 14, 1972 addressed to Wilbur D. Mills, Chairman, Committee on Ways and Means re: Requested Elimination of Tariff and Quota Provisions on Importation of Raw Mink Fur Skins from Pending and Future International Trade Legislation signed Roy Harman, John Stone, and Gale Vernon.

This subpoena is issued upon application of the United States of America.

September 2, 1975.

Richard L. Daerr, Jr., Attorney for United States, Antitrust Division Department of Justice, Washington, D.C. 20530.

RUTH W. LA FAVE,
U.S. Magistrate or Clerk.

SUBPENA DUCES TECUM IN THE CASE OF THE UNITED STATES OF AMERICA VS. NATIONAL BOARD OF FUR FARM ORGANIZATIONS, INC., ET AL.

Mr. O'NEILL. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 709) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 709

Whereas, in the case of the United States of America against National Board of Fur Farm Organizations, Inc., et al. (criminal case number 74 CR 211) pending in the United States District Court for the Eastern District of Wisconsin, a subpena duces tecum was issued by the said court and addressed to W. Pat Jennings, Clerk of the House of Representatives, directing him to appear as a witness before said court on the 22nd day of September, 1975, at eleven o'clock antemeridian, and to bring with him a specified document in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice, or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That when the said court determines upon the materiality and relevancy of the document called for in the subpena duces tecum, then the said court, through any of its officers or agents, be authorized to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House, and take copies of the requested document in the possession or control of the said Clerk; and the Clerk is authorized to supply certified copies of such document in his possession or control that the court has found to be material and relevant and which the court or other proper officer shall desire, so as, however, the possession of said document by the said Clerk shall not be disturbed, or the same shall not be removed from its place of file or custody under the said Clerk; and be it further

Resolved, That as a respectful answer to the subpena duces tecum a copy of these resolutions be submitted to the said court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I rise to give the Members the program for the balance of the week.

We have for consideration tomorrow House Resolution 335, Select Committee for Missing-in-Action Servicemen in Southeast Asia.

On the whip agenda we have taken off the bill, H.R. 7590, audit of the Federal Reserve System. That will be postponed until a later date.

We will also take up the bill, H.R. 8150, Drug Abuse Office and treatment, the rule having been granted providing for 1 hour of general debate.

We will also consider H.R. 7656, the Beef Research and Information Act under an open rule with 1 hour of debate.

In addition, Mr. Speaker, it is our intention on tomorrow to bring up the extension of oil price controls, that is, the Emergency Petroleum Allocation Act. On this, of course, it will be necessary to obtain a two-thirds vote on the rule because we must suspend the rule requiring a day's layover of the rule.

We anticipate, of course, that this rule will be adopted tomorrow, but in the event that it does not get the required two-thirds vote, we will then bring that up on Friday.

These bills will not necessarily be brought up in the order as I have mentioned them. If the extension of oil price controls, the allocation bill, is reported by the Committee on Rules at an earlier hour, then we would probably bring that up as soon as it is ready.

Mr. MICHEL. Mr. Speaker, will the majority leader yield for a question?

Mr. O'NEILL. Mr. Speaker, I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, might I inquire of the majority leader, concerning the two-thirds vote that the gentleman made reference to, is that on the rule?

Mr. O'NEILL. Yes; that is on the rule.

Mr. MICHEL. And then the passage of the measure would be by a simple majority or also two-thirds?

Mr. O'NEILL. Once we adopt the rule by the two-thirds, passage of the bill will be by a majority.

Mr. MICHEL. I understand. Would the distinguished majority leader give us any indication as to what we can expect as to Friday?

Mr. O'NEILL. If we can complete this work by tomorrow, then there will be no work for Friday.

Mr. MICHEL. If we do have prospects of finishing tomorrow, we would go rather late in favor of having no session Friday rather than adjourning early and coming in Friday; is that right?

Mr. O'NEILL. In view of the schedule, I do not anticipate that we should take that long. We hope to complete the schedule tomorrow.

We do intend to bring up the extension of price controls and the adoption of the rule, which would be by a two-thirds vote. If we fail to get it—and I would anticipate that we would get it without too much difficulty—we would bring that matter up on Friday.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the distinguished majority leader's yielding.

Suppose the version that we have brought out is different from the Senate's? Would that make any difference on the extension of the Fuel Allocation Act?

Mr. O'NEILL. I do not have any idea of what the provision of the Senate is.

Mr. ROUSSELOT. Does the gentleman anticipate that the legislation that would originate here would be an extension of 45 days or 60 days?

Mr. O'NEILL. That would be resolved by the committee. I would anticipate that it would be 60 days.

Mr. ROUSSELOT. If the gentleman will yield further, as I understand, there is some disagreement on that issue. My question is, why do we need to stay until Friday if there cannot be any agreement?

Mr. O'NEILL. We have to have a two-thirds vote on the rule to bring the matter up tomorrow. If the two-thirds fails, then we will bring the matter up on the following day.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman.

REQUEST TO MAKE IN ORDER TOMORROW OR ANY DAY THEREAFTER CONSIDERATION OF THE BILL (H.R. 9524) EXTENDING EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that it be in order to consider in the House tomorrow or on any day thereafter the bill (H.R. 9524) extending the Emergency Petroleum Allocation Act of 1973.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Michigan?

Mr. O'NEILL. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

THE LATE ANDREW J. VIGLIETTA

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

Mr. ADDABBO. Mr. Speaker, few men have known so well the ins and outs of government as did my close friend, Andrew J. Viglietta, the political editor of the Long Island Press, who died Monday in New York.

For almost 40 years, Andy Viglietta covered Washington for the Newhouse Newspapers, and he did it with a style and flair that was a joy to behold. And for years, until illness curtailed his activities, Andy was the host for the annual Queens Society in Washington, which would be held at the Congressional Hotel and which was universally acknowledged to be the best party in town. Congressmen, Senators, Judges and even Presidents made sure they kept themselves free for the Queens Night galas.

Perhaps the highest praise that can be given any newspaperman is to say that he covered his beat thoroughly and fairly. Andy Viglietta could be tough when it came to getting the news, but he treated people he dealt with with a decency and a gentleness that made him one of a kind. He leaves behind an army of friends, the important and not-so-important, who were exposed to his friendship and were captivated forever.

Those of us who knew Andy well over the years knew that he cared about the people he wrote about. He cared about the people he wrote for and he wanted the reader of every story to know the facts of any event as straightforward and honest as he could present them.

During the last few years, he battled mightily to overcome the devastating effects of blindness and illness, either one of which would have plunged a lesser man into the depths of despair. But as he had done all of his life, Andy fought his infirmities with a stubbornness and a cheerfulness and a reserve of pride which would not let him give up. I cannot recall the number of times that I, having suffered some little setback, would receive a call from Andy who, with all of his problems, had time to worry about others.

Andy and his wife Mary, his staunchest ally through thick and thin, were always ready with a helping hand to those who needed it.

With his death, New York has lost a man who devoted his life to seeing that the people who represented our city in Washington held true to the highest standards. God help the man who let Andy down.

I want to express the greatest personal sorrow at his passing, and I want to extend my sympathy to Mary, who might possibly be the most gracious lady in this world, and to the family and the many friends of Andy Viglietta. He was as good a man as it is possible to be, and we, all of us, will miss him grievously.

Mr. ROSENTHAL. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Speaker, I join with the gentleman from New York (Mr. ADDABBO) in expressing sympathy and sorrow on the death of Andy Viglietta and in expressing condolences to his widow, Mary.

I have known Andy for over 20 years. He was a great friend. He was a tireless journalist and sought out truth no matter where it would take him. He was a friend of people in high places and the public in general. He was a warm and kind and truthful person. He was the best example of what an American journalist ought to be. He struck a fine balance in the responsibility to society and to individuals and at the same time making sure the public had an opportunity to know what was going on.

We shall all miss Andy. He was a great credit to journalism and to Washington and he was a good friend to all of us.

U.S. SECURITY AND THE PANAMA CANAL NEGOTIATIONS

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

Mr. WHALEN. Mr. Speaker, opponents of the negotiations for a new Panama Canal Treaty have described the principal issue involved as "whether the flag flown over the Canal Zone will be that of the United States of America or that of the U.S.S.R."

Recourse to the facts about the negotiating principles causes this oft-conjured Soviet specter to vanish. The agreement principles signed by Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack for the return to Panama of full jurisdiction over its territory in which the canal is located in exchange for assurances that the United States will retain the rights, facilities, and land necessary for its operation and defense for the duration of the treaty.

Critics of the negotiating principles have not been satisfied by such clear guarantees. Instead, they continue to cling to the erroneous belief that the protection of U.S. security in Panama and the adequate defense of the canal only can be insured by asserting so-called sovereignty over a strip of land.

Nevertheless, it continues to become more evident that the protection of our interests in Panama depends upon a mutually beneficial working relationship with the Panamanian Government. Our interests only can be secured through the adoption of a new treaty to replace the Hay-Bunau-Varilla Treaty of 1903 with a document that appropriately reflects the contemporary relations between our two countries.

Those who contend that the treaty that emerges from the negotiations will be inimical to our national security are becoming more isolated in that position. The most recent indication of the inaccuracy of their view was the strong endorsement of the negotiations last week by Gen. George S. Brown, Chairman of the Joint Chiefs of Staff. I commend the general's remarks to the attention of my colleagues:

REMARKS BY GENERAL GEORGE S. BROWN, CHAIRMAN, JOINT CHIEFS OF STAFF, UPON DEPARTURE, AMERICAN EMBASSY, QUARRY HEIGHTS, CANAL ZONE, SEPTEMBER 3, 1975

President Ford asked Mr. Clements and me to come here, have a look at Zone facilities and meet with Panamanian officials. We have had a very frank and useful meeting with General Torrijos, President Lakas and their colleagues.

I assured General Torrijos that the Joint Chiefs and the Department of Defense were committed to working out a new treaty and that we fully support Ambassador Bunker's negotiating efforts.

General Torrijos discussed the situation in Panama with us at length. We told him we would report our talks, which were very helpful, to President Ford.

GRAIN ACCORD NO BARGAIN FOR U.S. FARMERS

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

Mr. SHRIVER. Mr. Speaker, in announcing a new effort to guarantee and stabilize future grain sales to the Soviet

Union, the President yesterday extended the current export lid through the middle of October. In response, George Meany, president of the AFL–CIO, and leaders of longshoremen and maritime unions agreed to lift their boycott on loading of grain bound for Soviet ports for the same period.

This so-called accord raises more questions than it answers. It delays further U.S. grain sales to the Soviet Union—a willing customer for our surplus commodities—with absolutely no indication that the Russians will agree to tailor their future buying policies to our needs. What if they do not agree?

If they do agree, what insurance do our farmers have that future sales under the new agreement would be allowed to proceed if political pressure—or union pressure—arises again?

Will required long-term commitments by the Soviets become, in effect, a permanent lid on Soviet sales?

What did the longshoremen and maritime unions give up in this deal? The courts have already ordered them to load the grain previously sold, and have directed them not to try delaying tactics, such as "sick-ins." They are merely agreeing to do what they have to do, and getting concessions from the administration in return.

Meanwhile, U.S. farmers interests are being ignored. They have planted from ditch to ditch, as urged by the Secretary of Agriculture. Our wheat farmers have produced another bumper crop, only one-third of which is needed domestically. They must have foreign markets, and they must have them now.

Latest crop reports from the U.S. Department of Agriculture show that our 1975 wheat crop, most of which is in the bin, is adequate to fill domestic needs, to provide for existing and potential export demand, and to carry over more than a hundred million bushels more than our carryover stocks of last year.

Bread prices may well go up during the next year, just as the prices for about everything else, but the fault lies not with the farmer. The net farm value in a loaf of bread runs about 15 percent of the total cost, while other costs account for the other 85 percent. Labor costs alone account for 39 percent of the price of a loaf of bread.

This Nation cannot allow any faction, be it labor unions or any other interest group, to dictate our foreign trade policy. American agriculture is our one truly bright spot in our foreign trade and balance of payments picture. We are blessed with the productive capacity adequate to provide our wheat needs three times over every year. The extended export lid endangers that capacity in the future to the extent that it discourages U.S. wheat farmers from planting all they can.

We have made great strides in freeing our agricultural economy from Government shackles. We should not retreat now. The free market system has demonstrated its superiority time and time again over the controlled system of the Soviet Union. That is the reason for these profitable export sales in the first place.

This free market system must continue, but it requires not only the freedom to produce, but also the freedom to sell. Artificial export controls are harmful to this end and should be lifted immediately.

THE LATE SIG ARYWITZ—A GREAT CALIFORNIAN

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

Mr. ANDERSON of California. Mr. Speaker, it is my sad duty to report that yesterday morning, Sigmund Arywitz, executive secretary-treasurer of the Los Angeles County AFL–CIO Federation of Labor, passed away at the age of 61.

Labor has lost a great leader. The working people of southern California have lost a powerful protector of their rights. And I have lost a valuable and close friend.

I am sure that all of the members of the California delegation were saddened, as I was, when I heard the news yesterday morning. Sig Arywitz was more than a political force in Los Angeles. His works and charitable contributions reflected his deep humanity, and his concern for the welfare of his fellow man. It was that quality which made him an outstanding leader.

Sig Arywitz was born in Buffalo, N.Y., on August 27, 1914. He attended New York State Teachers College, the University of Buffalo, and New York City College before coming to Los Angeles in 1936.

Although he started out as a newspaper man, Sig Arywitz soon gravitated toward the field where he would dedicate his life—organized labor. He worked on publicity for the International Ladies' Garment Workers Union during the 1930's before entering the Army in 1942.

After he received his discharge in 1945, Sig Arywitz became a member of the Provisions Houseworkers Union. In 1946 he joined the staff of the ILGWU as an organizer for the Sportswear Workers Union, Local 266.

In 1950 Sig Arywitz became a delegate to the Los Angeles Central Labor Council, and was a member of the merged Los Angeles County Federation of Labor until his untimely death.

Executive secretary-treasurer of the federation since 1967, Sig Arywitz was active in numerous civic and community affairs. He was labor commissioner of the State of California and chief of the division of labor law enforcement, department of industrial relations, from 1959 to 1967. As labor commissioner, Sig expanded the staff and offices of the department of labor law enforcement, increasing the annual recovery of unpaid wages from $2 million to $5 million. He was also responsible for the enactment of several new revisions of the California Labor Code for the protection of our State's workers.

Sig's main concern was always the benefit of the American worker, but his broad range of activities reflected his boundless energy and interests. He was vice president of the United Way, Inc., and a member of the western area advisory council of the American Red Cross. Sig also served on the senior citizens health task force of the county of Los Angeles.

His concern for civil rights was shown by his membership on the executive board of the National Trade Union Council for Human Rights; Jewish Labor Council; he was also an honorary member of the California Democratic Chicano Caucus. Sig was a member of the Labor and Industry Committee, Los Angeles Chapter of the NAACP; and was chairman of the American Trade Union Council for Histadrut.

I knew Sig Arywitz for many years, and always respected him as a man deeply committed to bettering the life of our working men and women. Sig was always active in politics, but the value of his friendship cannot be measured in those terms. I will always consider it an honor to have known Sigmund Arywitz, and I feel fortunate to have known him as a friend. Sig's energy, enthusiasm, concern for the human condition, and total integrity will long be an inspiration to us all.

My wife, Lee, joins me in expressing our sincerest condolences to Sig's lovely wife, Barbara.

Mr. Speaker, at this time I would like to yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. I thank the gentleman for yielding. I also thank my colleague for taking this special order so that those of us who knew "Sig" and respected him could pay our respects.

Like all Californians, I was aggrieved to hear of Sig's untimely passing. It just does not seem possible that Siggy Arywitz, the big, strong, healthy, robust man who has led in the field of labor for so long, is now gone. I do not know when I first met Siggy. It seems as though he has always been there, leading in the field of labor and community affairs in our southern California area.

I do remember that he was there when I came back from World War II and started working in politics in the late forties, and I am glad that our colleague, the gentleman from California (Mr. ANDERSON) our former Lieutenant Governor, has read off a little more of the biography, because I now know that Sig was there in 1936, which was before I got to California.

But what did happen is one thing, and what is going to happen is another. We are all going to miss Siggy. He was not only a great labor leader but, as has been outlined by the biograhical data which has just now been put in the RECORD, he was very active and very important in all of the activities of our society, our community, and our economy in southern California, and in fact throughout the rest of the State. He was a person one could always rely on for good common sense and for good advice and for good leadership. He was known for not only being a worker in political campaigns, a leader in political campaigns, but also as an active participant in community affairs.

What is even more important to me is he was a good personal friend. I am going to miss him.

My wife joins me in expressing our condolences to Mrs. Arywitz.

I thank the gentleman from California (Mr. ANDERSON) for letting me take this time to participate.

Mr. ANDERSON of California. I want to thank my colleague for his contribution.

At this time I would like to yield to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. I thank the gentleman from California (Mr. ANDERSON) for yielding to me.

At this point as a new Member of Congress, my knowledge of Mr. Sig Arywitz was more limited than Mr. ANDERSON's. However, I found him to be one of the ablest and most articulate members of the union community in the labor movement in California. He devoted his life entirely to the improvement of the workingman and workingwoman in America.

I join with his family in the mourning of his untimely death.

Mr. Speaker, I wish to be associated with the remarks of the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. I thank my colleague for his contribution.

At this time I am pleased to yield to the gentleman from California (Mr. BELL).

Mr. BELL. I thank my colleague for yielding.

Mr. Speaker, it is with sadness that I join my colleague from California in this tribute to Mr. Sigmund Arywitz.

Sig contributed substantially to California labor, industry, life and politics. As an important leader of a strong segment of labor, his influence penetrated every aspect of living throughout California. He was always a strong supporter and great friend of mine. He was a great friend of all that stood for what was right and best for the community.

I know that I am joined by numerous national, State and local officials and their constituencies in mourning the loss of this very good man.

Mr. ANDERSON of California. Mr. Speaker, I thank my colleague, the gentleman from California.

Mr. CORMAN. Mr. Speaker, yesterday I lost a very close friend.

Sig Arywitz, a national labor leader, a civil libertarian, and a political activist died suddenly in Los Angeles on Tuesday of an apparent heart attack. His untimely passing saddens all who had the privilege of working with and knowing him.

Sig was a big, burly, loving man who lived life to the fullest. He was a true professional and executed his commitments with maximum vigor and competency. He was a dedicated student of the labor movement in this country and received his initial practical experience with the International Ladies Garment Workers Union beginning in 1949. From that 10-year experience he quickly rose to positions of great responsibility including his appointment as California's commissioner of labor in 1959 and in 1967 he assumed what was to be his last post as executive secretary-treasurer of the 500,000 member Los Angeles County Federation of Labor—AFL-CIO.

But Sig was much more than an excellent organizer and defender of the workingman's right to a fair shake. He was a warm, concerned individual with a social conscience. He fought vigorously and relentlessly for what he believed. He never compromised his principles. He never abandoned the people he represented, as a public servant or labor leader. His strong sense of social activism caused him to be a dynamic civil rights spokesman and a leader in the Los Angeles area and this is where we first worked together.

Mr. Speaker, Sig was a man of action. An individual who loved the challenge of a political election or rally or the tense, unknown nature of labor negotiations. He was a forceful spokesman for the working man and woman.

My friend will be sorely missed.

Mr. JOHNSON of California. Mr. Speaker, it is with sorrow and sadness that I rise today to pay tribute to an old, old friend, Sigmund Arywitz, who passed away suddenly yesterday.

Sig Arywitz served for many years as executive secretary-treasurer of the Los Angeles County Federation of Labor. During these years I was privileged, prior to my election to the U.S. House of Representatives, to have also been active in organized labor efforts. Accordingly I have had the privilege of knowing Sig and being familiar with his work.

Among labor leaders of our State and our Nation, he was one of the greatest. He was a man of dedication to his cause; he was a worker and a fighter with great tenacity; and he was at all times a humanitarian with deep concern and compassion for his fellowman. It was this combination of attributes which made him one of the greatest labor leaders in our Golden State's 125 years of existence.

The labor movement, of course, will miss him, but the accomplishments and advances of the movement to which he devoted his entire life will stand as a monument to his work for decades to come. Personally, I will miss Sig as a longtime, personal friend.

My wife joins me in extending to his wife, Barbara, our deepest sympathies.

Mrs. BURKE of California. Mr. Speaker, I rise to join in this tribute to a great labor leader and a great American, Sig Arywitz. Those of us who worked with him and knew him recognized the unique dedication he brought to the political arena and to government.

He was known for his outstanding ability and intellect. His service to the State of California as chief of industrial relations brought new hope and protection to working people. The safety of workers and their benefits were always foremost in his mind. His courageous leadership in bringing enforcement of labor laws into the public eye set a new precedent in labor law.

The people of California, and the Nation and the labor movement has lost a great citizen, but the workingman has lost a friend that will be mourned for time to come.

Our greatest sympathy is extended to his wife and family and we join the host of his friends who grieve his passing.

Mr. VAN DEERLIN. Mr. Speaker, I join our colleagues in mourning the untimely passing of Sigmund Arywitz. He was a truly gifted labor leader, a man whose influence was felt in many spheres of life and well beyond the borders of California, his usual base of operations. At the time of his death, Mr. Arywitz was executive secretary of the Los Angeles County Labor Federation, AFL-CIO, a post he assumed following service as California labor commissioner.

At Mr. Arywitz' urging, organized labor in California took unequivocal stands in support of human and civil rights, in addition to reflecting more traditional concerns of the labor movement.

His power for good was great, and well used. He will certainly be missed.

Mr. PHILLIP BURTON. Mr. Speaker, Mrs. Burton and I were deeply saddened to learn of the death of our dear friend, Sig Arywitz. We knew him and worked with him for almost 25 years.

Sig Arywitz was a champion of working men and women in our State and he was a fighter for economic, social, and racial justice.

He spent many years as education director of the ILGWU. In 1958, he was appointed State labor commissioner by former Gov. Edmund "Pat" Brown. In 1967, he was elected executive secretary of the Los Angeles County Labor Federation, AFL-CIO, a post which he held until his untimely death.

Sig Arywitz was a labor leader in the highest sense of that term. His ability and dedication were admired by all who knew and worked with him.

To his wife, Barbara, Mrs. Burton and I extend our most sincere sympathy. Her loss is shared by literally millions of our fellow Californians whose lives have been enriched, because Sig Arywitz was a man of strength, a man who cared, and a man who was involved in the political process to achieve the social goals in which he firmly believed.

Mr. LLOYD of California. Mr. Speaker, I have just received the sad news that a dear friend of mine, both personally and professionally, has passed away. Sigmund Arywitz, the executive secretary-treasurer of the Los Angeles County Federation of Labor, AFL-CIO, died of a heart attack at the young age of 61.

Sig was a fixture on the Los Angeles political and labor scenes. His passing leaves a tremendous void in knowledge, awareness, and action on behalf of labor union members. It will not easily be filled.

From now on, many important gatherings and meetings will not seem the same without Sig at the head table. His ability to perceive the needs and interests of labor union members, and to communicate those views to those of us in the political arena, was one of Sig's outstanding qualities.

On behalf of my colleagues in the House of Representatives, I send condolences to Sig's family and his many close friends.

Mr. HANNAFORD. Mr. Speaker, it is with deep personal sorrow that I join my colleagues in honoring the memory of Sig Arywitz. Too often we wait to pay tribute to a friend until he is no longer with us.

The accomplishments and dedication of Sig are well known to all of us. His life was devoted to securing a better way

of life for the American worker. His work in the labor field, as a member of the International Ladies Garment Workers Union, as California's labor commissioner under Gov. Pat Brown, and as the executive secretary-treasurer of the Los Angeles County Federation of Labor, will serve as an example of what a talented, and dedicated person can accomplish.

All of us will miss Sig Arywitz. His passing leaves a void in the ranks of labor leaders that it will be difficult to fill. My sincere sympathy goes out to Barbara Arywitz, and all of Sig's family and friends. His loss will be a great loss, not only to the labor movement, but to the whole country.

Mr. SISK. Mr. Speaker, it was with deep regret that I learned of the passing of "Sig" Arywitz. "Sig" was truly one of the most outstanding labor leaders in the State of California and he will be greatly missed by all of us who have had the honor and pleasure to work with him over the years. His hard work and outstanding efforts have certainly had a great impact on the labor movement and most recently have resulted in several new revisions of the Labor Code for the protection of California workers. In addition to his efforts within the framework of the labor movement, which will not be forgotten, "Sig" was also most active in civic affairs and political activities. He was certainly a most unselfish individual who devoted the major portion of his time for the benefit of others.

Reta joins me in extending our deepest sympathy to Mrs. Arywitz in her great loss and hope that she will take comfort in knowing of the many people who share her loss with her.

Mr. ROYBAL. Mr. Speaker, I rise to join my colleagues in honoring the memory of Sigmund Arywitz who passed away suddenly on September 9, 1975. The death of this longtime friend came as a surprise to all of us who had the privilege to know this strong and robust man.

Over the years I have come to know Sig as a hardworking, dedicated champion of human and civil rights. As our friendship grew, so did my deep respect for the man and his ideals. His passing is a very personal loss and a great loss to the community and to the labor movement. There will be no replacing this dear friend who has brought exceptional knowledge and expertise to his field.

Sig moved up quickly in the ranks. When he came to Los Angeles, his first position was as a newspaperman. From there he went on to organized labor, which was to become his career and lifeblood. My colleagues have already outlined the positions which Sig held over the years in the labor movement, most recent of course, being executive Secretary of the Los Angeles County AFL–CIO Federation of Labor. In all of his capacities he clearly demonstrated the knowledge, concern, insight, enthusiasm, and integrity which made him a great benefactor of the workingman.

No words can adequately express the loss to those of us who knew and loved him. One thing is certain, though, Sig will be missed—both personally and professionally.

GENERAL LEAVE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

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

There was no objection.

BENEFITS TO SURVIVORS OF PUBLIC SAFETY OFFICERS KILLED IN LINE OF DUTY

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

Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill that I had proposed in the last session of Congress that would provide benefits for the surviving dependents of a public safety officer killed in the line of duty or an apparent criminal act.

Both the House and the Senate passed legislation to this effect in the 93d Congress, but problems arose in the conference committee that were never resolved.

Eligible public service officers include reserve and professional law enforcement officers and firemen. The term law enforcement officer includes policemen, correctional officers, prison guards, probation and parole officers and officers involved in programs relating to juvenile delinquency or narcotic addiction.

In the past few years we have seen the risk of violence faced by our peace officers increasing daily, and the legislation I am proposing will give them and their families some measure of security.

This bill will also cover prison guards. The prison guard in recent years has been faced with an increase in violence within the prison system. It is obvious to all that we need prison reform, but we will always need guards and unless these men and women feel that their families will be provided for if something should happen to them we are not going to find the qualified people needed for these positions.

Crime knows no jurisdictional boundary, nor respects the color of a law-enforcement officer's uniform. Each officer, whether sheriff, deputy, highway patrolman, policeman, or prison guard, must be fully cognizant that death may come to him in the performance of his sworn duties.

I believe these guaranteed benefits would improve the quality of law enforcement by lifting the morale of those who enforce the law. Thus, this proposed legislation would have at least two positive results; direct financial benefits to the families of slain public safety officers, and improved law enforcement.

I urge that this legislation be passed as it is the moral obligation of this country to adequately compensate those who risk their lives to protect all of society.

JOHN McCORMACK REMINISCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, the Boston Evening Globe on September 5, 1975, ran an excellent interview with our beloved former Speaker John W. McCormack. I know our colleagues would be interested in reading the article, so I am inserting it at this point. I would further like to report that Speaker McCormack is doing fine and sends his best wishes to all Members.

The article follows:

JOHN McCORMACK REMINISCES: "IT'S JUST A SPIRIT. SOUTH BOSTON IS REALLY A SPIRIT—A WAY OF LIFE"

(By Richard W. O'Donnell)

It was five years ago that South Boston's John W. McCormack announced he was retiring from politics.

For the first time in more than 40 years, his name did not appear on the ballot in that September primary as a Democratic candidate for Congress in the Ninth Congressional District.

Recently, the retired Speaker of the House of Representatives, now 84, taped a 90-minute interview for the Boston Public Library. He was interviewed by two South Boston students, John McCarthy and Mary Andruszkiwicz, and he recalled fond memories of his own youth, his political life, and famous Bostonians he had encountered over the years.

Excerpts from the interview follow:

ON SOUTH BOSTON

"There's a character to South Boston. There's something about South Boston that's indescribable. It's a wonderful place.

"If two persons met—in Hong Kong or in Rome or in some remote place, or even in the continental United States—they would naturally ask one another where they'd come from.

"If they both come from the United States, the one who came from South Boston would never say, 'I come from Boston.' He'd say, 'South Boston.' The other person would mention the city.

"It's just a spirit. South Boston is really a spirit—a way of life. Remarkable people lived over there. And there's remarkable people that live there still.

"In South Boston, the people have deep faith. For a community of its population, it sent more young men to the priesthood in the Catholic Church and more girls to become nuns in the sisterhood of the Catholic Church than any other community of its population in the United States. And, I dare say, throughout the world. Any other community would have difficulty in challenging that statement. I'm safe in saying any community throughout the United States."

ON CURLEY

"Jim Curley was a colorful man, an unusual man. I got to know him but not as well as I would have if I'd started with his generation. The same thing is true of Honey Fitz. He'd been in politics 12 or 15 years before I came along.

"Returning to Curley, he went down to Washington later on in his political career while I was Leader. We got along well.

"When I was a youngster, we lived on Mercer street in South Boston in a block of tenements. There were seven entrances, and 21 families lived in them. The common bathroom was down in the cellar—not the 'basement'—mind you. We called it the cellar. Those places had no bathtubs, electricity or anything.

"When the tide went out there were mud-

flats, and the odor of them—it was terrible. We didn't have that Strandway. That Strandway was all mudlined, you know, except one part we called McNary Park.

"The tide used to come right into the Old Colony Railroad, where we lived. And all out that way was mudflats when the tide went out.

"The Strandway—and that baseball park—they're monuments to Jim Curley. No question about that. He was the man who got rid of the mudflats.

"He was an amazing fellow, Curley was. Either the people loved him, or they hated him. He had some terrific campaigns. I never was of that school, where I'd want to attack somebody personally. I never was. I discussed issues. Very sharply. But I never attacked the motives of anybody.

"Curley was probably one of the 10 most eloquent speakers in the country.

"But when he ran, it wasn't a question of issues. It was a question of either they loved him, or they hated him.

"Usually, there were enough who loved him to elect him."

ON SALTONSTALL'S "SOUTH BOSTON" FACE

"It was Curley again, and that sharp tongue of his. He made a mistake, which quite often he did. When he was running against Saltonstall, as a joke, he referred to Saltonstall's South Boston face.

"That aroused the people of South Boston. They resented it, and they went out and voted for Saltonstall. After that, Staltonstall was always a great favorite of the people of South Boston.

ON CARDINAL CUSHING

"He was an outstanding churchman. He and I were very close friends. He was born in what we called the upper part of South Boston, up around Marine road, as I remember—but Upper South Boston. I lived most of my life in around Andrew square.

"Cardinal Cushing was dynamic. As a matter of fact, when he was in the seminary—before he was ordained—during the summer time they would have a month or so when they had a vacation.

"It would come around September, and he used to go out and campaign for a friend of his, Dan Casey, who later became a judge, and was a judge in one of our courts for many, many years.

"When he was a seminarian, he used to go out during the primary time and campaign. I can see him now up at the corner of Dorchester street and Broadway—up in a peddler's wagon campaigning.

"He didn't need a loudspeaker. His voice would carry a tremendous distance. He'd go out and campaign for his friends, as he did for Dan Casey. It just shows how human he was.

"Of course, he was ordained—the work he did will last forever. The name of Cardinal Cushing will always live in the hearts and minds of the people, not only of the Archdiocese of Boston, but everywhere because of the rich qualities he possessed as a priest, and as a man, and as a human being.

"Mrs. McCormack and I—we'd go out and visit the Cardinal at his residence. We had friends out in Milwaukee who were the principal owners of the Schlitz Brewery Co. For 24 years, they had a foundation. They were very charitable people. And, for 24 years, for the McCormacks, they'd send in $10,000 a year for the Cardinal's charities.

"Of course, Mrs. McCormack and I always carried the checks out to Archbishop Cushing—later Cardinal Cushing.

"We'd go out with the check every year to deliver it and have a chat with him. And no sooner would we arrive than he'd want to know, 'What about politics?'

"The first thing he'd ask would be to talk about politics. He loved politics.

"So I used to say to him every once in a while, 'Well, Your Emminence, I'm awfully glad you had the calling to the vocation of the priesthood, because if you didn't, and you wanted to be in politics, and you wanted to go to Congress, I wouldn't be there now. You'd be there.

"He loved politics. He was a remarkable man. He was a real product of South Boston.

ON SOUTH BOSTON POLITICS

"The people of the district, from a political angle, took their politics very seriously. Naturally most of them were Democrats, as the Democratic Party was the party that fought for the best interests of the poor, the afflicted, the underprivileged. And it still does, but particularly in those years when I was a young man.

"In those days, the great majority of the people in South Boston didn't have much—were not possessed of much of the worldly goods. Most of them were poor.

"I lived in a very poor section of South Boston. All my life was from Mercer street to Andrew square and Minton street. The people were on the poor side of the journey through life, even in those days.

"But they were people of deep faith. They had no fear of God; they loved God.

"And most of them were politically Democrats. The Democratic Party was the party that offered them hope, in the nature of legislation. It was only natural the people of the district would be strong supporters. They are still of the Democratic Party.

"As far as I'm concerned, it was only natural that I'd be a Democrat, I believe, not only because of the leadership of the party when I was a young man, but because of the great principles given to the Democratic Party and to our country by the founder of the Democratic Party, the immortal Thomas Jefferson.

"So it was only natural for me to be a strong Democrat, which I am today, and will be during my entire life."

ON HIS EARLY CAMPAIGNS

"So when I was a young man and had passed the bar, it was only natural that I should go into politics.

"My first election was to the Constitutional Convention. That was during the war. I think it was old Ward 11. Ward 9 was the lower end, and 10 was up around Dorchester street, and up to the Point, and down around Ninth street, and out through Andrew square, and then out to Mt. Vernon street, and then over through the Cherry Valley. And I was in Ward 11.

"So my first office was the Constitutional Convention in 1917 and '18. Then I was elected to the State Legislature in 1919, and I served in the Massachusetts House in 1920–21, and 22. Then I was elected to the State Senate. I served there for four years, from 1923 to 1926.

"Then I worked in 1928 for Congress to fill an unexpired term. My predecessor, James A. Gallivan died. I'd run against him in '26, and I didn't win. But I'd made tremendous friends, which was the foundation for winning in '28.

"A lot of people—thousands of people—wanted to vote for me, but didn't because they knew Jimmy Gallivan or he's done a favor for them.

"And they'd tell me so. And I'd tell them I was sorry to hear them say they can't vote for me, but I appreciated their frankness, and someday I hoped they might be able to vote for me for some office.

"So in the '26 fight I didn't win. And I never knew whether I'd be in politics again after that. But in '28, when Gallivan died—that was the fight that won for me.

"I ran and was elected to the unexpired term, and the next regular term. The people of the district then comprised South Boston and Dorchester. The biggest bulk of the vote came from Dorchester.

"In '28, I won handily because of that reserve vote I had of people I'd make a very favorable impression on in the '26 campaign through the manner in which I conducted it.

"I never believed in campaigning in personal attacks. I never made a personal attack upon anyone.

"You read of people discussing personalities. I feel sorry when I see them doing that. It shows one who is appealing to emotionalism, rather than to rational judgment—to good sound common sense.

"It shows a side of human nature that is foreign to me. I wouldn't want to hold public office if I had to get it over the dead bones of some opponent of mine, so to speak, or the skeleton.

"I served in Congress for 42 years. It was the people of the district who kept me there. They enabled me to be elected Leader, and then Speaker of the House.

"So I'm indebted.

"In the beginning, it's your friends that do it. Friendship in politics means an awful lot. The making of friends—anyone who is thinking of going into politics should make a lot of friends. Make all the friends you can."

ON HIS NEWSPAPER BOY DAYS

"When I started out, I had a pretty good foundation in Ward 11. That was because I sold papers there; myself and two younger brothers had a paper route on Sundays. We used to go over around Newman street and Mercer street. We had customers over in that area, and I used to go out to Rogers street and out to Andrew square and out through Mt. Vernon street—that area—on the Sunday route.

"You see, my father died when I was 13, and I was the head of the family. I made $3 a week delivering telegrams for the Western Union or the Postal Telegraph. And with the paper route I used to make $7 or $8 a week. In summer weeks, we'd make $9 or $10. That money enabled our wonderful mother to keep our family together.

"And, you know, the spirit of South Boston, the character. We had character from those wonderful mothers over there. There are wonderful mothers everywhere, but South Boston seemed to have a concentration of them. Even now!

"I had that newspaper route for several years. And when I ran, naturally anybody who was a customer of mine, you could pretty well assume would support me. They thought pretty well of me, and developed a friendship. It's a friendship that has lasted to this very day.

"Then I got a job in a broker's office and made $3.50 a week. That was fifty cents more than the telegraph company paid me. I wanted to bring the extra money home to my dear mother.

"Then I got a job in a law office for $4 a week. I was an errand boy. That's where I studied law—in a law office. And he took an interest in me—the lawyer—like a son. It wasn't easy. It was just a question of whether you had the stamina—the character.

"The character was instilled in us in the home, in the church, and in the schools in those days. You never heard of anything like teacher brutality.

"If you did anything in the classrooms, she'd say, 'Johnny, you want me to tell your mother'? Or do you want me to take care of the situation?'

"I'd rather have her take care of it. I'd get off an awful lot easier than with my mother and father."

ON LOUISE DAY HICKS

"All those political leaders in South Boston are good friends. Billy Bulger is class. He's really class. He's got what you call class in politics.

"Louise is a very strong character. I knew her father very well—Billy Day. He was very active in the Knights of Columbus, and was one of God's noble men. He used to be a special judge over in South Boston.

"As for Louise Day Hicks, she is a lady, a girl of strong convictions, and determination.

"You've got some fine men, young men, over there too. You've got good men in South Boston."

ON SOUTH BOSTON AGAIN

"You've got to catch the spirit of it. It's still there in South Boston. There's still a spirit. It isn't as strong down in the lower end as it used to be, but the spirit is still there.

"South Boston's a great community. A lot of columnists, or writers who are trying to sell a book, or sell a column to a paper, and whose regard for the truth is sadly lacking in their desire to make money, might say some things slurringly about South Boston. But it's not justified.

"The people of South Boston were always loyal. They always responded in large and overwhelming numbers to our country in time of war.

"And there was sort of a spirit of love of the neighbor. None of us had anything. But if some neighbor was a little worse off, my dear mother could always find something somewhere to send over.

"For the most part, the people of South Boston had always lived together with understanding minds.

"But they were also fighters. They knew how to fight when they had to.

"They had to know how to fight. To tell the truth, when I was a youngster, some people had to fight to live. It was that rough. You had to be a fighter to survive.

"Now some people in another district may say I'm prejudiced. Every other district has wonderful people. But it seems to me there's an intense concentration of marvelous souls over in South Boston."

John W. McCormack: "The name of Cardinal Cushing will always live in the hearts and minds of the people, not only of the Archdiocese of Boston, but everywhere. . . ."

RURAL RAIL PRESERVATION AND IMPROVEMENT ACT

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

Mr. NOLAN. Mr. Speaker, I am today introducing the Rural Rail Preservation and Improvement Act, a bill designed to preserve and upgrade America's rural transportation system.

The deterioration and abandonment of our national railbeds is one of the most severe problems facing rural America. Many local communities are heavily dependent upon branch line services for their continued growth and livelihood. As tracks have decayed and services dwindled, rural communities have been forced to rely on more expensive, less energy-efficient means of transportation. Increased costs for transporting feed, fertilizer, and machinery to market has translated into higher food prices for all Americans.

Under the 1973 Rail Service Act, a program of continuation grants was established to assist communities in the Northeast and Midwest rail emergency region to maintain essential rail services. However, 3,000 miles of track, many of them in America's prime agricultural areas, are covered by no program of Federal assistance whatsoever.

The legislation which I am introducing today would provide for the establishment of a comprehensive national rail plan with assistance to State and local communities to upgrade and maintain branch services. A temporary 2-year moratorium on abandonments outside the Northeast region would go into effect to give State and local governments time to plan their rehabilitation program.

Under this proposal, the Secretary of Transportation would be required to develop within 300 days a comprehensive report regarding essential rail services within the Nation. This report would be subject to evaluation and hearings by the Rail Services Planning Office. These findings would then be used by the Office in the preparation of a detailed information survey and report on the impact of abandonments in States outside the rail emergency region.

If it could be shown that the economic, social, and environmental costs of abandoning a branch line would exceed the benefits, the proposal would authorize assistance to State and local governments for up to 70 percent of the cost of keeping the line in operation. This assistance would be available nationwide on the same basis that it is now available to the rail emergency region. Our bill would authorize an additional $100 million to cover the cost of this program.

Finally, to provide time to study our rural transportation network and to enable State and local governments to set up programs to utilize continuation grants, the bill would provide for a temporary 2-year moratorium on abandonments outside the Northeast Region. This moratorium could be waived whenever the abandonment request is not opposed by any State, county, or municipality served by the line.

The full text of the bill follows:

H.R. 9516

A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Rail Preservation and Improvement Act".

NATIONAL STUDIES AND POLICY

SEC. 2. (a) Section 204 of the Regional Rail Reorganization Act of 1973 is amended to read as follows:

"REPORTS

"SEC. 204. (a) PREPARATION.—(1) Within thirty days after the date of enactment of this Act, the Secretary shall prepare a comprehensive report containing his conclusions and recommendations with respect to the geographic zones within the region at and between which rail service should be provided and the criteria upon which such conclusions and recommendations are based; and (2) within three hundred days after the date of enactment of the Rural Rail Preservation and Improvement Act, the Secretary shall prepare a comprehensive report containing his conclusions with respect to essential rail services within the Nation in the area outside the region, and his recommendations as to the geographic zones at and between which rail service should be provided. The Secretary may use as a basis for the identification of such geographic zones the standard metropolitan statistical areas, groups of such areas, counties, or groups of counties having similar economic characteristics such as mining, manufacturing, or farming.

"(b) SUBMISSION.—Upon completion, the Secretary shall submit the reports required by subsection (a) of this section to the Office, the Association, the Governor and public utilities commission of each State studied in the report, local governments, consumer organizations, environmental groups, the public, and the Congress. The Secretary shall further cause a copy of each report to be published in the Federal Register.

"(c) TRANSPORTATION POLICY.—Within one hundred and eighty days after the date of enactment of the Rural Rail Preservation and Improvement Act, the Secretary shall formulate and submit to Congress a national transportation policy. The Secretary shall consider all relevant factors in formulating this national transportation policy, including the need for coordinated development and improvement of all modes of transportation, and recommendations as to the priority which should be assigned to the development and improvement of each such mode.".

(b) Section 205 of such Act is amended by inserting at the end thereof the following:

"(e) OTHER STUDIES.—Within three hundred days after the effective date of the final system plan, the Office shall, with the assistance of the Secretary and the Association—

"(1) study, evaluate, and hold public hearings on the Secretary's report on essential rail services within the Nation, which is required under section 204(a)(2) of this title, and the Secretary's formulation for a national transportation policy, which is required under section 204(c) of this title. The Office shall solicit, study, and evaluate comments, with respect to the content of such documents and the subject matter thereof, from the same categories of persons and governments listed in subsection (d)(1) of this section but without any geographical limitations; and

"(2) prepare a detailed information survey and detailed and comprehensive studies with respect to States outside the region covering the same material required to be surveyed and studied by the Association with respect to the region under section 202(b) of this Act, including a comprehensive report to be submitted to the Commission, the Association, the Secretary, and the Congress and to be published in the Federal Register.".

REPORT AND PARTIAL MORATORIUM ON ABANDONMENTS

SEC. 3. Section 304 of the Regional Rail Reorganization Act of 1973 is amended by inserting at the end thereof the following:

"(g) REPORT ON ABANDONMENTS AND PARTIAL MORATORIUM.—The Commission shall submit to the Congress within ninety days after the date of enactment of the Rural Rail Preservation and Improvement Act a comprehensive report on the anticipated effect, including the environmental impact, of abandonments in States outside the region. No carrier subject to part I of the Interstate Commerce Act shall abandon, during a period of seven hundred and thirty days after the date of enactment of such Act, all or any portion of a line of railroad (or operation thereof) outside the region, the abandonment of which is opposed by any State, county, or municipality served by that line.".

EXPANSION OF RAIL SERVICE CONTINUATION SUBSIDY AND LOAN AUTHORIZATION

SEC. 4. (a) Subsection (a) of section 402 of the Regional Rail Reorganization Act of 1973 is amended by inserting after the first sentence the following: "The operation of rail properties with respect to which the Commission has issued a certificate of abandonment within five years prior to the date of enactment of this Act and which remain in condition for rail service shall, subject to

the other provisions of this section, be eligible for such subsidies.".

(b) Such section 402 is further amended by striking out "in the region" wherever appearing therein.

(c) Subsection (i) of such section 402 is amended by striking out "$90,000,000" and inserting in lieu thereof "$200,000,000".

LIMITING GOVERNMENTAL MONITORING OF OUR PRIVATE LIVES

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

Mr. MEZVINSKY. Mr. Speaker, the House Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice is now addressing one of the most significant issues that will come before the 94th Congress—what are the acceptable limits of governmental monitoring of our private lives?

Watergate-style intrusions into the privacy of innocent American citizens have served to dramatize and underscore an increasingly alarming trend in our society. More people are able to delve further into our personal affairs than ever before—whether through electronic devises, computers, or other such sophisticated snooping techniques. Government, under the guise of "national defense" or "law enforcement," has shown its predisposition to pry into what we Americans prize most highly—the sanctity of our homes, our conversations, and the most intimate details of our private lives.

This threat is being confronted by several bills now before the subcommitte. Yet, as constructive and useful as they have been, these bills have not completely addressed themselves to some of the elements of the right of privacy that I think must be included in comprehensive legislation in this area.

Today, I am submitting legislation which incorporates not only issues addressed by legislation now before the subcommittee, but which broadens it to meet other problems in this area. This legislation makes it a Federal offense when Federal, State, and other governmental officials fail to obtain a warrant for searching buildings or vehicles, for wiretapping, or for opening mail. It changes the definition of "consent" to a "knowing and explicit waiver" by the individual given in writing. This bill broadens coverage to new forms of communication and interception and outlines procedures when there is mutual consent to such an intrusion. It requires new reporting procedures, extends coverage to the opening of mail, and limits the use of military and security forces in the enforcement of civil statutes unless specifically authorized by the Constitution or act of Congress.

I urge my colleagues in the House to support this legislation. This may become one of our most significant contributions to the civil liberties of our fellow Americans.

MRS. PAULINE CULMAR, FOSTER GRANDPARENT

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

Mr. BARRETT. Mr. Speaker, today marks the beginning of the celebration of the 10th anniversary of the Foster Grandparent program. This Federal program, which now comes under the ACTION umbrella, originated to encourage low-income senior citizens to contribute their time and skills to act as Foster Grandparents to dependent and neglected children. The program has proven to be an enormous success. The original 21 project areas in the United States, which were first funded in 1965, have now grown to include 157 projects in all 50 States, with more than 12,000 adults serving as Foster Grandparents.

It gives me great pleasure to honor one of my constituents, Mrs. Pauline Culmar of Philadelphia, who was one of the original 20 Foster Grandparents and is still an active member of the program. For 10 years, Mrs. Culmar has given tirelessly of her time to extend to these unfortunate young children the affection and concern that had otherwise been denied them. Through her efforts she has greatly enriched the lives of many and has provided these children with countless hours of happiness and joy, which have added to brighter and more hope-filled futures for all of them. Mrs. Culmar is a great credit not only to the city of Philadelphia but also to our Nation and I am very proud that she is a member of my constituency.

PREPARATION FOR THE SECOND BUDGET RESOLUTION FOR FISCAL YEAR 1976—BUDGET COMMITTEE HEARINGS ON THE BUDGET AND THE ECONOMY

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

Mr. ADAMS. Mr. Speaker, as Members know, the Budget Committee plans to begin markups on the second budget resolution for fiscal year 1976 in late October. The second resolution is a most critical part of the new budget process: it sets revenue and spending ceilings for the balance of fiscal year 1976.

In order to obtain the most up-to-date budget data and economic analyses prior to those markups, the Committee on the Budget will hold 4 days of hearings September 29 through October 2.

The following witnesses will testify at these hearings:

September 29: Secretary of the Treasury Simon and OMB Director Lynn on updated revenue and expenditure estimates;

September 30: Congressional Budget Office Director Alice Rivlin and economists, F. Gerald Adams and Guy Noyes, on economic forecasts for the coming year;

October 1: AFL-CIO representatives, Kenneth Young and Raymond Denison; John Gilligan of the Council on National Priorities; and John Wetmore of the Mortgage Bankers Association on the economy in general, budget priorities, and housing; and

October 2: Arthur Burns, Chairman of the Board of Governors of the Federal Reserve System, on monetary policy.

In addition, Members of Congress are invited to testify on Wednesday afternoon, October 1. Members wishing to testify should contact George Gross, the committee's executive director—extension 57200—to reserve time for testimony.

The committee invites written statements from all interested persons. These statements will be printed in the hearing record. Unfortunately, the schedule for processing the second budget resolution does not permit time for more extensive hearings.

Hearings will begin at 9:30 a.m. each day in room 210 of the Cannon House Office Building. The Wednesday afternoon session for testimony from Members of Congress will begin at 1:30 p.m.

THE CHICAGO DAILY NEWS—A CENTURY OF DEDICATED JOURNALISM

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

Mr. ANNUNZIO. Mr. Speaker, shortly before America begins its Bicentennial year, the Chicago Daily News, a powerful voice in my city of Chicago, will celebrate its 100th birthday.

On December 23, 1875, the Chicago Daily News was published for the first time. That first issue was only four pages and was held up to ridicule by older established Chicago newspapers. Today the Chicago Daily News not only has overcome the barbs of its competitors, but is now recognized as one of the greatest newspapers in our country.

It has reached that plateau of greatness because of an early philosophy developed by its founders that the paper would be "beholden to no one."

That spirit of independence has served the paper well over the years. That same unswerving dedication to journalism is being carried on today by the distinguished publisher of the Chicago Daily News, Mr. Marshall Field, and my good friend, Emmett Dedmon, vice president and editorial director of the newspaper. They have continually shown their devotion to the city of Chicago and have upheld the highest standards of integrity in presenting the facts to Daily News readers.

These two gentlemen stand in a long line of great journalists who are a part of the Chicago Daily News history. Among the famous who wrote for the Chicago Daily News were Carl Sandburg, Ben Hecht, Robert J. Casey, one of the greatest war correspondents of all times, Eugene Field, a famed childrens poet, and hundreds of others who although not as famous were nonetheless responsible for the journalistic tradition of the Chicago Daily News. The men and women who write for the Chicago Daily News have shown that they can carry on the great tradition of the past. That tradition has seen the newspaper win 15 Pulitzer Prizes for meritorious public service and excellence. I predict there will be many more such awards in the years ahead.

While journalistic awards are indeed

a measure of a newspaper's greatness, an even greater measure of accomplishment is the acceptance of the paper by its readers. In a multinewspaper city such as Chicago, people buy newspapers by choice, not because its the only paper available. For a newspaper to survive in such a climate of competition, it cannot afford to be mediocre. The newspaper must earn, and more important keep, the respect and confidence of its readers. A newspaper can win many journalistic awards, but if people do not buy the paper, it will not survive. The Chicago Daily News has shown that it can win awards and it has proven that it can keep its readers.

In a recent Daily News story about its past and future, Marshall Field made it clear that the newspaper is not resting on its past accomplishments. He said:

I am proud of the rich heritage of the Daily News and we are determined to continue its great traditions. We are investing heavily in the future of this newspaper, both by seeking out talented young men and women and by providing them with the most modern electronic newsroom equipment that will help them do their jobs faster and better.

This is a commitment to tomorrow.

Mr. Speaker, with a record of outstanding accomplishments in the past and a dedication to the future, it is clear to me that the Chicago Daily News will be around for a long time and will continue to provide the city of Chicago with the outstanding service which has made the Chicago Daily News such a great newspaper.

TWO WEEKS TO ACCOUNTABILITY FOR THE FEDERAL RESERVE

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

Mr. PATMAN. Mr. Speaker, I wish to report to the House that a Rules Committee vote on H.R. 7590, a bill which authorizes and directs the General Accounting Office to conduct full-scale audits of the Federal Reserve System, is now scheduled to take place in 2 weeks.

That vote will follow completion of testimony by witnesses on this measure. Three witnesses testified last week and the remaining witnesses will be heard in 2 weeks.

I am fully confident that the committee vote will be favorable and that the measure, which is cosponsored by 118 Members of the House, will be decisively approved when it reaches the floor later this month.

Mr. Speaker, H.R. 7590 is one of the most important pieces of legislation to be considered by this Congress. The bill is given this degree of recognition because it provides the only way by which the Federal Reserve, which affects every aspect of the Nation's economy and ultimately determines whether we have prosperity or depression, can be held accountable for the way in which it conducts its activities.

Those activities are financed with an enormous annual income of tax money amounting to more than $6 billion. The money is paid to the Federal Reserve by the Treasury in the form of interest on the $93 billion in Federal securities held by the System. Those securities, which have been paid for once and ought to be canceled, amount to about 20 percent of the national debt. Moreover, the Federal Reserve handles financial transactions totaling $30 trillion a year—transactions which will increase far beyond that staggering figure in the years ahead.

Mr. Speaker, despite the fact that the Federal Reserve is the economic kingpin of our financial system, it is not accountable to Congress or the administration for the way in which it spends its multibillion dollar annual income, employs some 28,000 persons, and handles an enormous and ever-growing volume of financial transactions.

This is why the Federal Reserve must be held accountable to Congress through comprehensive GAO audits. This is why so many Members of the House have placed their names on this legislation.

Mr. Speaker, it is the responsibility of Congress, which created the Federal Reserve, to hold it accountable for the way in which it functions. I am sure that Congress will live up to this responsibility.

SIGMUND ARYWITZ

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

Mr. CHARLES H. WILSON of California. Mr. Speaker, I was shocked and saddened to learn of the sudden death yesterday of Sig Arywitz, executive secretary of the Los Angeles County AFL/CIO. For Sig, a close personal friend as well as associate, truly believed that the basic purpose of a labor union is to better the life of its members.

Sig devoted most of his life to the labor movement. During his 15 years as education director of the International Ladies Garment Workers Union, he developed a reputation as a militant fighter for civil rights, and he continued to regard this as one of the most crucial issues confronting our Nation. His dedication and determination to pursue fairness and opportunity for all continued as he assumed future leadership roles—as labor commissioner for the State of California under Gov. Pat Brown, and as executive secretary for Los Angeles County's AFL-CIO.

A forceful speaker, Sig was a frequent participant in collective bargaining, especially that involving public employees, and he was ingenuous in declaring his "bias in favor of the working people of California." But Sig's major strength was in coordinating labor's role in every southern California political campaign since he took office 8 years ago.

And so our State has lost one of its most prominent and endearing public figures. A people-to-people man, Sig Arywitz was unawed by the trappings of power but preferred instead to spend his time with the workers. In this way he learned about their problems with health, education, jobs, housing, and then he would get right out to do something to correct these conditions. Few men have done so much—and we shall miss him.

TAX BREAK URGED

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

Mr. WOLFF. Mr. Speaker, it is not necessary for anyone to explain to this House the grave effects of the financial crisis facing our Nation on the mass transit systems, or on the working men and women in all the cities, towns, and villages who use a bus, a subway or a train to get to and from work.

While it would be ideal if the continuing spiral of fare hikes could be avoided, it does not seem possible to do this without further increasing the operating deficits of the systems themselves. And, of course, holding back on fares simply means that a savings for the commuter in this area simply means a hike for the taxpayer in another area.

Therefore, in order to help our working men and women meet the ever-increasing cost of living, I hope that this Congress will favorably consider legislation allowing individual Federal income tax deductions for the entire cost of commuting to and from work, on all forms of mass transit.

Obviously, as a New Yorker with fare increases on the subways and commuter lines such legislation has particular importance to me, and to those colleagues in my home State's delegation who today join with me in cosponsoring such legislation.

But it can be said without reservation that this legislation which we introduce today is truly national in its intent, and in its effect. Every working man and woman in every city, town, and village across our Nation who has to ride to work on a regular basis will be a beneficiary of this legislation, for obvious reasons.

Not so obvious, but perhaps of equal importance, is the fact that a system of allowing a Federal income tax deduction for commuter expenses on mass transit would also have the very positive effect of stimulating public use of mass transit.

The present situation gives Americans little, if any, incentive to stop our fatal dependence on the individual automobile—despite its gross misallocation of vital fuel resources—to get to and from work.

Mr. Speaker, the legislation being introduced today should go a long way to helping remedy not only an inequity to many millions of Americans, but it also promises to help shape the fuel consumption and travel habits of America in a most positive fashion.

I respectfully urge the attention of my distinguished colleagues on both sides of the aisle to this legislation, and I hope that they will contact my office to join with those of us who have already sponsored a measure we all hope will aid the tax-paying, working men and women of our Nation.

I now submit a copy of my legislation for the RECORD.

H.R. 9541

A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 218 as section 219 and by inserting after section 217 the following new section:

"SEC. 218. USE OF MASS TRANSPORTATION FACILITIES IN GOING TO AND FROM WORK.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year for the use of mass transportation facilities in traveling between such individual's principal residence and his principal place of employment or self-employment.

"(b) DEFINITION.—For purposes of subsection (a), the term 'mass transportation facilities' means transit facilities which are licensed, franchised, or regulated by Federal, State, or local authorities, and which travel on prescribed routes, including subways, trains, buses, boats, airplanes, helicopters, and the like."

(b) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 218. Use of mass transportation facilities in going to and from work.

"Sec. 219. Cross references."

SEC. 2. Section 62 of the Internal Revenue Code of 1954 (relating to definition of adjusted gross income) is amended by inserting immediately after paragraph (8) the following new paragraph:

"(9) USE OF MASS TRANSPORTATION FACILITIES IN GOING TO AND FROM WORK.—The deduction allowed by section 218."

SEC. 3. The amendments made by this Act shall apply with respect to taxable years ending after the date of the enactment of this Act.

HIGH SCHOOL TEST SCORES DROP TO NEW LOW

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

Mr. WAGGONNER. Mr. Speaker, "innovations in education" which this body has been funding for many years have produced at least one tangible result—test scores of American high school seniors have now reached an all-time recorded low.

The scholastic aptitude tests, taken by one-third of U.S. high school seniors as an admission requirement for college, have shown a continual drop in math and language scores since 1963. Scores this year have sunk to their lowest levels.

Obviously this is shocking to all of us who are concerned about the education of our young people.

So-called progressive education programs have been taking our schools progressively downward. Basic education, reading, writing, and mathematics have suffered. Parents are rightly alarmed at the decline in the quality of education their children are receiving.

We have spent billions upon billions of dollars on education—research, teacher training, development of "innovative programs"—what do we have to show for it? Each succeeding graduating class leaves high school less educated than the one before. We have been pouring money down a rathole, and there is no light at the end of this tunnel.

How many more generations of young Americans will be sacrificed before we make a national determination to return to education which truly educates our youth?

Mr. Speaker, I insert the related news clippings:

[From the Washington Post, Sept. 7, 1975]

HIGH SCHOOL SENIOR SLUMP

(By Bart Barnes)

Scores on verbal and mathematical aptitude tests taken by nearly 1 million college-bound high school seniors dropped sharply this year to the lowest level in more than two decades.

The decrease is a subject of increasing concern among educators and it comes at a time when college faculties are complaining that each year they are being sent students less proficient in reading and writing than the year before.

This year's senior scores on the Scholastic Aptitude Tests (SAT)—a requirement for admission at many colleges throughout the nation—capped a 12-year decline that began in 1963, according to the sponsors of the tests, the College Entrance Examination Board.

But the drop for the class of 1975—10 points on the verbal test and 8 points on the math—was the largest since the scores began to decline.

This year's average scores—434 on the verbal test and 472 on the math test—are the lowest since the college board began computing averages in the mid-1950s, a spokesman said. Tests are scored on a scale of 200 to 800, and the drop in averages since 1963 is 44 points on the verbal exam and 30 points on the mathematical.

College board staffers said they have been studying and analyzing the declining scores for the past few years and they are convinced the slump is not the result of technicalities in the tests.

"The decline seems increasingly real to us," said Carol Halstead, a college board staffer. "There is a decline in the verbal and mathematical reasoning ability among those who choose to take the SAT." (About one third of the nation's high school seniors take the exam.)

There was no firm evidence to explain the decline, but several college board staffers and professors offered theories ranging from the influence of television to shifts in high school curricula away from traditional areas and into more innovative ones.

Others have speculated that the averages may be declining because the SATs are being taken by more minority students than a decade ago and studies have shown such students often don't do as well as others on standardized tests.

The speculation appears to be discounted by the fact that, in addition to a decline in average test scores, there also was a sharp drop this year in the number of students who scored over 600. The number of students earning superior scores decreased by 20 per cent to 79,100 from 1974 to 1975 while the students who did poorly—scoring below 400—increased by 8 per cent.

"More students are looking at education now as somewhat an entertainment industry. The fact that mastery of a subject area takes a good deal of time and effort has been forgotten," said Joseph Monte, the president of the National Association of College Admissions Counselors and a guidance counselor at Montgomery County's Einstein High School.

"The verbal skills of students have gone down incredibly in the last 10 years," said Dr. Shirley Kenny, head of the English department at the University of Maryland.

At Maryland, Kenny said, the basic freshman English composition program has been revamped to improve students' verbal skills and a special program has been started for students with serious deficiencies.

Of 200 students at the University of Wisconsin taking an English usage examination this year to qualify for majors in journalism, 125 failed.

"Students are not convinced they need to know how to write," said Wisconsin English Prof. William Lenehan. "But they really do need to know how."

While the failure rate on the exam was 60 per cent this year, it was 30 per cent a year ago and 25 per cent in 1971.

Dr. James Kinneavy, director of freshman English at the University of Texas, attributed the test score drop to a "dialectical tolerance" among high school teachers trained in new linguistics. This theory holds that any ethnic dialect of English is as good as standard English and hence, standard rules of grammar and punctuation are considered unimportant.

"There are enough teachers in high school who believe in this and are practicing it so that I think it's a factor," Kinneavy said.

Even at such highly selective universities as Cornell, faculty members are becoming concerned about the decrease in students' verbal ability.

"There has to be some truth in the statements that the writing experience of our students is not as rich as it used to be," said Donald Dickason, Cornell's dean of admissions and financial aid. "Our students are following the national trends, although at a slower rate."

Those seniors taking the SATs this year included 496,876 males and 499,576 females, the first time more women have taken the tests than men.

Coincidentally, although test scores were down this year, students' grades in high school had improved somewhat, the college board found.

[From the Washington Post, Sept. 7, 1975]

SOME SCHOOLS IN AREA RETURNING TO 3 R'S

(By Donnel Nunes)

In Fairfax County, school officials are working on plans for an annual countywide old-fashioned spelling bee to encourage students to learn basic spelling skills.

In Montgomery County, an elementary reading course that used 30 letters instead of the regular 26-letter alphabet has been dropped because it failed to help students learn to read.

In Prince George's County, a predominantly conservative board of education approved (but has been unable to implement) a proposal to create three "basic alternative schools" emphasizing reading, writing and arithmetic.

These examples of a return to the basics of instruction after more than a decade of innovative experimentation are a part of a subtle but growing national phenomenon, many educators and industry observers say.

The trend is making instant best sellers of textbooks that emphasize practical applications of subjects rather than theory, educators and observers say. At the same time, school officials are cutting funds earmarked for experimental programs.

"It's a kind of feeling all over the county," said Dr. John Sullivan, the National Education Association's instruction and professional development director. "People are reaching back, back for things that maybe never existed. They want some kind of basic teaching for their children. And the school systems are responding."

The subtle but dramatic shift away from innovation toward more rudimentary and basic educational approaches is the combined result of increased parental interest, the nation's poor economy, mediocre student performances in tests, and a new awareness on the part of school officials of the shortcomings of innovative programs, educators say.

"Look, when you ask a child in the fourth or fifth grade who was the first president and he looks at you like you're crazy, it takes your breath away," said Kathleen M. Barker, a conservative member of the Prince George's County board of education.

"Parents are looking at what they knew in fourth grade and saying, "I knew that and my child doesn't," she said. "The basics have been overlooked, and just because they're old doesn't mean they're bad."

"I think there's some validity to charges that students weren't as well educated under some of the new programs," said Carl W. Hassel, Prince George's County superintendent. "Educators were not being as explicit (in the classroom) as they should have been about basic skills."

Fairfax County schools superintendent John Davis said, "Industry has found that some graduates can't spell or write out a sales slip."

Fairfax County Area 1 school supervisor Dr. Herman Howard put it more bluntly. "A student has to be able to fill out a form for a job," he said. "That's a basic life skill."

The sharp decline in federal, state, local, and private funding to finance continuued experimentation is intensifying the scrutiny all news programs are receiving in Montgomery, Fairfax, Prince George's and Prince William counties school systems, according to educators.

"State and federal aid has definitely dried up," said Dr. Donald Miedema, acting Montgomery County superintendent. "Here in Montgomery County, we have had in our school budget for years seed money for innovative programs. Two years ago it was at its all-time high (about $110,000). This year we had to cut it back to about $25,000."

NEA's Sullivan said the nation's poor economy has affected innovative education in two major ways. Huge foundations which have channeled funds to new educational programs in the past suffered in the stock market fall, where most of their endowments are tied up in stocks.

Also, Sullivan said, "the people's faith in the economy has been shaken. It's caused basic insecurity. People are worried about their jobs and other things, and they're retrenching. They're looking for the good old days."

As a result, school systems are being more closely scrutinized by parents "than they have for ten or so years," said Prince George's County superintendent Hassel.

One indication of the impact of increased parental interest is reflected in the types of textbooks registering big sales this year.

Darrel E. Peterson, chief executive of Scott, Foresman & Co., one of the nation's leading textbook publishing houses which printed the old "Dick and Jane" reading series, said that his company has had tremendous success with a basic math book, "Mathematics Around Us," for grades kindergarten through eight.

"We just made the book available in January," Peterson said of the text, which he described as very basic in approach. "In the first quarter we sold more of that series than we have ever sold in a year in a new program. It is just incredible."

Another publisher of educational books in New York, who asked not to be identified, said that his company has noted a similar trend toward more basic types of educational material. "It is definitely a national trend," he said.

In the Washington area, where only the District reports "no systematic or other effort" to restudy innovative programs, Fairfax County, for example, is devoting more time in school to drill-type instruction, in which increased memorization in spelling and mathematics is being required.

"There's going to be more drill," said Fairfax County's superintendent of schools John Davis. "It's a reflection of community demands. The community has taken a look and said, 'my youngster's been happy in school, but he can't add.' "

A mathematics program, in which very basic approaches were utilized, has been "extremely successful" in Lorton Elementary School, according to Howard. "The principal's school scored in the 80th percentile. That was the first time it had ever scored that high. Now we're studying the methods used in that program with an eye towards using it elsewhere."

Davis said that, in addition, the schools will be using "flash cards," on which words are spelled correctly and used in memory drills, as well as math "flash" cards in which a student has to supply the right answer to an incomplete but simple problem.

In Montgomery County, according to Dr. Miedema, a reading program known as the Initial Teaching Alphabet (ITA) has been "pretty much abandoned." In that system an extra four letters are added to the alphabet so that each letter has a distinctive sound, he said.

"It just didn't produce good results," he said.

In both Montgomery and Fairfax Counties, the format of report cards has been altered. "We require more traditional reporting symbols along the lines of the old ABCDF," Miedema said. "It's what the parents want."

Other systems are involved in re-evaluating existing new programs, integrating other new programs into more traditional classes, or dropping them altogether, officials in Prince George's and Prince William Counties report.

"We're not rejecting by any means what we've learned in the last ten or 15 years," said Dr. Miedema. "What we are saying, and other systems are too, is that we can have innovative programs with the basics."

THE CBS ANTIHUNTING DOCUMENTARY

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

Mr. SIKES. Mr. Speaker, on Friday evening, September 5, CBS television broadcast a documentary which was purported to be an in-depth examination of hunting in America. I saw only a part of this program, but what I saw left me deeply distressed at the appalling misrepresentation and obviously one-sided view of hunting in this country which it presented.

This documentary, which CBS chose to call "The Guns of Autumn," made no effort to tell the true story of hunting in America or the contributions of sportsmen whose efforts and funds have made possible much of the hunting now available in this country. Rather, it featured the hunting practices of a minute percentage of hunters both of questionable skill and sporting ethics, as these men shot tame bears at a garbage dump and semi-tame exotic wildlife in fenced-in preserves. Another segment featured the controlled harvest of 60 buffalo on an overcrowded range in Arizona, apparently attempting to pass this off as typical of hunting practiced by America's 20 million sportsmen.

A sentimental and fairly revolting aspect of the show was a scene of the death of a white fallow deer. The film footage in a documentary of more sensitive and intelligent handling, might have some meaning. Here it had none, beyond the sentimental wallowing in thoughts and scenes of death. If I wished to make a callous appraisal, I would say that the scene which showed the deer being shot several times as it lay helpless. was a staged production in which only blanks were fired at the wounded animal in order to prolong the scene of agony.

As to the question of why men hunt, or what hunting consist of there were no answers at all. If the viewer had ever hunted, or ever known anyone who did, or ever thought about it one way or another, he probably was far ahead of this documentary. He already knows there are differences between hunting and slaughtering and that there is a thing called sportsmanship which figures prominently in the minds and habits of most outdoorsmen. For many Americans, an opportunity to visit the Nation's woodlands, with or without a weapon, constitutes a release from the pressures generated by life in the cities. The sportsmen of the Nation have contributed enormously to the protection and propagation of game and fish. Without their efforts and their dollars, conservation programs would be far short of their present highly developed status.

The shooting fraternity, and outdoorsmen in general, cannot be held responsible for the practices of a small minority who abuse the privileges which go with the enjoyment of America's great outdoors. And, regardless of personal beliefs about hunting, we should resent the effort of a major television network to present their alleged documentary as typical of the attitude and actions of America's 20 million hunters.

We must seriously consider why, unless CBS attempted this program with a preconceived purpose to discredit hunters and hunting, they would go to such length to avoid a fair and truthful examination of hunting in America.

I understand CBS is now planning a followup program which it will call "Echos of the Guns of Autumn." I urge my colleagues to join with me in expressing strong concern that the public airwaves not again be abused as they were on September 5.

GOALS OF OUR FOREIGN POLICY

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

Mr. PRICE. Mr. Speaker, my attention has been called to an article entitled "The Proper Goals of Our Foreign Policy," by Eugene V. Rostow, appearing in the August/September issue of the Alternative: An American Spectator.

I think that my colleagues might find this article of interest, so under the permission granted, I insert it into the RECORD:

THE PROPER GOALS OF OUR FOREIGN POLICY

(By Eugene V. Rostow)

(This essay is adapted from a speech given by Mr. Rostow before the Los Angeles World Affairs Council on April 4, 1975.)

Despite the flurry of bad news during the last few months, America's basic security position is strong—stronger in many ways than has been the case since 1945. We are stronger because the increasing pressures of Soviet policy and the implacable logic of the

nuclear weapon have forced Western Europe, China, Japan, and many other countries to recognize that their security interests and our own are indivisible, and will remain indivisible for the indefinite future. The world is becoming smaller and more bipolar.

Yet the United States is in danger, and the danger is increasing with every passing day. How can it be that we are stronger, but feel weaker, and indeed are allowing our advantage to erode?

My explanation for the paradox is that the prevailing American perception of world politics, still reeling under the impact of Korea and Vietnam, has been deeply confused by the Orwellian vocabulary President Nixon and Secretary of State Kissinger have employed in explaining foreign policy to the American people. President Ford has not yet liberated himself from this feature of his inheritance. Therefore we must still talk of the Nixon-Ford-Kissinger foreign policy, and not yet of a Ford-Kissinger foreign policy. The atmosphere of our domestic politics is still dominated by the strange and misleading language Nixon used when he talked to us about foreign affairs.

As a result, we are passive and timid, where we should be firm and strong. We are cutting our military strength, at a time when our military and political capabilities in world politics should be increasing. We hesitate, when our willingness to act in defense of our interests should be obvious to those who would challenge them. We are retreating when we should be standing fast—when we should be consolidating our alliances, and developing new relations of cooperation with many other countries, on the firm foundation of our shared interests in security. And we are bitterly divided, when we should be a united nation, confronting grave national problems together with all the energy, optimism, and practical common sense which have always characterized American foreign policy at its best.

Our Secretary of State has spoken recently about "a crisis of authority" from which he believes the democracies of the world are suffering. I do not agree. We are indeed in a crisis. It is not a crisis of authority, in my view, but a crisis of understanding, of will, and of civic responsibility.

The only rightful source of American policy is an informed public opinion. No President, however gifted, can carry out an effective foreign policy for long without the support of public opinion. And none of us would have it otherwise. I have complete faith in the fortitude and good judgment of the American people, their instinct for reality, and their willingness to accept any burdens for the sake of the nation. It may be that we are hopelessly caught up in a mood of irrationality and illusion like that which dominated the thirties, but I do not believe it. Certainly no one could draw such a conclusion from the elections of the last decade. I see no reason to doubt our ability to restore a strong and realistic bipartisan consensus about foreign policy. In any event, I am certain that we must try with all our might to do so. If we fail, the future will indeed be ominous, for the tide of events is running strongly against our national interests in world affairs.

The key to the possibility of success in that effort is simple, but not easy. The crystallization of a sound public opinion in any democracy, and especially in our democracy, requires a frank dialogue between the government and the people—sustained, intense, detailed, and thorough. It is nearly impossible for public opinion to understand the patterns beneath the flow of events unless our leaders trust the people, and explain the world with which they have to deal in the direct and unvarnished language of Harry Truman: with the bark on, without hedging or fudging, and above all without partisan bias.

Watergate was not in my judgment Richard Nixon's only offense against the moral code of our constitutional order. Mr. Nixon's way of talking to us about foreign policy also violated the principles of democratic ethics which should govern the relationship between the President of the United States and the American people.

THE FAILURE OF DÉTENTE

As the news makes more obvious with every passing day, from Portugal and the Middle East to the fall of Southeast Asia, President Nixon did not achieve "détente" with the Soviet Union. To me the only possible meaning for that magic word is a condition of world politics dominated by the habit of full respect for the rules of the United Nations Charter regarding the international use of force. We can hope to reach that goal only by building and maintaining a stable balance of power, on the basis of which we could deter Soviet expansion and ultimately persuade the Soviet Union to respect the rules of the Charter of the United Nations.

Detente with the Soviet Union in this sense is a state of affairs every American President has sought since the time of President Franklin Roosevelt. It should always be a major goal of our foreign policy. But the promise of "detente" has not been realized. Nixon claimed that he had brought the Cold War to an end, and reached a new and stable system of world peace. The hollowness of that claim is now obvious everywhere. We are not living in a condition of "detente" with the Soviet Union. There has been no improvement in our relations with that country. The only changes that have occurred have been in the realm of public relations, not of diplomacy. Soviet policy is exactly what it has always been, except that its pressures are greater and more diverse than ever, and more difficult to deal with. Our problems in Portugal today, for example, are far more complex than those of the Berlin blockade, or the threats to Greece in the late forties. "Negotiation" has not replaced "confrontation" in the policies of the Soviet Union. That nation continues to pursue programs of expansion backed by military budgets which have been increasing at the rate of five percent a year, in real terms, and have no parallel in modern history.

Until President Ford frees us from the incubus of President Nixon's excessive claims about what he accomplished, the agony and the triumph of Watergate will have been in vain. Until President Ford takes that indispensable step, there can be no foundation for the confident, agreed, and bipartisan foreign policy we must restore as the predicate for effective national action. Until that happens, we shall not enter the post-Nixon era.

As a student in London 35 years ago, President Kennedy wrote a book called *Why England Slept*. Its thesis was that if Britain, France, and the United States had roused themselves in time, World War II, and all that flowed from it, could have been prevented. President Kennedy was surely right. But the Western powers, including the United States, are walking in their sleep, as they did during the thirties. Will it take another Pearl Harbor to wake us up? Or can we respond in time, on the basis of reason alone, to prevent another world catastrophe? It is on these questions that the shape of our future depends.

We have had several warnings already quite as clear as Pearl Harbor, notably the war of October 1973 in the Middle East. Thus far, at any rate, we have refused to recognize those events as Pearl Harbors.

The main lines of American foreign policy have been constant since President Truman's time, and they will remain constant, for reasons rooted in the nature of things, unless we should suddenly decide to commit national suicide. Each of our postwar Presidents has had a different style. They have differed in ability, in temperament, in eloquence, and in luck. But the constant themes in their policies have been far more important than the variations. The continuity of our policy reflects the continuity of our national interests, and the necessities of world politics.

How should we define the American national interest in world politics? Some discuss the problem as if foreign policy were a luxury, an optional activity we can turn on and off at will, a form of philanthropy through which we help democratic nations whose policies we approve, and refuse to assist other nations, even against aggression, because we find their social or political systems unattractive, their leaders unsympathetic, or their habits corrupt.

I should make it clear that I reject such formulations of the problem. I am convinced that foreign policy is a serious subject, a necessity and not a matter of choice, and, in these troubled times, the first and most urgent of our national priorities. Foreign policy, like other kinds of policy, is always a matter of adjusting our hopes to our capacities. As Lord Salisbury remarked a long time ago, speaking of the Boer War, "the money will have been well spent if it teaches the British public they can't have the moon just because they want it." In my view, our foreign policy should be dominated by a concern for the national interest, and only for the national interest: our national interest in the safety, prosperity, and honor of the nation, and the democratic character of its institutions.

The essence of the American national interest in world politics is a world order in which we can live and prosper as a democracy at home—a world of wide horizons, and not a nightmare. The goal we must seek, however, is not order alone, but peace. For the century between 1815 and 1914, the United States did not really need a foreign policy. We lived in a system of peace maintained by the Concert of Europe. But for the last sixty years, we have learned once again what we knew so well when the Republic was young—that peace is not a gift of nature, or a blessing conferred on us by our two oceans, but the painful achievement of politics and law. Thus since 1945 the goal of American foreign policy has been not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help restore a system of peace—a system at least as good, and hopefully even better than that of the nineteenth century which came to an end in 1914. That condition—the state of peace—will be realized when world politics is characterized by the expectation that the basic rules of the United Nations Charter with respect to the international use of force will be generally, and reciprocally, obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. In this small, contracting, and turbulent world, it is the only possible first principle for the foreign policy af a democracy which aspires to remain a democracy. Our two broad oceans are no longer enough to protect us. Indeed, they never were. Today, they have shrunk to the size of brooks.

Thus it is no accident that under all our postwar Presidents, our foreign policy has had the same four guiding ideas. The first, which we used to call the policy of containment, is that we should seek to prevent the balance of world power from being irreversibly altered by the outward thrust of Soviet policy. The second is the policy of economic reconstruction and development. From the days of Bretton Woods, the Marshall Plan, and the Point-Four program, we have tried to build a progressive worldwide economy, embracing the developed and the developing countries alike, and, more recently, the Communist countries as well. The third has been the effort to control nuclear weapons. Starting with the Baruch Plan proposals in 1947, we have never stopped pushing for international agreements that would take nuclear weapons and nuclear science out of world politics. Finally, beginning at

least in 1949, we have sought, year after year, to separate China from the Soviet Union.

Each President has had to cope with a different configuration of events. For Nixon, the event of overriding importance was China's decision to turn to the United States for protection against the Soviet Union. That decision was difficult for the Chinese Communists to make, even as a tactical zig or zag. It was a response to the steady Soviet military buildup in Siberia, and the military and political penetration of South and Southeast Asia by the Soviet Union. Soviet forces in Siberia rose from about four divisions in the mid-sixties, to 12 in 1969, and to something like 40 or 45 in 1971, when the Chinese move occurred. The Soviet mobilization on the Siberian border is the most important fact in world politics today. Soviet forces in Siberia are still increasing in size and power. Given the Chinese and Soviet rivalry for leadership of the world's revolutionary impulse, China perceived the Soviet military buildup in Siberia as a mortal threat, and turned to us as the only force on earth that could deter a Soviet attack.

Nixon responded well to the Chinese move, at least in the first instance. He explained both to China and to the Soviet Union that we wished to have equally good relations with each, and that we did not wish to enter into an alliance with one against the other. We opposed hegemonial dominance in Asia as we did in Europe, and for the same basic and eternal reasons of national security. And, Nixon made clear, there must be no war.

China's rapprochement with the United States is the most significant and potentially the most constructive change in the structure of world politics since 1949. If China, with a formidable nuclear arsenal, needed an ongoing security relation with the United States in order to prevent Soviet aggression, the lesson for Western Europe, Japan, and many smaller states was obvious. The magnetic field of world politics is being redefined. A new constellation of shared interests was manifest, based on fear rather than hope, but not less real for that. A more stable equilibrium in world politics seemed distinctly possible. President Nixon, indeed, proclaimed that such an equilibrium had already been achieved.

To this development, the Soviet response was clear-cut. The Soviets tried to show the Chinese how futile their move had been, by their full support for the spring offensive of 1972 in Vietnam. When that attack failed, Nixon was enthusiastically received in Moscow, in order to make quite certain that China and the United States were not in fact secretly allied against the Soviet Union. In this setting, the brave promises of detente were made, in May of 1972. The Declaration of Principles and the Communique issued at that time proclaimed that in conducting their relations the two governments would proceed from the common determination that in the nuclear age there is no alternative to peaceful coexistence. To fulfill that principle, they promised to work together to achieve peaceful solutions for situations of tension in many parts of the world, to exercise restraint in their mutual relations, and to negotiate and settle all differences by peaceful means. Specifically, both nations undertook to bring peace to Indochina, and the Soviet Union promised to cooperate fully with Ambassador Jarring in negotiating a political settlement in the Middle East, pursuant to the principles and provisions of the Security Council's Resolution 242 of November 22, 1967.

The state of tension in the Soviet-Chinese-American triangle and the success of our military efforts and those of the South Vietnamese forces during 1972 led to the Indochina cease-fire agreements of January 1973, which were "guaranteed" by the major powers in the Declaration of Paris in March 1973.

From the American point of view, those agreements were entirely satisfactory—on paper. Despite a few minor ambiguities around the edges, they confirmed the positions for which we and other nations had suffered so bitterly in attempting to carry out our obligations under the SEATO Treaty and the Charter of the United Nations—North Vietnam and South Vietnam were separate states, and the war in Indochina was therefore an international war, not a civil war; and North Vietnam would evacuate Laos and Cambodia, withdraw in effect from South Vietnam, and refrain from any interference, military or political, in the affairs of South Vietnam. On that basis, we should withdraw from South Vietnam, and peace would return to that tortured land. The Soviet Union promised once again to carry out the agreement it had made with us in 1962—the agreement, that is, finally to get the North Vietnamese out of Laos and Cambodia.

The Soviets have never pretended that the 1973 agreements for peace in Indochina were being carried out. And our government, weak and uncertain, did not even protest strongly against the fact that it was being cynically double-crossed by the Soviet Union as well as by the North Vietnamese. In the shadow of Watergate, Nixon and Kissinger were prisoners of their own "detente" rhetoric. They remained silent, and hoped for the best. In the grim Watergate summer of 1973, President Nixon even signed the resolution forbidding all bombing or other military activity in Indochina. Thus ended the last vestige of deterrent uncertainty about America's will to insist on the enforcement of the agreements for peace in Indochina. On a trip to East Asia during that summer, I found that to be the first question on the mind of every government in the region.

The only modern analogy for Soviet behavior in relation to the Indochina agreements of 1973 is the invasion of Czechoslovakia in contempt of the Munich agreements of 1938. That dire event was a clear signal of Hitler's intentions in the thirties. The fate of the Indochina agreements of 1973 has the same significance to the policy problems we face today.

At some point during 1973, once we had withdrawn our troops from Vietnam, perhaps not until the late summer, when Congress had passed and the President had signed the resolution forbidding all American military involvement in Indochina, the Soviets decided to strike against the risk that the Chinese-American rapproachment might genuinely restrain their ongoing programs of expansion. The main theatre they chose for their first attack was the Middle East. It has always been the pattern of Soviet policy, when disappointed or frustrated on one front, to move ahead on another.

Soviet behavior before, during, and since the Middle East war of October 1973, like their failure to carry out their promises with regard to Indochina, made nonsense of the pledges the Soviets had given to Nixon during his Moscow visit of May 1972, and their later reiteration of those pledges. Instead of pressing for a diplomatic settlement in the Middle East in accordance with the Security Council Resolution, as they had promised, the Soviets helped to prepare and equip the Arab aggression of October 6, 1973, supported the oil embargo, and urged distant Arab states to enter the fray. And, at the end, they threatened to intervene themselves in order to prevent the total destruction of the Egyptian and Syrian armed forces. Again, as they did in Indochina, Nixon and Kissinger concealed what was happening from the American people. In order to preserve the illusion of "detente," they covered up the Soviet role in the October war, both by what they said and by what they did not say. Mr. Kissinger has told us that Soviet behavior before, during, and after the October war was "not unreasonable," and "less obstructive than in 1967," and that our "detente" relations with the Soviet Union contributed to an agreed settlement.

VIETNAM IN PERSPECTIVE

I have no desire to reopen old wounds, or to engage in a great and bloody battle of recriminations over the tragic subject of Vietnam. As Churchill said in 1940, if we turn our minds to fighting over who was right and who was wrong in the period behind us, we shall have no energy left for solving the problems we must face together in the period ahead. There is blame enough, Heaven knows, on all sides.

Blame is not our problem. But understanding is, and so is responsibility. We shall be unable to head off the war that looms unless we come together quickly around a bipartisan foreign policy based on realities rather than dreams, and achieved by open, serious, and responsible debate; and I should therefore like to discuss Vietnam from that perspective.

Speaking to us about Vietnam, for example, President Nixon told us over and over again that the Democrats had put half a million troops into Vietnam, and that his task was to get them out with honor. That statement, repeated a thousand times, was gall and wormwood to every Democrat, as indeed it was intended to be. It contributed immeasurably to the decay of the bipartisan approach to foreign policy, whose consequences we see today. So far as I know, President Nixon never explained to American and world opinion what everybody on earth has suddenly remembered recently—that we entered the Indochina war pursuant to a solemn treaty of the United States, promulgated by President Eisenhower, and approved by a bipartisan vote while Nixon presided over the Senate as Vice President. The decision to use force to help South Vietnam resist the armed attacks of North Vietnam was backed by vote after bipartisan vote of the Congress, and supported by editorials and other expressions of public opinion throughout the nation at the time. But it became taboo to mention the SEATO Treaty as the basis for our policy in Vietnam and that taboo has continued under President Ford. As South Vietnam was collapsing the President and his subordinates still talked of our obligations there as if they stemmed from the executive agreements and secret diplomatic talks of 1973. That is not the case.

In the later phases of the Vietnam war—when public opinion, very sensibly, reached the conclusion that we should win or get out—many Democrats were all too happy to fall in with Nixon's way of talking about the problem. They were glad to forget the Treaty and the other national commitments we had made over the years to help South Vietnam protect itself against aggression.

But treaties of the United States cannot be so easily exorcised in world affairs. We may choose to ignore them, for shabby reasons of domestic politics. That option is not available either to our friends or to our adversaries abroad. For them American treaties and the other commitments are the cement of the world political system—the only cement there is.

What conclusions, then, should we draw from the fall of Indochina?

First, in General Stillwell's immortal phrase, our policy has taken a terrible licking. Southeast Asia is an important region of the world—not so vital, strategically, as Europe and the Middle East—but important in itself—important to naval strategy; important economically and politically; and important above all to the dynamics of the Soviet-Chinese-American triangle whose stability is the most powerful foundation for a possible structure of peace. Despite an important tactical defeat, we cannot abandon the region. The interests of a great power must be protected despite setbacks.

Second, we must move rapidly and with conviction on the diplomatic front to repair the damage to world politics implicit in the demonstration that an American treaty can be made worthless. There is a new doubt, a new uncertainty, everywhere—an uncertainty which will not be overcome by the brave words alone. As Sir Robert Thompson suggested in his bitter and passionate article in the New York Times, the events in Indochina will convince many people that the Soviet Union is a more reliable ally than the United States.

We can be certain, after Vietnam, that the Soviets will soon move again—in the Middle East or the Persian Gulf, in Portugal, or in some area we are not particularly worried about at the moment: South Korea, for example, whose independence is essential to the security of Japan, or China itself, or Western Europe.

The best diplomatic signal we could give, in the face of these events, would be a sharp increase in our defense budget, particularly for the Navy, for our ready forces, and for research and development.

On that basis, we could hope to move with conviction to restore the confident solidarity of our alliance relations, and sobriety, shall we say, in our relations with the Soviet Union.

"SPEAK FOR AMERICA"

Our foreign policy agenda is formidable in every field, from monetary and energy problems to those of nuclear weapons, alliance relations, and food. In my opinion, effective programs of action on all these subjects are within our reach, if, but only if, we soon come to a common and agreed answer to these fundamental questions: What is our foreign policy for? And what means should we use to carry it out?

I think I can claim to be the only bureaucrat who ever went up and down the country making official speeches to the effect that our most important foreign policy problem was to resolve the Jungian tension between our collective unconscious and the facts of life. Our collective unconscious preserves a beautiful vision in our minds—the vision of nineteenth-century America, isolated and aloof, without entangling alliances, and entirely neutral in the various conflicts of world power politics. We must finally liberate ourselves from this dream. The nineteenth century is over. The nations which maintained the general peace of the nineteenth century no longer have the power to do so. Unless we take our share of responsibility for the process of peace, there will be no peace. World politics will degenerate into conflict after conflict until we and other nations react, as we did four times in this century, when we felt threatened by hostile forces that would become overpowering unless we struck out against them. The basic cause of war, as Thucydides pointed out many centuries ago, is fear. What made the Peloponnesian War inevitable, Thucydides wrote, "was the growth of Athenian power, and the fear which this caused in Sparta."

We are living in the midst of a comparable process today. We are the only people on earth who can arrest that process in time to prevent war, by proceeding calmly, patiently, and steadily in the pattern of firmness and conciliation which has characterized our foreign policy since President Truman's time. To accomplish this goal will require a great national and international effort—in the first instance, an effort of thought, a debate, and then a series of votes on defense, and aid, and other hard subjects.

The United States should be the master, not the victim, of its fate. The will of our people cannot be mobilized unless the President, every official of the Executive Branch, every member of Congress, and every citizen addresses these issues with words and deeds adequate to their gravity. The dangers before us demand a sharp and dramatic turn in the direction of our policy. That turn will not come in time to prevent war unless we face the issues directly and soberly, without partisanship, in the spirit of civic responsibility which is the genius of our democratic society.

Some of you will recall Leopold Amery's great outburst in the House of Commons in 1939, to a speaker who was dithering about Britain's response to the invasion of Poland. "Speak for England," he shouted. Amery's words helped to precipitate a new state of resolve in Britain, and throughout the free world. We are at a point where Amery's cry should be heeded again. For every one of us who speaks, or writes, or votes on issues of American foreign policy today, the only rule should be "Speak for America."

EFFECT OF OIL DECONTROL ON NEW YORK STATE CONSUMERS

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

Mr. OTTINGER. Mr. Speaker, I would like to enter into the RECORD an analysis prepared by the State of New York's Washington office of the projected impact of the decontrol of old oil prices, OPEC price increases, and the removal of the President's $2 per barrel oil import fee on the average consumer in New York State.

I would urge my colleagues to note the conclusions of the report that while oil decontrol would mean significant cost increases for the consumer, increased prices would not guarantee reduced consumption of petroleum products.

The analysis follows:

SEPTEMBER 5, 1975.

To: Members of the New York Congressional Delegation.

From: James L. Larocca.

Subject: Dollar Impacts of Oil Price Decontrol.

The "Emergency Petroleum Allocation Act" expired on August 31 without the President and Congress reaching an agreement on the decontrol of old oil prices. It still seems likely that the President will veto S. 1849, which would extend the Act for six months. An effort to override the veto will probably be made early next week. The following information attempts to document the impact on New York consumers of decontrol of old oil prices, OPEC price increases, and the removal of the President's $2/bbl. oil import fee.

1. PRICES—CONSERVATION

According to the August 25 edition of *Oil Week*, an industry journal, ". . . President Ford's plan to curb consumption through higher prices is not working." This conclusion is based on a comparison of gasoline prices and consumption for the summer of 1973 and the summer of 1975.

Date, price per gallon, and consumption

August, 1973: $0.388, 304.7 million gallons per day.

July, 1975: $0.589, 300.1 million gallons per day.

These FEA statistics show a 1½ percent drop in consumption during July, 1975 from the level of August, 1973. During that period there was a *52 percent increase in the price of gasoline*, accentuated by a $.046/gal. or 8 percent increase between May and July, 1975. Even the 1½ percent drop must be discounted because August gasoline consumption is historically higher than July consumption. The figures for August, 1975, may thus show no drop in consumption for a 52 percent price increase.

These statistics clearly indicate that increased prices do not guarantee reduced consumption.

2. COST OF DECONTROL

A. The expiration of the price ceilings on "old" oil will cost New Yorkers the following amounts, calculated on annual basis; presuming an $11.50/bbl. world price for oil:

Product	Consumption (barrels)	"Old" oil [1] (percent)	Additional gross cost	Additional unit cost per gallon
Gasoline	145,476,190	45.5	$413,697,915	$0.067
Distillate	140,142,857	40.1	351,233,035	.059
Residual	160,333,333	7.4	74,154,166	.011
Total			839,085,116	

[1] Percent of the product refined from price controlled oil.

B. In the present situation (no price controls), the domestic price of oil will be equivalent to the world price, which is effectively determined by the OPEC cartel. For every additional $1/bbl. that OPEC adds to the current price, the cost to New Yorkers, on an annual basis, will be:

Product	Consumption (barrels)	Additional gross cost	Additional unit cost per gallon
Gasoline	145,476,190	$145,476,190	$0.023
Distillate	140,142,857	140,142,857	.023
Residual	160,333,333	160,333,333	.023
Total		445,952,380	

C. In the wake of court decisions, the President has apparently decided to drop the $2/bbl. special oil import fee, which will have the following impact on costs for New Yorkers, on an annual basis:

Product	Consumption (barrels)	Imports (percent)	Reduced gross cost	Reduced unit cost (per gallon)
Gasoline	145,476,190	[1] 8.0	−$14,314,857	−$.002
		[2] 24.1	−71,171,316	−.012
Total			−85,486,173	−.014
Distillate	140,142,857	[1] 19.0	−32,751,385	−.006
		[2] 21.2	−60,311,879	−.010
Total			−93,063,264	−.016
Residual	160,333,333	[1] 85.0	−167,628,499	−.025
		[2] 3.9	−12,693,589	−.002
Total			−180,322,088	−.027

[1] Percent of product imported.

[2] Percent of product refined from imported crude.

D. Constructing what now seems to be the most likely case (OPEC increase of $1/bbl. plus decontrol) yields the following sum cost increased for New Yorkers, on an annual basis:

Product	Gross cost	Unit cost (per gallon)
Gasoline	$473,687,932	$0.076
Distillate	398,312,268	.066
Residual	54,165,411	.007
Total	926,165,611	

MANDATORY RETIREMENT—DISCRIMINATION AGAINST THE AGED

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

Mr. OTTINGER. Mr. Speaker, I recently came across an article in the New York Times dealing with the question of mandatory retirement and its adverse effects not only on senior citizens, but on the productivity of the work force as a whole.

This is an issue which has come to the forefront in recent years, as senior citizens have organized themselves to combat the many features of law in various areas that discriminate against them.

I believe Mr. Eglit's article is most effective in refuting the arguments against allowing those over the age of 65 to continue to be gainfully employed. Furthermore, he points out that the real issue is the constitutionality of removing an individual's source of income and primary satisfaction in life simply because he has reached a predetermined age.

I insert this article into the RECORD for the benefit of my colleagues. I agree with Mr. Eglit that mandatory retirement is "just another name for discrimination." The article follows:

[From the New York Times, Aug. 2, 1975]

THE GREEN IN THE GREEN PASTURES IS BROWN

(By Howard Eglit) *

Each day 4,100 men and women become "senior citizens." And for almost half of them, their 65th birthdays close the door to their jobs. They are mandatorily retired, a commonplace of work in America.

While they may go quietly, all do not go willingly. More than one-third of the men want to continue working. So do 50 per cent of the married women, and 75 per cent of the unmarried. Working, after all, is what we are about, in part because of economic necessity. In part, also, because we anchor our egos to our jobs: We are what we do.

Things were not always so. In 1890, 68 per cent of men 65 and over were actively in the work force. Today, when the average 65-year-old man has a life expectancy of eleven years, and his wife fourteen, the new generation of "young" oldsters are economic discards.

Presumably, such an ingrained system, affecting so many, has valid justifications. In fact, the mainstays of mandatory retirement are largely myths. For example, the notion is firmly held that younger workers perform better. Virtually every major study proves the contrary. Older workers are equally, sometimes more, productive; absenteeism rates are lower, work attitudes more positive.

Another myth has as its stalking horse a caricature of a senility-decimated oldster. But senility is rare; indeed, intellectual capacity, the studies now show, can increase throughout life. When physical or mental agility do slow down, the older worker compensates with increased concentration and care.

A third myth holds that employers are unable to decide who shall go and who shall stay. Actually, such decisions are made daily—this man is hired, that one fired; Joe promoted, Jim passed over. The judgments are no different for older workers. All they ask is to be judged—like others—on the basis of performance.

The final myth is two-edged. One side of it says we must make room for younger workers; the other invokes the shibboleth of "deadwood."

Obviously, the supply of jobs in this economy is limited. (Of course, even when the statistics were brighter, they excluded unwilling retirees from the numbers computation.) But ousting older workers simply shifts the burden of too few jobs; the players are changed, but the game's the same.

As for deadwood, undoubtedly people do go stale. But that happens after four years as often as after forty. Simply waiting for the forty to remove the dullard or the unbending bureaucrat is hardly a productive solution. Indeed, compulsory retirement is likely counterproductive: The 55-year-old is not going to look for another 65-and-out job. He'll stay where he's at—stale, perhaps, but at least secure.

Even if there is room for argument about the myths, that dispute should not obscure the fundamental inequity of mandatory retirement. The practice is, plain and simple, a passport to second-class citizenship.

Fortunately, the Constitution offers direction in getting to the core concern. The reasoning is straightforward, and was cogently articulated by the Supreme Court last year. The case involved two married schoolteachers, both removed from the classroom because they became pregnant. Justice Potter Stewart wrote: "The [unconstitutional] rules contain irrebuttable presumption of physical incompetency, and that presumption applies even when the medical evidence as to an individual woman's physical status might be wholly to the contrary."

The constitutionally acceptable prescription is instead individualized assessment of each woman's ability.

Recognizing the implications, Justice William H. Rehnquist and Chief Justice Warren E. Burger hastened to dissent. Demonstrating meager regard for both pregnant women and old people, they warned that the Court would have "to strain valiantly" lest its emphathy for the teachers "lead to the invalidation of mandatory retirement."

Unfortunately, what the two dissenters deplored has not yet come to pass. Numerous suits have been filed in Federal courts, but only one has succeeded—in May, 1974, a Boston panel struck down a Massachusetts law requiring state policemen to retire at fifty. The Supreme Court will hear that case in the fall, and given its record thus far of letting forced retirement rulings stand, any forecast must be hedged with pessimism. Nevertheless, the very fact that the Court is going to address the issue squarely is a signal of just how high the stakes have risen.

The prospects are brighter than the court battles indicate, however. For example, just weeks ago the Illinois House of Representatives voted 117–21 to outlaw age-based mandatory retirement in private enterprise. Similar bills have been introduced in the Congress. The senior-citizen lobby is pressing for abolition—a venture supported by the American Medical Association, which finds the practice socially unwise and physically and psychologically unhealthful.

Senior power and enlightened public opinion may yet accomplish what the courts cannot—or will not. However the end comes, it will be welcome. Mandatory retirement, after all, is just another name for discrimination, segregating the old folks from the rest of us.

* Howard Eglit is former legal director of The Roger Baldwin Foundation of A.C.L.U. Inc., in Illinois. This is adapted from an article in The Civil Liberties Review.

COMMISSION ON UNEMPLOYMENT CAUSED BY THE DISPERSION OF HAZARDOUS INDUSTRIES

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

Mr. DOMINICK V. DANIELS. Mr. Speaker, I am today introducing legislation to create a Commission on Unemployment caused by the dispersion of hazardous industries.

There is a growing amount of evidence that indicates that certain U.S. industries are relocating their industrial and manufacturing processes abroad in an attempt to circumvent the intent of Congress and avoid compliance with U.S. occupational safety and health laws.

This dispersion of hazardous U.S. industries poses serious problems for this country and the world community.

The flight of these industries from the United States has deprived American workers of jobs and has had an unsettling effect upon our economy.

The outflow of dollars for construction of foreign plants and the importation of goods produced by these industries abroad have serious implications for our balance of payments position.

Additionally, foreign workers are now being exposed to safety and health problems by these hazardous industries, and it is very likely that the industries are also contributing to environmental degradation, no matter where they are located.

My legislation establishes a commission to deal with these problems and to recommend, if necessary, legislative and administrative remedies.

Within the last decade in this Nation, there has been a growing awareness and concern about the human toll being extracted in the workplaces of America.

The ground swell of public concern about the magnitude of this problem culminated in the passage of the Occupational Safety and Health Act in 1970. This landmark legislation proclaimed the intent of Congress to assure a safe and healthy working place as a basic right for every American working man and woman.

At the time the act was passed, Congress had a preponderance of data on the problem of industrial accidents, but comparatively little data on the problem of occupational disease.

Research set in motion by the passage of the act has revealed a potential occupational health problem of monumental proportions. Noted public health experts testified before my subcommittee in May of 1974 that thousands of American workers are falling victim to occupationally linked diseases every year.

These estimates stagger the imagination, and they unfortunately fulfill my

original prophesy that occupational disease would make the industrial accident problem seem almost trivial in comparison. However, not even I could have foreseen the potential public health hazard posed by exposure to harmful industrial materials.

Like most of my colleagues, I thought that the causes of occupational disease were locked behind factory gates. To our dismay and regret, we have discovered that disease-producing substances have infiltrated the communities in which the workers and their families live. The very air they breathe and the water they drink is contaminated by the same substances that threaten their health and their very lives when they are at work. Thus, the American worker is, in many cases, in double jeopardy.

The problem of disease in the workplace—as enormous as it is—is only symptomatic of a larger problem that poses a threat to our entire country and, indeed, the world community as a whole.

The United States has taken great strides to come to grips with the important problem of occupational disease and its larger societal implications. Other industrialized nations, beset by similar occupational safety and health problems, are looking at the progress made by the United States in this vital area. The task of motivating management to assume a responsibility for the physical and emotional well-being of workers has not been easy. We are one of the few industrialized countries in the world to have interfaced a sense of moral obligation with an appreciation for the dynamics of a production-oriented economy.

For the most part, the industrial and business sectors of our economy are to be commended for the efforts they have made to comply with the provisions of the Occupational Safety and Health Act. Recognizing that occupational accidents and disease have never been a bargain—either for industry or for the country—most American business and industrial enterprises have been, and are making, a good faith effort to provide their workers with a safe and healthy workplace.

Those industries which seek to evade their responsibilities to their workers by fleeing to countries which do not have occupational safety and health laws as effective as those in the United States deserve the kind of scrutiny my commission would provide.

There can be no sanctuary in a civilized world for industries which profit while thier workers perish.

Recent trends in the importation of asbestos textiles provide a dramatic example of the effects of industrial dispersion, or the relocation of potentially hazardous U.S. industries to countries which lack occupational safety and health laws as effective as those in this Nation.

Studies conducted by the Maryland Public Interest Research Group and the Industrial Union Department, AFL–CIO, reveal that American imports of asbestos textiles—products with known carcinogenic properties—are increasing at an exceedingly rapid rate.

Department of Commerce statistics show a steep increase in asbestos textile imports from Mexico, Brazil, Venezuela, and Taiwan. These countries supplied 50 percent of U.S. asbestos textile imports in 1973, compared to zero percent in the years 1964 to 1969.

I am perplexed by these figures since the United States has historically been a major asbestos textile producer because of our own ore deposits and our proximity to vast Canadian resources. Yet it is apparent that we are increasingly becoming an importer of the material. This information raises many questions in my mind regarding the reasons for such trends and the resultant effects they may have on our current economic problems. My commission should provide the answer to this and similar questions.

MINING IN DEATH VALLEY AND GLACIER BAY NATIONAL MONUMENTS AND IN OTHER NATIONAL PARKS AND NATIONAL MONUMENTS

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

Mr. SEIBERLING. Mr. Speaker, I was amazed to read in today's Washington Star that there will soon be widespread strip mining of certain minerals in the Death Valley National Monument, in California and Nevada. Glacier Bay National Monument in Alaska is also threatened by imminent mining.

Most national parks and national monuments were created by legislation which specifically forbade mining of any sort. There have been five areas designated as national parks or national monuments, however, for which there is no such prohibition. These areas are Death Valley; Glacier Bay; Coronado National Memorial in Arizona; Mount McKinley National Park in Alaska; and Organ Pipe Cactus National Monument in Arizona. In the latter three, however, there is no present likelihood of mining, as there are no known economically recoverable mineral deposits.

The possibility of mining in our national parks and national monuments is obviously inconsistent with the purposes for which those areas have been set aside.

Mr. Speaker, I am today introducing legislation (H.R. 9540) to prohibit any mining in any area of the National Park System. I will also offer a corresponding amendment to the Coal Leasing Amendments Act (H.R. 6721), which the full Interior Committee is about to markup.

The National Park System was established to preserve, intact, the best of America's natural and historical resources. Since the establishment of Yellowstone over 100 years ago, millions of Americans and people from all over the world have gained insight and inspiration from these great national treasures.

In 1916, the National Park Service was given the responsibility of protecting these resources "in such manner and by such means as will leave them unimpaired for the enjoyment of future generations." Because Congress has considered mining to be an activity that would create an impairment, mining has generally been prohibited in National Park System areas as they are established. My bill would simply assure that this much needed prohibition be extended to those few areas from which it was excluded.

My concern is particularly directed to Death Valley National Monument and to Glacier Bay National Monument.

The act of June 13, 1933 (16 U.S.C. 447), extended the mining laws to lands within Death Valley National Monument. One of the most spectacular, and most heavily visited, natural attractions in the monument—the Gower Gulch, Zabrisky Point area—is now threatened by widespread strip mining. As the article in the Star points out, the ecology of the monument is extremely fragile, and still bears the scars left by roads and a pipeline built half a century ago, scars which may never heal. Each year, 1,200 acres of the monument are being scarred by strip mining; and unless something is done, total mining will increase by at least 50 percent in the next 4 years.

Glacier Bay National Monument is similarly endangered. The act of June 22, 1936 (49 Stat. 1817), extended the mining laws of the United States to all lands within Glacier Bay National Monument, which had previously been withdrawn from all forms of appropriation by the proclamation of February 26, 1925, which established the monument.

Glacier Bay is one of the country's most outstanding scenic wonders. It contains great tidewater glaciers and examples of early stages of postglacial forests. Within over 2.8 million acres, the national monument contains many species of wildlife and almost 200 species of bird-life.

A large portion of the national monument is now being considered for designation as a wilderness area. On June 13, 1974, President Nixon recommended that action be deferred on any wildernss designation for Glacier Bay National Monument pending completion of mineral surveys.

These mineral surveys are now underway, being conducted by the U.S. Geological Survey. Because of the current law, there is nothing to stop prospectors from following the Survey along and staking claims on the choicest land. And before Congress could even consider wilderness designation for the area, the wilderness qualities could be destroyed forever.

My bill would only affect future prospecting; it would not affect the rights of existing miners. The Secretary would, of course, retain his authority to purchase by negotiation or condemnation those existing mines; and it is my hope and intent that he will do so, particularly in those areas of Death Valley which would be most damaged by such activities.

In 1962, the Public Land Law Review Commission recommended such legislation, stating:

There are exceptions for some types of areas in the National Park System, specifically Glacier Bay, Death Valley, and Organ Pipe Cactus National Monuments, and Mount

McKinley National Park where mining is authorized by statute. Although attempts to mine in most of these areas appear to be quiescent, the standing statutory provision for such use is an open invitation to conflict. We recommend that these provisions be repealed, and that Congress enact a general statute enumerating the types of uses and activities prohibited in all such areas now in existence or to be created in the future. With respect to outstanding rights, Congress should authorize an active program to acquire such interest upon payment of just compensation to the owners. The Commission believes this action will contribute significantly to reducing conflicts and controversy over the use and administration of these kinds of areas.

What the Commission feared is coming true; the "open invitation" has been accepted in Death Valley, and we may well face the same situation soon in Glacier Bay. We must act now.

The text of the article appearing in the Star follows:

[From the Washington Star, Sept. 10, 1975]

STRIP MINING SET FOR DEATH VALLEY; PARK SERVICE LOSES

(By Thomas Love)

Widespread strip mining is set to start soon in the most scenic portion of Death Valley National Monument, Calif., under a recent ruling by the Interior Department.

Overruling a decision of the National Park Service, Interior has ruled that no action is possible to prevent what NPS officials say will forever ruin the most popular spot in the monument which draws half a million visitors a year.

The ecology of Death Valley is so fragile that the Park Service is worried about the damage caused by the grazing of wild burros and is working on a plan to control them. Scars left by roads and a pipeline built half a century ago still mar the landscape and may never heal, according to officials at the monument.

The area of the proposed open pit mines includes Zabriskie Point and Gower Gulch, the first of which provides the best-known view in Death Valley and the second the most popular hiking trail. The area was made famous by the work of nature photographer Ansel Adams.

In a memo to Interior in June, Russell E. Dickerson, acting director of the NPS, said "immediate action on this matter is imperative to forestall the threatened location of mining claims in Gower Gulch," and he proposed prohibiting all further mining in the area.

In August, the Park Service went further and proposed legislation which would prohibit any mining in Death Valley and also Glacier Bay National Monument in Alaska. Yesterday, a spokesman for the Interior Department said there are no plans for the department to take any action to block the mining.

Michele B. Metrinko, associate Interior solicitor, ruled in July that the Park Service cannot prohibit any mining in the monument because of a law enacted in 1933.

She would not respond yesterday to questions about the decision, but a department spokesman said her ruling concluded that although the law opened the area to mining under "regulations prescribed by the secretary" of interior, that authority is limited to such areas as campgrounds and archeological sites. There is no authority to withdraw land from mining solely for scenic reasons, she said.

This decision is in conflict with the decision of the NPS solicitor who ruled that authority existed to block the mining. An attorney for a respected environmental group, who asked not to be identified because he had not read the ruling, said yesterday that he believed the law allowed Interior to withdraw any part of public land from prospecting and subsequent mining.

The Park Service memo to Interior concluded that because of various legal opinions, "we feel that scenic and recreational protection" are ample reasons to withdraw the area from further prospecting and mining. The memo also said that additional mining would jeopardize any future Park Service moves to create a wilderness area at Death Valley.

According to the legislative history of the 1933 act, mining was allowed in the monument because of the "romance and mystery" of the prospectors in the area. Environmentalists insist there is little relationship between a prospector with his burro and modern strip mining with massive earthmovers.

Although there has been some mining in the area for decades, strip mining did not start until 1971, according to James Thompson, superintendent of the monument.

He estimated that 1,200 acres of the monument are now being scarred each year by strip mining for talc and two borates—ulexite and colemanite—the latter two of which are used for insulation. The demand for the two borates is increasing at a great rate because of the energy crisis.

He said that unless something is done, total mining is expected to increase by at least 50 percent in the next four years, with most of the increase in the form of strip mining.

New mining claims, ranging from 20 to 160 acres, are increasing at the rate of 200 a year, he said. Of the 1,827 claims now filed, only about 25 percent are actually being worked, a Park Service spokesman said.

There are now four open pit mines in the area, the largest of which is 3,000 feet by 600 feet and more than 200 feet deep.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MATSUNAGA (at the request of Mr. O'NEILL), after 2 p.m. today, through Friday, September 19, 1975, because of official business.

Mr. KELLY (at the request of Mr. RHODES), for Friday, September 5, 1975, on account of official business as a member of the Committee on Agriculture.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

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

Mr. WHALEN, for 5 minutes, today.

Mr. SHRIVER, for 5 minutes, today.

(The following Members (at the request of Mrs. MEYNER) to revise and extend their remarks and include extraneous matter:)

Mr. ANDERSON of California, for 15 minutes today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. O'NEILL, for 10 minutes, today.

Mr. NOLAN, for 5 minutes, today.

Mr. MEZVINSKY, for 10 minutes, today.

Mr. BARRETT, for 5 minutes, today.

Mr. ADAMS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PATMAN, for 5 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. FORD of Tennessee, for 5 minutes, today.

Mr. WAGGONNER, for 15 minutes, today.

EXTENSION OF REMARKS

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

Mr. PRICE and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $759.

Mr. RHODES, and to include the Republican Legislative Agenda, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $930.

Mr. KOCH, his remarks on the Harkin amendment to appear prior to the passage of the amendment.

Mr. VANDER VEEN, to revise and extend his remarks on H.R. 9005 today.

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

Mr. J. WILLIAM STANTON.

Mrs. HOLT.

Mr. ANDERSON of Illinois in two instances.

Mr. YOUNG of Florida.

Mr. BAUMAN in 10 instances.

Mr. CONTE.

Mr. HYDE.

Mr. SYMMS in two instances.

Mr. SHRIVER.

Mr. GOLDWATER in two instances.

Mr. GRADISON.

Mr. SNYDER in two instances.

Mr. ARCHER.

Mr. FINDLEY.

Mr. FRENZEL in three instances.

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

Mr. FRASER in 11 instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mrs. CHISHOLM in two instances.

Mr. MOAKLEY.

Mr. CARNEY.

Mr. MCDONALD of Georgia in four instances.

Mr. STARK.

Mr. D'AMOURS.

Mr. LLOYD of California.

Mr. TEAGUE.

Mr. ROYBAL.

Mr. EDGAR.

Mr. LEVITAS.

Mr. NEAL.

Mr. STOKES in two instances.

Mr. ROSENTHAL.

Mrs. SULLIVAN.

Mr. RICHMOND.

Mr. BRECKINRIDGE in two instances.

Ms. JORDAN.

Mr. WAXMAN.

Mr. HAYES of Indiana.

Mr. HARRINGTON in 10 instances.

Mr. BRADEMAS in five instances.

Mr. RANGEL.

Mr. AMBRO.

Mr. SMITH of Iowa.

Mr. CONYERS.

Mr. JOHN L. BURTON in three instances.
Mr. ZEFERETTI.
Mrs. SCHROEDER.
Mr. JENRETTE in two instances.
Mr. DE LA GARZA.
Mr. DOWNEY of New York.
Mr. DOWNING of Virginia.
Mr. VANIK.
Mr. BADILLO.
Mr. SIMON.
Mr. OTTINGER.
Mrs. BURKE of California.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 963. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the introduction or delivery for introduction into interstate commerce of the drug diethylstilbestrol (DES) for purposes of administering the drug to any animal intended for use as food, and for other purposes; to the Committee on Interstate and Foreign Commerce.

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 331. An act to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday;

S.J. Res. 34. A joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; and

S.J. Res. 125. A joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as "National St. Elizabeth Seton Day."

ADJOURNMENT

Mr. PATTERSON of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 46 minutes p.m.) the House adjourned until tomorrow, Thursday, September 11, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1710. A letter from the Administrator, Law Enforcement Assistance Administration, Department of Justice, transmitting the report of the Advisory Committee to the Administrator on Standards for the Administration of Juvenile Justice, pursuant to section 247 of the Juvenile Justice and Delinquency Prevention Act of 1974; to the Committee on Education and Labor.

1711. A letter from the Secretary of Transportation, transmitting the annual report of the Department of Transportation for fiscal year 1975 on its disposal of foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514(d)]; to the Committee on Government Operations.

1712. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend the Communications Act of 1934, as amended, with respect to Commissioners and Commission employees; to the Committee on Interstate and Foreign Commerce.

1713. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend section 318 of the Communications Act of 1934, as amended, to enable the Federal Communications Commission to authorize translator broadcast stations to originate limited amounts of local programing, and to authorize FM radio translator stations to operate unattended in the same manner as is now permitted for television broadcast stations; to the Committee on Interstate and Foreign Commerce.

1714. A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to provide for the protection of franchised dealers of petroleum products from coercive business practices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1715. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

1716. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act [8 U.S.C. 1182(d)(6)]; to the Committee on the Judiciary.

1717. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Albany, N.Y., Post Office, Courthouse, and Customhouse, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1718. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations to the Federal Trade Commission Building, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1719. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations to the Federal office building at 101 Indiana Avenue, Northwest, Washington, D.C., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1720. A letter from the Administrator, Federal Energy Administration, transmitting a draft of proposed legislation to provide temporary authority for the President, the Federal Power Commission and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages; and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

1721. A letter from the Comptroller General of the United States, transmitting the results of a review of the reporting system required under the revenue sharing program; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 6184. A bill to amend section 40 of the Bankruptcy Act to fix the salaries of referees in bankruptcy (Rept. No. 94-467). Referred to the Committee of the Whole House on the State of the Union.

Mr. EVINS of Tennessee: Committee on Small Business. Report on minority enterprise and allied problems of small business (Rept. No. 94-468). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 9000. A bill to amend the computation of the level of price support for tobacco; with amendment (Rept. No. 94-469). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 713. Resolution providing for the consideration of H.R. 5820. A bill to amend the act of August 20, 1963, as amended, relating to the construction of mint buildings (Rept. No. 94-470). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules House Resolution 714. Resolution providing for the consideration of H.R. 7656. A bill to enable cattle producers to establish, finance, and carry out a cordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products (Rept. No. 94-471). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 715. Resolution providing for the consideration of H.R. 8757. A bill authorizing additional appropriations for prosecution of projects in certain comprehensive river basin plans for flood control, navigation, and for other purposes (Rept. No. 94-472). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONES of North Carolina (for himself, Mr. WAMPLER, and Mr. ROSE):

H.R. 9497. A bill to amend the computation of the level of price support for tobacco; to the Committee on Agriculture.

By Mr. ADDABBO:

H.R. 9498. A bill to amend title 5, United States Code, to permit Federal, State, and local officers and employees to take an active part in political management and in political campaigns; to the Committee on Post Office and Civil Service.

By Mr. ARMSTRONG:

H.R. 9499. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish certain limitations respecting the authority of the Secretary of Health, Education, and Welfare to regulate vitamins and minerals under that act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON (for himself and Mr. QUIE):

H.R. 9500. A bill to stabilize labor-management relations in the construction industry and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 9501. A bill to provide for the establishment of the Electric Power Authority, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 9502. A bill to amend the Federal Aviation Act of 1958 relating to free or reduced-rate air transportation; to the Committee on Public Works and Transportation.

By Mr. BINGHAM:

H.R. 9503. A bill amending the Trading

With the Enemy Act to repeal the embargo on U.S. trade with North and South Vietnam; to the Committee on International Relations.

By Mr. BURLESON of Texas (for himself, Mr. PICKLE, and Mr. ARCHER):

H.R. 9504. A bill to amend the Social Security Act so as to provide that, under certain circumstances, the entire area of a State will be redesignated as a single professional standards review organization area; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DOMINICK V. DANIELS:

H.R. 9505. A bill to establish a Commission on Unemployment Caused by the Dispersion of Hazardous Industries; to the Committee on Education and Labor.

By Mr. DUNCAN of Oregon (for himself, Mr. JOHNSON of California, Mr. ULLMAN, Mr. WEAVER, Mr. AUCOIN, Mr. HECHLER of West Virginia, Mr. RODINO, Mr. ROE, Mr. WIRTH, Mr. MELCHER, Mr. ROYBAL, Mr. YATRON, Mr. ROBERTS, Mr. BONKER, Mr. FOLEY, Mr. BLANCHARD, Mr. MINETA, Mr. MEEDS, Ms. CHISHOLM, Mr. RICHMOND, Mr. WAXMAN, Mr. LAGOMARSINO, Ms. FENWICK, Mr. CARNEY, and Mr. SARBANES):

H.R. 9506. A bill to establish a conservation corps in the Departments of Agriculture and Interior, and for other purposes; to the Committee on Education and Labor.

By Mr. DUNCAN of Oregon (for himself, Mr. MAZZOLI, Mr. STOKES, Mr. MIKVA, Mr. FORD of Tennessee, Mr. HARRIS, Mr. SOLARZ, Mr. HARRINGTON, Mr. ROUSSELOT, Mr. PATTISON of New York, and Ms. ABZUG):

H.R. 9507. A bill to establish a conservation corps in the Departments of Agriculture and Interior, and for other purposes; to the Committee on Education and Labor.

By Mr. EVINS of Tennessee (for himself, Mr. QUILLEN, Mr. DUNCAN of Tennessee, Mrs. LLOYD of Tennessee, Mr. BEARD of Tennessee, Mr. JONES of Tennessee, Mr. FORD of Tennessee, Mr. CARTER, and Mr. WHITTEN):

H.R. 9508. A bill to amend the Tennessee Valley Authority Act of 1933, to increase the number of members on the board of directors, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FLORIO:

H.R. 9509. A bill to amend the Federal Power Act to prohibit certain full-time officers and employees of the Federal Power Commission from accepting employment or compensation from certain persons after termination of employment at the Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. OBEY, Mr. CARNEY, Mrs. COLLINS of Illinois, Mr. DODD, Mr. HARRIS, Mr. LAFALCE, and Mr. TRAXLER):

H.R. 9510. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBBONS (for himself and Mr. MIKVA):

H.R. 9511. A bill to impose a minimum income tax on oil companies based on book earnings reported to shareholders; to the Committee on Ways and Means.

By Mr. HYDE (for himself and Mr. RHODES):

H.R. 9512. A bill to provide that the recently enacted provisions authorizing increases in the salaries of Senators and Representatives be limited only to the increase which will take effect October 1, 1975; to the Committee on Post Office and Civil Service.

By Mr. KARTH (for himself and Mr. NOLAN):

H.R. 9513. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. LANDRUM:

H.R. 9514. A bill to create a special tariff provision for imported glycine and related products; to the Committee on Ways and Means.

By Mr. MEZVINSKY:

H.R. 9515. A bill to require court orders in certain cases for the interception of all forms of communications by electronic and other devices, for all entering of real property or vehicles, for the opening of mail, and for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. NOLAN (for himself, Mr. BERGLAND, and Mr. PRESSLER):

H.R. 9516. A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 9517. A bill to authorize construction of the Little Cypress Lake and Reservoir, Tex.; to the Committee on Public Works and Transportation.

By Mr. ROYBAL (for himself and Mrs. BURKE of California):

H.R. 9518. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide Federal financial assistance to States in order to assist local educational agencies to provide public education to Vietnamese and Cambodian refugee children, and for other purposes; to the Committee on the Judiciary.

By Mr. STEIGER of Wisconsin:

H.R. 9519. A bill to amend the Internal Revenue Code of 1954 to provide for the withholding of State and city income taxes from the pay of members of the Armed Forces, under the direction and administration of the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H.R. 9520. A bill to improve public understanding of the role of depository institutions in home financing; to the Commitee on Banking, Currency and Housing.

By Mr. SYMINGTON (for himself and Mr. BADILLO):

H.R. 9521. A bill to designate the birthday of Susan B. Anthony as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H.R. 9522. A bill to prohibit the Federal courts from issuing busing orders based on race, and for other purposes; to the Committee on the Judiciary.

H.R. 9523. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; to the Commitee on the Judiciary.

By Mr. STAGGERS (by himself and Mr. DINGELL):

H.R. 9524. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 9525. A bill to prohibit the introduction or delivery for introduction into commerce of the chemical compounds known as polycholrinated biphenyls; to the Committee on Interstate and Foreign Commerce.

By Mr. BADILLO:

H.R. 9526. A bill to provide for the establishment in selected cities and localities of pilot homestead programs under which publicly owned structures will be made available to tenant cooperatives for use in providing low- and moderate-income housing; to the Committee on Banking, Currency and Housing.

By Mr. BIAGGI:

H.R. 9527. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to provide that the National Endowment for the Arts shall carry out an emergency program for the employment of artists during any fiscal year in which the national rate of unemployment exceeds 6.5 percent; to the Committee on Education and Labor.

By Mr. BURGENER:

H.R. 9528. A bill to amend the Internal Revenue Code to provide an additional personal exemption for each senior citizen whose principal place of abode is in the principal residence of the taxpayer; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 9529. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a Federal death benefit to the surviving dependents of public safety officers; to the Committee on the Judiciary.

By Mr. JONES of Oklahoma (for himself, Mr. STEIGER of Wisconsin, Mr. ENGLISH, and Mr. RISENHOOVER):

H.R. 9530. A bill to amend title XX of the Social Security Act to provide that the regulations prescribed by the Secretary of Health, Education, and Welfare to impose staffing standards for day care centers thereunder shall require staff-to-child ratios of one adult for each child under 6 weeks old and (subject to State action in certain cases) one adult for each eight children between 6 weeks and 3 years old; to the Committee on Ways and Means.

By Mr. MATSUNAGA (for himself and Mr. TSONGAS):

H.R. 9531. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MELCHER:

H.R. 9532. A bill to amend part A of title IV of the Social Security Act and title XVI of such act, to provide for the disregarding of all income and resources deriving from reserved Indian lands in determining eligibility for or the amount of the aid or benefits payable to Indian people thereunder; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Ms. ABZUG, Mr. AUCOIN, Mrs. COLLINS of Illinois, Mr. DAVIS, Mr. DODD, Mr. ECKHARDT, Mr. FORD of Tennessee, Mr. MYERS of Indiana, Mr. RUSSO, Mr. SANTINI, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STARK, and Mr. STUDDS):

H.R. 9533. A bill to correct inequities in certain franchise practices, to provide franchisors and franchisees with even-handed protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH (for himself, Mr. MITCHELL of Maryland, Mr. DERRICK, Mr. HAYES of Indiana, Mr. GONZALEZ, Mr. ST GERMAIN, Mr. EVANS of Indiana, Mr. MCKINNEY, Mr. JOHN L. BURTON, and Mr. BROOKS):

H.R. 9534. A bill to revise and extend the Renegotiation Act of 1951; to the Committee on Banking, Currency and Housing.

By Mr. O'NEILL (for himself, and Mr. EDWARDS of California):

H.R. 9535. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. PATTERSON of California:

H.R. 9536. A bill to provide emergency financial assistance to assure that there are adequate levels of police and fire personnel to provide for the public safety of citizens residing in areas which have been forced, due to severe financial hardship, to lay off public safety officers; to the Committee on Education and Labor.

H.R. 9537. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers in foster grandparent programs may furnish supportive services to mentally retarded individuals regardless of the age of such individuals; to the Committee on Education and Labor.

H.R. 9538. A bill to amend title II of the Social Security Act to revise the provisions relating to automatic cost-of-living increases in benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 9539. A bill to extend the Emergency Petroleum Allocation Act; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 9540. A bill to prohibit mining within any area of the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF (for himself, Ms. ANZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BIAGGI, Mr. DELANEY, Mr. KOCH, Mr. OTTINGER, Mr. RANGEL, Mr. RICHMOND, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SOLARZ, and Mr. ZEFERETTI):

H.R. 9541. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

By Mr. BALDUS (for himself, Mr. BEDELL, Mr. BRECKINRIDGE, Mr. BLOUIN, Mr. CARTER, Mr. CLEVELAND, Mr. COCHRAN, Mr. COHEN, Mr. CORNELL, Mr. D'AMOURS, Mr. EILBERG, Mr. HANNAFORD, Mr. HARKIN, Mr. HASTINGS, Mr. KASTEN, Mr. KASTENMEIER, Mr. KREBS, Mr. MCEWEN, Mr. MCHUGH, Mr. MELCHER, Mrs. MEYNER, Mr. MITCHELL of New York, Mr. OBERSTAR, Mr. PRESSLER, and Mr. RIEGLE):

H.J. Res. 650. Joint resolution to amend section 201 of the Agricultural Act of 1949, as amended, relating to the support price of milk; to the Committee on Agriculture.

By Mr. BALDUS (for himself, Mr. BROWN of California, Mr. GRASSLEY, Mr. SIMON, Mr. SISK, Mr. STEIGER of Wisconsin, Mr. TRAXLER, Mr. NOLAN, and Mr. VIGORITO):

H.J. Res. 651. Joint resolution to amend section 201 of the Agricultural Act of 1949, as amended, relating to the support price of milk; to the Committee on Agriculture.

By Mr. ROYBAL (for himself and Mr. FITHIAN):

H.J. Res. 652. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. SYMINGTON:

H.J. Res. 653. Joint resolution authorizing the President to proclaim the week beginning on the second Monday in November each year as Youth Appreciation Week; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H.J. Res. 654. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. BLANCHARD:

H. Con. Res. 391. Concurrent resolution expressing the sense of Congress that it remains the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union, the President's signature on the Final Act of the Conference on Security and Cooperation in Europe notwithstanding; to the Committee on International Relations.

H. Con. Res. 392. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on International Relations.

By Mr. FRASER:

H. Con. Res. 393. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly to the Committees on Agriculture, and International Relations.

By Mr. HAYS of Ohio:

H. Res. 708. Resolution disapproving a proposed regulation transmitted under section 316(c) of the Federal Election Campaign Act; and other matters; to the Committee on House Administration.

By Mr. BRADEMAS:

H. Res. 710. Resolution disapproving certain provisions of the regulations issued and proposed by the Administrator of General Services under the Presidential Recordings and Materials Preservation Act; to the Committee on House Administration.

By Mr. O'NEILL (for himself, Mr. D'AMOURS, Mr. MOFFETT, and Mr. ARCHER):

H. Res. 711. Resolution disapproving of efforts to expel Israel from the United Nations; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. MINK:

H.R. 9542. A bill for the relief of Maribel C. Cabras; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 9543. A bill for the relief of Eupert Anthony Grant; to the Committee on the Judiciary.

By Mr. LONG of Louisiana:

H. Res. 712. Resolution to refer the bill (H.R. 9495) for the relief of McNamara Construction of Manitoba, Ltd. to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. COLLINS of Texas:

Page 273, insert after line 4 the following new section:

ENERGY CONSERVATION THROUGH PROHIBITION OF UNNECESSARY TRANSPORTATION

SEC. 416. (a) (1) No person may use gasoline or diesel fuel for the transportation of any public school student to a school farther than the public school which is closest to his home offering educational courses for the grade level and course of study of the student and which is within the boundaries of the school attendance district wherein the student resides.

(2) Any person who violates subsection (1) of this section shall be fined not more than $5,000 or imprisoned not more than one year, or both, for each violation of such subsection.

(3) This section shall not apply to any person—

(A) who is a parent using gasoline or diesel fuel to transport his child to a public school; or

(B) who is using gasoline or diesel fuel for the transportation of any public school student to any school for the purpose of participating in athletic, educational, social, or other extracurricular activities approved by the local educational authorities in charge of the public school such student attends.

(b) (1) No person may sell gasoline or diesel fuel to a person which the seller of such gasoline or diesel fuel knows or has reason to know will use such gasoline or diesel fuel in violation of subsection (a) of the Act.

(2) Any person who the Administrator of the Federal Energy Administration determines violates paragraph 1 of subsection (a) of this section shall not be entitled for the six-month period beginning on the date of such determination to any allocation of gasoline or diesel fuel under any Federal law which provides for the allocation of gasoline or diesel fuel.

By Mr. JEFFORDS:

Page 306, line 1, add the following new title:

TITLE V—ENERGY CONSERVATION IN THE BEVERAGE CONTAINER INDUSTRY

DEFINITIONS AND COVERAGE

SEC. 551. For purposes of this title:

(1) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption.

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy efficiency" means the ratio (determined on a national basis) of: the capacity of the beverage container times the number of times it is likely to be filled, to the units of energy resources consumed in producing such container (including such containers' raw materials) and in delivering such container and its contents to the consumer.

The Secretary, in determining the energy efficiency shall adjust any such determination to take into account the extent to which such containers are produced from recycled materials.

(4) The term "manufacture" means to manufacture, produce, assemble or recycle or reuse or to import into the customs territory of the U.S.

(5) The term "energy efficiency standard" means a performance standard which—

(A) prescribes a minimum level of energy efficiency for a beverage container, and

(B) includes (i) testing procedures (prescribed under section 552), and (ii) other requirements which the Secretary determines are necessary to assure that any beverage container to which such standard applies meets such required minimum level of energy efficiency.

(6) The term "manufacturer" means any person who manufactures a beverage container or imports a beverage contained into the customs territory of the United States.

(7) The term "distributor" means a person (other than a manufacturer or retailer) to whom a beverage container is delivered or sold for purposes of distribution in commerce.

(8) The term "retailer" means a person to whom a beverage container is delivered or sold for purposes other than resale.

(9) The terms "to distribute in commerce" and "distribution in commerce" mean to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.

(10) The term "commerce" means trade, traffic, commerce, or transportation—

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

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

(11) The terms "import" and "importation" mean to import into the customs territory of the United States include reimporting a consumer product manufactured or processed, in whole or in part, into such customs territory.

(12) The term "Secretary" means the Secretary of Commerce.

TEST PROCEDURES

SEC. 552. (a)(1) The Secretary by rule—shall prescribe test procedure for determining energy efficiency of beverage containers.

(2) If the Secretary determines that (A) there exists a test procedure which has been issued or adopted by any Federal agency or by any other qualified agency, organization, or institution, and (B) such test procedure, if prescribed under this section, would meet the requirements of paragraph (1), he may prescribe such procedure under this section.

(b) No manufacturer, distributor, or retailer may make any representation—

(1) in writing (including a representation on a label), or

(2) in any broadcast advertisement, respecting the energy efficiency of a beverage container to which a rule under subsection (a) applies or costs of energy consumed by such beverage container, unless such beverage container has been tested in accordance with such rule and such representation fairly discloses the results of such testing.

(c)(1) A rule may be proposed under subsection (a) only after manufacturers of beverage containers to which the rule will apply have been afforded an opportunity to consult the Secretary.

(2) A rule under this section shall be effective on the 180th day after the date of publication in the Federal Register. A rule under this section (or an amendment thereto) shall not apply to any beverage container the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

ENERGY EFFICIENCY STANDARDS

SEC. 553. (a)(1) Not later than 90 days after the date of enactment of this Act, the Secretary shall, by rule, prescribe an energy efficiency improvement target for beverage containers. Such target shall be designed so that if met, aggregate energy efficiency of beverage containers which are sold in 1980 will improve by 25 per cent over the aggregate energy efficiency achieved by beverage containers sold in 1974. He shall require each manufacturer to submit such reports, respecting improvement of such products as the Secretary determines may be necessary to determine whether beverage containers of such type will achieve the degree of improvement prescribed by the energy efficiency improvement target. If, on the basis of such reports, or of other information available to him, he determines that specific beverage container types will not achieve the energy efficiency improvement target he shall (subject to subsection (c)) commence a proceeding under subsection (b) to prescribe an energy efficiency standard for such type. He shall prescribe a standard for such type if he determines—

(A) it is technologically and economically feasible to improve the energy efficiency of beverage containers of such type.

(B) that the benefits of reduced energy consumption outweigh (i) the costs of any increase to the purchaser in initial charges for, the beverage container, (ii) any lessening of the utility or performance of the beverage container, and (iii) any negative effects on competition.

For purposes of subparagraph (C)(iii), the Secretary shall not determine that there are any negative effects on competition, unless the Attorney General makes such determination and submits it in writing to the Secretary, together with his analysis of the nature and extent of such negative effects. The determination of the Attorney General shall be available for public inspection.

(b) Any energy efficiency standard shall be prescribed in accordance with the following procedure:

(1) The Secretary shall (A) publish an advance notice of proposed rulemaking which specifies (i) the energy efficiency level which he proposes to require by such energy efficiency standard, and (B) invite interested persons to submit within 90 days after the date of publication of such advance notice—

(i) written or oral presentations of data, views, and argument as to the proposed level of energy efficiency, and

(ii) a proposed energy efficiency standard applicable to beverage containers.

(2) Not earlier than 120 days after the date of publication of advance notice of proposed rulemaking, the Secretary may publish a proposed rule which prescribes an energy efficiency standard for such class of beverage containers.

(3) Subsections (c) and (d) of section 18 of the Federal Trade Commission Act shall apply to rules under this section to the same extent that such subsections apply to rules under section 18(a)(1)(B) of such Act.

(4) Not earlier than 60 days after the date of publication of the proposed rule, the Secretary may, if he makes the findings required under subsection (a), promulgate a rule prescribing an energy efficiency standard for beverage containers which rule shall take effect not earlier than 180 days after the date of its publication in the Federal Register. Such rule (or any amendment thereto) shall not apply to any beverage containers the manufacture of which was completed prior to the effective date of the rule or amendment as the case may be.

REQUIREMENTS OF MANUFACTURERS

SEC. 554. (1) Each manufacturer of a beverage container shall annually at a time specified by the Secretary supply to the Secretary relevant energy efficiency data developed in accordance with the test procedure applicable to such product under section 552.

(2) A rule under section 552 or 553 may require the manufacturer or his agent to permit a representative designated by the Secretary to observe any testing required by this part and inspect the results of such testing.

EFFECT ON STATE LAW

SEC. 555. (a) This part supersedes any State regulation insofar as such State regulation—

(1) may now or hereafter provide for the disclosure of the energy efficiency, of any beverage container.

If there is a rule under section 552 applicable to such beverage container and such State regulation requires disclosure of information other than information disclosed in accordance with such rule under section 552; or

(2) may now or hereafter provide for any energy efficiency standard or similar requirement respecting energy efficiency of a beverage container—

(A) if there is a standard under section 553 applicable to such product, and such State regulation is not identical to such standard, or

(B) if there is a rule under section 552 applicable to such product and compliance with such State regulation cannot be determined from testing in accordance with the rule under section 552.

(b)(1) If (A) a State regulation provides for a standard which prescribes a minimum level of energy efficiency for a beverage container and (B) such State regulation is not superseded by subsection (a)(2), then any person subject to such State regulation may petition the Secretary for the promulgation of a rule under this subsection which supersedes such State regulation in whole or in part. The Secretary shall, within 6 months after the date such a petition is filed, either deny such petition or prescribe a rule under this subsection superseding such State regulation. The Secretary shall issue such a rule with respect to a State regulation if and only if he finds that there is no significant State or local interest sufficient to justify such State regulation, or that such State regulation unduly burdens interstate commerce. In making such findings, the Secretary shall take into account the criteria set forth in subparagraphs (1), (2), and (3) of section 553(a)(1), and whether a Federal energy efficiency standard is being developed or proposed.

(2) Section 563(a) shall apply to a rule under this subsection. Any findings of the Secretary under this subsection and any action prescribing a rule or denying a petition shall be subject to judicial review as provided for in section 563(b) of this Act in the same manner as a rule under section 552.

(c) For purposes of this section, the term "State regulation" means a law or regulation of a State or political subdivision thereof.

RULES

SEC. 556. The Secretary may issue such rules as he deems necessary to carry out the provisions of this part. Section 563(a) shall apply to any rule prescribed under this section.

AUTHORITY TO OBTAIN INFORMATION

SEC. 557. For purposes of carrying out this part, the Secretary may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents and may administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of contumacy by, or refusal to obey a subpena served upon any person subject to this part, the Secretary may request the Attorney General to seek an order from the district court of the United States for any district in which such person is found or resides or transacts business requiring such person to appear and give testimony, or to appear and produce documents.

EXPORTS

SEC. 558. This part shall not apply to any beverage container if (1) such beverage container is manufactured, sold, or held for sale for export from the United States (or that such product was imported for export), unless such product is in fact distributed in commerce for use in the United States, and (2) such beverage container when distributed in commerce, bears a stamp or label stating that such consumer product is intended for export.

IMPORTS

SEC. 559. Any beverage container offered for importation in violation of section 560 shall be refused admission into the customs territory of the United States under rules issued by the Secretary of the Treasury except that the Secretary of the Treasury may, by such rules, authorize the importation of such beverage containers upon such terms and conditions (including the furnishing of a bond) as may appear to him appropriate to insure that such beverage container will not violate section 560, or will be exported or abandoned to the United States. The Secretary of the Treasury shall prescribe rules under this section not later than 180 days after the date of enactment of this Act.

PROHIBITED ACTS

SEC. 560. (1) for any manufacturer to fail to or refuse to permit access to, or copying

of, records or fail to or refuse to make reports or provide information required to be supplied under section 554 or any other provision of this part;

(2) for any manufacturer to fail to or refuse to comply with requirements of section 554 (b) (3) or (b) (5) of this Act; or

(3) for any manufacturer to distribute in commerce, in the United States, any new beverage container which is not in conformity with an applicable energy efficiency standard under this title.

(b) For purposes of this section, the term "new beverage container" means a beverage container the title of which has not passed to the first purchaser for purposes of other than resale.

ENFORCEMENT

SEC. 561. (a) Except as provided in subsection (b), any person who knowingly violates any provision of section 560 shall be subject to a civil penalty of not more than $100 for each violation. Civil penalties assessed under this part may be compromised by the Secretary, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent. Each violation of paragraph (1), (2), (3), or (6) of section 560(a) shall constitute a separate violation with respect to each consumer product and each day of violation of section 561(a) (4) or (5) shall constitute a separate violation.

(b) As used in subsection (a) of this section, the term "knowingly" means (1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge obtained upon the exercise of due care to ascertain the truth of representations.

(c) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate section 552(b).

INJUNCTIVE ENFORCEMENT

SEC. 562. The United States district courts shall have jurisdiction to restrain (1) any violation of section 560 and (2) any person from distributing in commerce any beverage container which does not comply with an applicable rule under section 553. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transactions constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 563. (a) Rules under section 552 or 556 shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Secretary shall afford interested persons an opportunity to present written and oral data, views, and argument with respect to any proposed rule. In addition, he shall by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) other interested persons who have made oral presentations, and

(B) employees of the United States who have made written or oral presentations,

with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Secretary determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

(b)(1) Any person who will be adversely affected by a rule promulgated under section 552 when it is effective may at any time prior to the sixtieth day after the date such rule is promulgated file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

(2) Upon the filing of the petition referred to in paragraph (1), the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule under section 552 may be affirmed unless supported by substantial evidence.

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

(4) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(5) Section 18(e) of the Federal Trade Commission Act shall apply to rules under section 553 to the same extent that it applies to rules under section 18(a)(1)(B) of such Act.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. 564. (a) The Secretary may enter into an agreement with the Federal Trade Commission pursuant to which the Commission, on a reimbursable basis, may be delegated all or part of any functions under sections 557, 561, and 562. Section 16 of the Federal Trade Commission Act shall apply to the exercise of any functions by the Commission pursuant to such agreement to the same extent that such section applies to functions under sections 5(m), 9, and 13 of the Federal Trade Commission Act.

(b)(1) The Secretary shall delegate to the National Bureau of Standards all functions under this part relating to performance of research and analyses related to energy efficiency of beverage containers developing test procedures, and energy efficiency standards, and prescribing rules under sections 552, and 553.

(2) Functions of the Secretary, other than functions described in paragraph (1), may be delegated to any officer or agency of the Department of Commerce.

(c) Whenever the Administrator requests the Secretary to prescribe a rule under section 552 or 553, with respect to a beverage container, the Secretary shall initiate a rulemaking proceeding under such section, and (subject to section 553(c)) shall not later than one year after the date of such request either promulgate a rule under such section or publish in the Federal Register a notice stating that he is not able to promulgate such rule before the expiration of such one-year period or does not intend to promulgate such rule, and specifying his reasons for not doing so.

Page 306, line 1, add the following new Title:

TITLE V—ENERGY CONSERVATION IN THE BEVERAGE CONTAINER INDUSTRY

DEFINITIONS AND COVERAGE

SEC. 551. For purposes of this title:

(1) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption.

(2) The term "energy" means electricity or fossil fuels.

(3) The term "energy efficiency" means the ratio (determined on a national basis) of: the capacity of the beverage container times the number of times it is likely to be filled, to the units of energy resources consumed in producing such container (including such containers' raw materials) and in delivering such container and it contents to the consumer.

The Secretary, in determining the energy efficiency shall adjust any such determination to take into account the extent to which such containers are produced from recycled materials.

(4) The term "manufacture" means to manufacture, produce, assemble or recycle or reuse or to import into the customs territory of the U.S.

(5) The term "energy efficiency standard" means a performance standard which—

(A) prescribes a minimum level of energy efficiency for a beverage container, and

(B) includes (i) testing procedures (prescribed under section 552), and (ii) other requirements which the Secretary determines are necessary to assure that any beverage container to which such standard applies meets such required minimum level of energy efficiency.

(6) The term "manufacturer" means any person who manufactures a beverage container or imports a beverage container into the customs territory of the United States.

(7) The term "distributor" means a person (other than a manufacturer or retailer) to whom a beverage container is delivered or sold for purposes of distribution in commerce.

(8) The term "retailer" means a person to whom a beverage container is delivered or sold for purposes other than resale.

(9) The terms "to distribute in commerce" and "distribution in commerce" mean to sell in commerce, to import, to introduce or deliver for introduction into commerce, or to hold for sale or distribution after introduction into commerce.

(10) The term "commerce" means trade, traffic, commerce, or transportation—

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

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

(11) The terms "import" and "importation" mean to import into the customs territory of the United States include reimporting a consumer product manufactured or processed, in whole or in part, into such customs territory.

(12) The term "Secretary" means the Secretary of Commerce.

TEST PROCEDURES

SEC. 552. (a)(1) The Secretary by rule shall prescribe test procedure for determining energy efficiency of beverage containers.

(2) If the Secretary determines that (A) there exists a test procedure which has been issued or adopted by any Federal agency or by any other qualified agency, organization, or institution, and (B) such test procedure, if prescribed under this section, would meet the requirements of paragraph (1), he may prescribe such procedure under this section.

(b) No manufacturer, distributor, or retailer may make any representation—

(1) in writing (including a representation on a label), or

(2) in any broadcast advertisement, re-

specting the energy efficiency of a beverage container to which a rule under subsection (a) applies or costs of energy consumed by such beverage container unless such beverage container has been tested in accordance with such rule and such representation fairly discloses the results of such testing.

(c)(1) A rule may be proposed under subsection (a) only after manufacturers of beverage containers to which the rule will apply have been afforded an opportunity to consult the Secretary.

(2) A rule under this section shall be effective on the 180th day after the date of publication in the Federal Register. A rule under this section (or an amendment thereto) shall not apply to any beverage container the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

LABELING

SEC. 553. (a)(1)(A) Not later than one year after the date of enactment of this Act, the Secretary shall promulgate rules under this section applicable to beverage containers.

(B) Whenever the Secretary prescribes a rule under this section applicable to a beverage container he shall prescribe a test procedure applicable to such class under section 552. Such procedure under section 552 shall apply to such class—

(i) on the effective date of the rule under this section (without regard to section 552 (c)(2)), and

(ii) without regard to any determination required under the first sentence of section 552(a)(1).

(2)(A) If (i) before the date of enactment of this Act, the National Bureau of Standards had issued a voluntary energy conservation specification applicable to beverage containers and (ii) the Secretary determines that such specification meets the requirements of subsection (b) of this section, and he may prescribe any testing procedure included in such specification as a test procedure under section 552. In any proceeding to prescribe such a specification as a rule under this section and section 552, the second sentence of section 564(a) of this Act shall apply only to a person who did not present data, views, or arguments with respect to such voluntary energy conservation specification.

(B) Prior to prescribing any rule under this section or under section 552, the Secretary shall consult with the Federal Trade Commission.

(b) A rule prescribed under this section shall require that beverage containers bear a label which states the energy efficiency of the beverage container (measured in accordance with the test procedure and shall include the following:

(1) Subject to subsection (c)(2), data respecting the range of energy efficiency for beverage containers as determined by the Secretary.

(2) A description of the test procedure under section 552 used in measuring the energy efficiency of beverage containers.

(3) A prototype label and directions for displaying the label. The rule shall require that the label be prominently displayed, readable, and visible to any prospective purchaser at time of purchase. The rule may specify any information in addition to a statement of energy efficiency which shall be included on the label.

(c)(1) A rule under this section shall be effective on the 180th day after the date of publication in the Federal Register, unless the Secretary finds that a later effective date is in the public interest.

(2) If the range of energy efficiency for beverage containers is not known at the time of publication of a rule under this subsection, the requirement of subsection (b)(2) shall not apply until one year after the effective date of such rule.

(3) If the Secretary determines that a beverage container achieves the energy efficiency target described in Section 554, then no labeling requirement under this section may be promulgated or remain in effect with respect to such type.

(4) A rule under this section (or an amendment thereto) shall not apply to any beverage containers the manufacture of which was completed prior to the effective date of such rule or amendment, as the case may be.

ENERGY EFFICIENCY STANDARDS

SEC. 554. (a)(1) Not later than 90 days after the date of enactment of this Act, the Secretary shall, by rule, prescribe an energy efficiency improvement target for beverage containers. Such target shall be designed so that if met, aggregate energy efficiency of beverage containers which are sold in 1980 will improve by 25 per cent over the aggregate energy efficiency achieved by beverage containers sold in 1974. He shall require each manufacturer to submit such reports, respecting improvement of such products as the Secretary determines may be necessary to determine whether beverage containers of such type will achieve the degree of improvement prescribed by the energy efficiency improvement target. If, on the basis of such reports, or of other information available to him, he determines that specific beverage container types will not achieve the energy efficiency improvement target he shall (subject to subsection (c)) commence a proceeding under subsection (b) to prescribe an energy efficiency standard for such type. He shall prescribe a standard for such type if he determines—

(A) it is technologically and economically feasible to improve the energy efficiency or beverage containers of such type,

(B) the application of the labeling rule applicable to such type is not sufficient to induce manufacturers to produce, and consumers and other persons to purchase, beverage containers of such type which achieve the maximum energy efficiency which it is technologically and economically feasible to attain, and

(C) that the benefits of reduced energy consumption outweigh (i) the costs of any increase to the purchaser in initial charges for, the beverage container, (ii) any lessening of the utility or performance of the beverage container, and (iii) any negative effects on competition.

For purposes of subparagraph (C)(iii), the Secretary shall not determine that there are any negative effects on competition, unless the Attorney General makes such determination and submits it in writing to the Secretary, together with his analysis of the nature and extent of such negative effects. The determination of the Attorney General shall be available for public inspection.

(b) Any energy efficiency standard shall be prescribed in accordance with the following procedure:

(1) The Secretary shall (A) publish an advance notice of proposed rulemaking which specifies (i) the energy efficiency level which he proposes to require by such energy efficiency standard, and (B) invite interested persons to submit within 90 days after the date of publication of such advance notice—

(i) written or oral presentations of data, views, and argument as to the proposed level of energy efficiency, and

(ii) a proposed energy efficiency standard applicable to beverage containers.

(2) Not earlier than 120 days after the date of publication of advance notice of proposed rulemaking, the Secretary may publish a proposed rule which prescribes an energy efficiency standard for such class of beverage containers.

(3) Subsections (c) and (d) of section 18 of the Federal Trade Commission Act shall apply to rules under this section to the same extent that such subsections apply to rules under section 18(a)(1)(B) of such Act.

(4) Not earlier than 60 days after the date of publication of the proposed rule, the Secretary may, if he makes the findings required under subsection (a), promulgate a rule prescribing an energy efficiency standard for beverage containers, which rule shall take effect not earlier than 180 days after the date of its publication in the Federal Register. Such rule (or any amendment thereto) shall not apply to any beverage containers the manufacture of which was completed prior to the effective date of the rule or amendment as the case may be.

REQUIREMENTS OF MANUFACTURERS

SEC. 555. (a) Each manufacturer of a beverage container shall provide a label that meets, and is displayed in accordance with, the requirements of such rule. If such manufacturer or any distributor, retailer, or private labeler of such beverage container advertises such beverage container in a catalog from which it may be purchased by order, such catalog shall contain all information required to be displayed on the label, except as otherwise provided, by rule, of the Secretary. The preceding sentence shall not require that a catalog contain information respecting a beverage container if the distribution of such catalog commenced before the effective date of the labeling rule under section 553 applicable to such product.

(b)(1) Each manufacturer of a beverage container to which a rule under section 553 applies shall notify the Secretary, not later than 60 days after the date of such rule becomes effective, of the models in current production to which such rule applies.

(2) If requested by the Secretary, the manufacturer of a beverage container shall provide, within 30 days of the date of the request, the data from which the information included on the label and required by the rule was derived. Data shall be kept on file by the manufacturer for a period provided in the rule. Any manufacturer may, pursuant to rules issued by the Secretary, use independent test laboratories or national certification programs to obtain information required by this part.

(3) When requested by the Secretary, the manufacturer shall supply at his expense a reasonable number of consumer products to any laboratory designated by the Secretary for the purpose of ascertaining whether the information set out on the label, as required under section 553, is accurate. Any reasonable charge levied by the laboratory for such testing shall be borne by the United States.

(4) Each manufacturer of a beverage container shall annually at a time specified by the Secretary supply to the Secretary revelant energy efficiency data developed in accordance with the test procedure applicable to such product under section 552.

(5) A rule under section 552, 553, or 554 may require the manufacturer or his agent to permit a representative designated by the Secretary to observe any testing required by this part and inspect the results of such testing.

(c) Each manufacturer shall use labels reflecting revised energy efficiency on all beverage containers manufactured after the expiration of 60 days following the date of publication of a revised table of ranges. Such ranges may be revised by the Secretary only on an annual basis.

EFFECT ON STATE LAW

SEC. 556. (a) This part supersedes any State regulation insofar as such State regulation—

(1) may now or hereafter provide for the disclosure of energy efficiency of any beverage container.

(A) if there is any rule under section 553 applicable to such beverage container and such State regulation is not identical to such rule, or

(B) if there is a rule under section 552 applicable to such beverage container and such State regulation requires disclosure of information other than information disclosed in accordance with such rule under section 552; or

(2) may now or hereafter provide for any energy efficiency standard or similar requirement respecting energy efficiency or a beverage container.

(A) if there is a standard under section 554 applicable to such product, and such State regulation is not identical to such standard, or

(B) if there is a rule under section 552 applicable to such product and compliance with such State regulation cannot be determined from testing in accordance with the rule under section 552.

(b)(1) If (A) a State regulation provides for a standard which prescribes a minimum level of energy efficiency for a beverage container and (B) such State regulation is not superseded by subsection (a)(2), then any person subject to such State regulation may petition the Secretary for the promulgation of a rule under this subsection which supersedes such State regulation in whole or in part. The Secretary shall, within 6 months after the date such a petition is filed, either deny such petition or prescribe a rule under this subsection superseding such State regulation. The Secretary shall issue such a rule with respect to a State regulation if and only if he finds that there is no significant State or local interest sufficient to justify such State regulation, or that such State regulation unduly burdens interstate commerce. In making such findings, the Secretary shall take into account the criteria set forth in subparagraphs (1), (2), and (3) of section 554(a)(1), and whether a Federal energy efficiency standard is being developed or proposed.

(2) Section 564(a) shall apply to a rule under this subsection. Any findings of the Secretary under this subsection and any action prescribing a rule or denying a petition shall be subject to judicial review as provided for in section 564(b) of this Act in the same manner as a rule under section 553.

(c) For purposes of this section, the term "State regulation" means a law or regulation of a State or political subdivision thereof.

RULES

SEC. 557. The Secretary may issue such rules as he deems necessary to carry out the provisions of this part. Section 564(a) shall apply to any rule prescribed under this section.

AUTHORITY TO OBTAIN INFORMATION

SEC. 558. For purposes of carrying out this part, the Secretary may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents and may administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of contumacy by, or refusal to obey a subpena served upon any person subpect to this part, the Secretary may request the Attorney General to seek an order from the district court of the United States for any district in which such person is found or resides or transacts business requiring such person to appear and give testimony, or to appear and produce documents.

EXPORTS

Sec. 559. This part shall not apply to any beverage container if (1) such beverage container is manufactured, sold, or held for sale for export from the United States (or that such product was imported for export), unless such product is in fact distributed in commerce for use in the United States, and (2) such beverage container when disturbed in commerce, bears a stamp or label stating that such consumer product is intended for export.

IMPORTS

SEC. 560. Any beverage container offered for importation in violation of section 561 shall be refused admission into the customs territory of the United States under rules issued by the Secretary of the Treasury except that the Secretary of the Treasury may, by such rules, authorize the importation of such beverage containers upon such terms and conditions (including the furnishing of a bond) as may appear to him appropriate to ensure that such beverage container will not violate section 561, or will be exported or abandoned to the United States. The Secretary of the Treasury shall prescribe rules under this section not later than 180 days after thed ate of enactment of this Act.

PROHIBITED ACTS

SEC. 561. (a) It shall be unlawful—

(1) for any manufacturer to distribute in commerce any new beverage container unless there is provided with such beverage container a label meeting the requirements of Sec. 553, including any requirements as to manner of display;

(2) for any manufacturer or private labeler to distribute in commerce any new beverage container to which a rule under section 553 applies, if the label required to be provided with such a new beverage container contains misleading or inaccurate information concerning energy efficiency;

(3) for any manufacturer, distributor, or retailer to remove from any new beverage container or render illegible any label required to be provided with such product under a rule under section 553;

(4) for any manufacturer to fail to or refuse to permit access to, or copying of, records or fail to or refuse to make reports or provide information required to be supplied under section 553(d)(2) or 555 or any other provision of this part;

(5) for any manufacturer to fail to or refuse to comply with requirements of section 555 (b)(3) or (b)(5) of this Act; or

(6) for any manufacturer to distribute in commerce, in the United States, any new beverage container which is not in conformity with an applicable energy efficiency standard under this title.

(b) For purposes of this section, the term "new beverage container" means a beverage container the title of which has not passed to the first purchaser for purposes of other than resale.

ENFORCEMENT

SEC. 562. (a) Except as provided in subsection (b), any person who knowingly violates any provision of section 561 shall be subject to a civil penalty of not more than $100 for each violation. Civil penalties assessed under this part may be compromised by the Secretary, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent. Each violation of paragraph (1), (2), (3) or (6) of section 561(a) shall constitute a separate violation with respect to each consumer product and each day of violation of section 561 (a) (4) or (5) shall constitute a separate violation.

(b) As used in subsection (a) of this section, the term "knowingly" means (1) the having of actual knowledge, or (2) the presumed having of knowledge deemed to be possessed by a reasonable man who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

(c) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate section 552(b).

INJUNCTIVE ENFORCEMENT

SEC. 563. The United States district courts shall have jurisdiction to restrain (1) any violation of section 561 and (2) any person from distributing in commerce any beverage container which does not comply with an applicable rule under section 553 or 554. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transactions constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 564. (a) Rules under section 552, 553, or 557 shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Secretary shall afford interested persons an opportunity to present written and oral data, views, and argument with respect to any proposed rule. In addition, he shall by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) other interested persons who have made oral presentations, and

(B) employees of the United States who have made written or oral presentations,

with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Secretary determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

(b)(1) Any person who will be adversely affected by a rule promulgated under section 552 or 553 when it is effective may at any time prior to the sixtieth day after the date such rule is promulgated file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule was based as provided in section 2112 of title 28, United States Code.

(2) Upon the filing of the petition referred to in paragraph (1), the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule under section 552 or 553 may be affirmed unless supported by substantial evidence.

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

(4) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

(5) Section 18(e) of the Federal Trade Commission Act shall apply to rules under section 554 to the same extent that it applies to rules under section 18(a)(1)(B) of such Act.

COOPERATION WITH OTHER AGENCIES; DELEGATION

SEC. 565. (a) The Secretary may enter into an agreement with the Federal Trade Commission pursuant to which the Commission, on a reimbursable basis, may be delegated all or part of any functions under sections 558,

562, and 563. Section 16 of the Federal Trade Commission Act shall apply to the exercise of any functions by the Commission pursuant to such agreement to the same extent that such section applies to functions under sections 5(m), 9, and 13 of the Federal Trade Commission Act.

(b)(1) The Secretary shall delegate to the National Bureau of Standards all functions under this part relating to performance of research and analyses related to energy efficiency of beverage containers, developing test procedures, labeling requirements, and energy efficiency standards, and prescribing rules under sections 552, 553, and 554.

(2) Functions of the Secretary, other than functions described in paragraph (1), may be delegated to any officer or agency of the Department of Commerce.

(c) Whenever the Administrator requests the Secretary to prescribe a rule under section 552, 553, or 554, with respect to a beverage container, the Secretary shall initiate a rulemaking proceeding under such section, and (subject to section 554(c)) shall not later than one year after the date of such request either promulgate a rule under such section or publish in the Federal Register a notice stating that he is not able to promulgate such rule before the expiration of such one-year period or does not intend to promulgate such rule, and specifying his reasons for not doing so.

SENATE—*Wednesday, September 10, 1975*

The Senate met at 10:30 a.m. and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

PRAYER

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

O God, whose word teaches us that all labor is holy when done in Thy name, keep Thy servants close to Thee this day, that our words and our deeds may be lifted into the higher order of Thy kingdom. For problems which seem insoluble, grant wisdom beyond our human limitations. Grant us courage to make the right hard decision against the easy expediency. In times of turmoil and hostility, keep our personal lives at peace, that we may contribute to peace among the nations. Lead us and this Nation in paths of righteousness for Thy name's sake, and to Thee shall be the praise and the thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 10, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HARRY F. BYRD, JR., 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, September 9, 1975, be dispensed with.

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

CONFEREES ON H.R. 8070

Mr. MANSFIELD. Mr. President, when the Senate conferees were appointed on H.R. 8070, the HUD appropriation bill, they were listed in the incorrect order, through error. I ask unanimous consent that the order of listing be changed to conform to the list at the desk.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The conferees are as follows:

SENATE CONFEREES

William Proxmire, Wisconsin, John O. Pastore, Rhode Island, John C. Stennis, Mississippi, Mike Mansfield, Montana, Birch Bayh, Indiana, Lawton Chiles, Florida, J. Bennett Johnston, Louisiana, Walter D. Huddleston, Kentucky, John L. McClellan, Arkansas, Frank E. Moss, Utah, Charles McC. Mathias, Jr., Maryland, Clifford P. Case, New Jersey, Hiram L. Fong, Hawaii, Edward W. Brooke, Massachusetts, Henry Bellmon, Oklahoma, Milton R. Young, North Dakota.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on page 2 of the Executive Calendar.

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

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

COUNCIL ON WAGE AND PRICE STABILITY

The second assistant legislative clerk read the nomination of Michael H. Moskow, of New Jersey, to be Director of the Council on Wage and Price Stability.

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The second assistant legislative clerk read the nomination of John B. Rhinelander, of Virginia, to be Under Secretary of Housing and Urban Development.

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

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

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

LEGISLATIVE SESSION

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

There being no objection, the Senate resumed the consideration of legislative business.

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.

THE ENERGY PROBLEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have the following material printed in the RECORD: a copy of the Hollings resolution, proposed by the distinguished Senator from South Carolina (Mr. HOLLINGS) to the Democratic conference on Thursday last, which was adopted unanimously; my opening remarks at a meeting with the joint House-Senate Democratic leadership on Tuesday; material which goes with that statement, and a joint statement of the Democratic leadership of Congress at the conclusion of the meeting on Tuesday last.

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

HOLLINGS RESOLUTION

Whereas the Senate has passed many elements of a national energy program, especially in the conservation area, but has not yet considered other basic elements thereof, and

Whereas it is incumbent upon the Congress, subsequent to successfully overriding the veto of S. 1849, to immediately complete action on a national energy program, therefore

Be it resolved by the Democratic Conference that immediately after the veto of S. 1849 has been successfully overridden by the Senate, this body shall immediately proceed to consider and process expeditiously the following emergency items, to the exclusion of all other business, except Conference Reports, until their consideration is completed.

1. Energy production mobilization board
2. New domestic oil pricing legislation
3. Emergency natural gas legislation
4. H.R. 7014 as soon as the House of Representatives completes consideration thereon
5. Permanent natural gas legislation.

OPENING REMARKS OF SENATOR MIKE MANSFIELD (D., MONTANA) AT THE JOINT HOUSE-SENATE LEADERSHIP MEETING

I asked for the meeting today to discuss where we stand on energy. The Senate will vote on Wednesday to override the veto of the six-months extension of controls. The Democratic leadership in the Senate has urged all Senators to vote to override but it is anybody's guess, at this point, how it will come

out. I understand the House will vote on the matter on Thursday if we succeed in overriding in the Senate.

If we do not override, I expect that the President will want us to sit down with him without delay to work out some stop-gap. He can hardly look with equanimity on doing nothing in view of the economic chaos and hardships which will result from complete decontrol.

Assuming that we do override and controls are extended for six months, we will need to bring out an identifiable and comprehensive energy program as soon as possible. Yesterday, the Caucus adopted a resolution urging the Senate to act on a priority basis on half-a-dozen more energy bills to go with those already passed by us.

If you look at the status list in front of you, it seems that on the Senate side we have had fewer problems in getting energy bills passed. As you will note, the Senate has cleared a number of such measures on an individual basis while the House has been working on two comprehensive bills—the Ullman bill and the Eckhardt bill—which contain provisions dealing with several of the separate Senate bills.

As I see it, Congress will leave a lot of loose ends even if we override the veto and then leave the matter hanging there. Nor does it help much for one House or the other to act on various measures. Both Houses have got to pass comprehensive energy legislation within the next few weeks or the nation is going to be in serious trouble.

From the point of view of the Democrats, I think that we need to face up to what is realistically achievable in terms of a legislative program, what is realistically possible in both Houses jointly, not just in the Senate or the House alone. It is my understanding that the House Commerce Committee bill that is, the Eckhardt Bill, will be debated by the House after the vote on the veto. What are the chances of the House passing this bill next week? As far as we are concerned, we will do whatever we can on the Senate side to get through what the House can get through and I'm sure that works both ways. But we need to begin somewhere. Perhaps we can run down the list of energy bills which is in front of you and, see what we can do together to help move a group of them through without delay. The Senate leadership stands ready to make every effort to get a Congressional program of this kind to place before the President within the next few weeks. What we would like to explore, today, is how we can best work together in this effort.

ENERGY

Passed the Senate but not the House:

Auto Fuel Efficiency Standards (S. 1883): Requires a 50% improvement over 1974 autos in fuel economy by 1980, and 100% by 1985, and provides for automotive research to develop production prototypes of advanced autos.

Passed Senate July 15. Comparable provisions are contained in House-passed H.R. 6860 and in H.R. 7014 (Eckhardt bill) which House debated before recess and will continue debate on after veto override.

Coal Leasing—Strip Mining (S. 391): Makes a number of changes in the law governing leasing of Federal coal. Makes basic surface coal mining and reclamation standards applicable to Federal coal development.

Passed Senate July 31. House is marking up a clean bill in full committee. House provisions concerning coal leasing are similar to Senate-passed provisions. Question is will the House include a strip mining title. If it does, it may include the stronger version which was vetoed. Or it may report out two separate bills.

Energy Labeling and Disclosure (S. 349): Requires the energy characteristics and estimated annual operating costs of major energy-consuming household products and automobiles be disclosed to consumers prior to purchase.

Passed Senate July 11. Comparable provisions are contained in H.R. 7014 (Eckhardt bill) which House debated before recess and will consider after veto override.

Outer Continental Shelf Management (S. 521): Provides for increased production of oil and gas from the Outer Continental Shelf; establishes a Coastal Zone Impact Fund to assist coastal States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with oil and gas development.

Passed Senate July 30. House ad hoc committee on Outer Continental Shelf is working on this bill and plans to report out a bill in November after the Coastal Zone Management bill has passed.

Coastal Zone Management (S. 586): Provides grants or loans to coastal states from a new coastal energy facility impact fund to assist states in ameliorating adverse environmental impacts and controlling secondary economic and social impacts.

Passed Senate July 16. House full committee mark up scheduled for September 29, with bill to come to floor in late October.

Petroleum Products Fair Marketing (S. 323): Prohibits the cancellation, of a petroleum products franchise unless the dealer failed to comply substantially or, failed to act in good faith in carrying out the terms of the franchise; limits the marketing activities of all major oil companies under their direct control.

Passed Senate June 20. Congressman Dingell has stated commitment to getting a bill reported to House without mention of when. FEA administrator Zarb mentioned this concept as one of three proposals the Administration would support in the event of deregulation. The Administration has strongly opposed the bill in the past.

Passed the House but not the Senate:

Energy Conservation and Taxes (H.R. 6860) (Ullman bill): Provides for mandatory import quotas on oil to reduce our dependence on foreign oil; requires auto efficiency standards of 18 miles a gallon for 1978 and 28 miles a gallon for 1980; creates an energy trust fund to develop new energy technologies, domestic resources and more efficient public transportation; and phases in excise taxes on natural gas and oil used by business to encourage a shift to coal and nuclear power. (This measure contained the gas tax which was voted down on the House floor.)

Passed House June 19. Senate Finance has spent several weeks on this bill. Still many controversial issues have not been taken up.

Electric Car R. & D. (H.R. 8800): Passed.

Federal Buildings Energy Conservation (H.R. 8650): Passed.

Other significant Senate bills not yet passed:

Mandatory Coal Conversion (S. 1777): Requires, to the extent practicable, existing electric powerplant boilers and major industrial boilers which utilize fossil fuels to be capable of utilizing coal as their primary energy fuel. (Mark up to be scheduled after 9/22 by Interior and Public Works.)

Industrial Energy Conservation (S. 1908): Requires industrial energy efficiency to increase by 15 percent by 1980 and by 30 percent by 1985. (In mark up by Commerce.)

National Energy Production Board (S. 740): Establishes a Federal authority empowered to define and propose to Congress specific energy programs. (Pending before Interior Committee.) Mark-up begins this week.

Natural Gas Deregulation (S. 692): Establishes a national ceiling price for new natural gas based on prospective costs and a profit margin high enough to attract investment; retains the price of "old" natural gas. (Reported from Commerce Committee, on Senate calendar)

Energy bills in conference:

ERDA Authorization (H.R. 3474): Authorizes $4.7 billion for fiscal 1976 for nuclear and non-nuclear energy research and development programs.

Passed House June 20. Passed Senate amended July 31. House has not yet asked for a conference or accepted the Senate version. The controversy arises over the non-nuclear provisions especially the loan guarantee for synthetic fuels provisions.

Naval Petroleum and Strategic Energy Reserves (S. 2173, H.R. 49): Provides for the full development of the naval petroleum reserves and permits limited production of the naval petroleum reserves at Elk Hills, Buena Vista and Teapot Dome under the authority of the Secretary of the Navy; provides for the creation and maintenance of strategic energy reserves equal to 90 days of imports.

S. 2173 passed Senate July 29. H.R. 49 passed House July 8. On July 29 the Senate passed H.R. 49 substituting the Senate passed text of S. 2173. The House now has the choice of going to conference on H.R. 49 or sending S. 2173 to committee and working on that bill. Civilian petroleum reserves part of this bill is also contained in H.R. 7014 (the Eckhart bill) which is now on House floor.

Major energy bill House has had under consideration:

Energy Conservation and Oil Policy (H.R. 7014) (Eckhardt bill): Gives the President authority to impose energy conservation measures and rationing with Congressional approval in case of severe energy supply interruption; provides for a one billion barrel National Civilian Strategic Petroleum Reserve; provides for a rollback on the price of new oil and a ceiling on the price of old oil; authorizes federal programs to encourage energy conservation among big industrial users; and provides for automobile fuel efficiency standards and energy labeling and efficiency standards for other consumer products.

It appears that the House will not go back on this bill until after the veto override is out of the way.

Passed Senate only—House action not required.

The Randolph Resolution (S.R. 59).

JOINT STATEMENT OF THE DEMOCRATIC LEADERSHIP OF THE CONGRESS

(Tuesday, September 9, 1975)

The Joint Majority Leadership of the Congress met this morning to consider the status of energy legislation in view of the imminent veto by the President of the six-months extension of controls and allocation (S. 1849). If the veto is overriden in the Senate tomorrow and in the House subsequently, it is our judgment that the Congress, acting together with the President, will have an opportunity to put together in an orderly f shion a comprehensive energy program which will serve the interests of all the people of the United States.

If the veto is not overriden, and nothing further is done, restraints on the price of petroleum products will disappear. The people and many small businesses will be faced with great hardships. The country will confront a deepening economic crisis.

We hope, therefore, that the veto will be overriden in both Houses and we are exerting all possible efforts to achieve that result.

We have also considered the legislative situation on energy beyond the question of overriding the veto. Many pieces of legislation have already passed both Houses or one House or the other. Some have been vetoed; others are awaiting further action in either the House or Senate. In the meeting this morning we explored what is realistically achievable in terms of legislation on energy this year, what can be done not in one House but in both Houses. The Joint Leadership of the Congress will continue to work together to pass that legislation regardless of what happens with respect to S. 1849.

CONGRESSIONAL ACTION WITH RESPECT TO THE ENERGY SITUATION

Mr. HUGH SCOTT. Mr. President, I hope that when the Senate votes later today on the so-called decontrol bill, the veto of the President will be supported and sustained. If that happens, I think it most important that we act very promptly on the 45-day extension, as proposed by the Senator from Georgia (Mr. NUNN), the Senator from Delaware (Mr. ROTH), and others. Knowing that the President would sign such an extension, I hope we could then proceed with all possible speed, rather than due deliberate speed, and that we expedite congressional action, with the hope that action would be worked out in conjunction with the executive department, so that we finally can come up with a solution of the painful energy problem, not only as to gas but the especially difficult problem of natural gas as well.

My State will be impacted by at least a 10 percent, possibly a 25 percent, shortage this year, and New Jersey is even harder hit. The entire east coast is seriously affected, as well as Ohio and other States.

We simply must do something about getting enough natural gas into the interstate pipelines to meet the needs of our people. They are not going to be satisfied with excuses. They demand action. They told us so when we went home during the nonlegislative period. I hope they will get the action they demand and that it will result from the most careful and willing cooperation between the executive and legislative branches of the Government.

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, not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR JACKSON AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Washington (Mr. JACKSON) be recognized at the hour of 11 a.m.

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

MESSAGES FROM THE PRESIDENT

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

REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HARRY F. BYRD, JR.) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the 1974 Annual Report of the Federal Prevailing Rate Advisory Committee

GERALD R. FORD.

THE WHITE HOUSE, *September 10, 1975.*

DEFERRALS IN 1976 BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HARRY F. BYRD, JR.) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Finance, the Committee on Labor and Public Welfare, and the Committee on the District of Columbia, jointly, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report three new deferrals totalling $50.3 million in 1976 budget authority. In addition, I am transmitting two supplementary reports revising information provided in earlier deferrals. Only one of these supplementary reports reflects an increase—$19.2 million—to the amount of outlays previously deferred. The five reports involve the Departments of Agriculture, Treasury, and Health, Education, and Welfare.

All of the items contained in this message are routine in nature and do not significantly affect program levels. The details of each deferral are contained in the attached reports.

GERALD R. FORD.

THE WHITE HOUSE, *September 10, 1975.*

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. HARRY F. BYRD, JR.) laid before the Senate a message from the President of the United States submitting the nomination of Richard L. Dunham, of New York, to be a member of the Federal Power Commission, which was referred to the Committee on Commerce.

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 1073), to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 3 years, ending September 7, 1978, in which it requests the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 1:35 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the following enrolled bill and joint resolutions:

S. 331. An act to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday;

Senate Joint Resolution 34. A joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; and

Senate Joint Resolution 125. A joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day".

The PRESIDENT pro tempore subsequently signed the enrolled bill and joint resolutions.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT BY THE DEPARTMENT OF THE NAVY

A letter from the Deputy Chief of Naval Material transmitting, pursuant to law, the semiannual report of the Department of the Navy on research and development procurement actions of $50,000 and over (with an accompanying report); to the Committee on Armed Services.

PROPOSED ACTS BY THE COUNCIL OF THE DISTRICT OF COLUMBIA

Four letters from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, copies of four proposed acts passed by the Council (with accompanying papers); to the Committee on the District of Columbia.

REPORT BY THE CIVIL SERVICE COMMISSION

A letter from Chairman of the Civil Service Commission reporting, pursuant to law, on the operation and administration of section 724 of the District of Columbia Self-Government and Governmental Reorganization Act; to the Committee on the District of Columbia.

REPORT BY THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report concerning changes in market shares for petroleum products (with an accompanying report); to the Committee on Interior and Insular Affairs.

DISTRIBUTION OF CERTAIN JUDGMENT FUNDS

A letter from the Acting Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use and distribution of Western Apache judgment funds awarded by the Indian Claims Commission (with an accompanying report); to the committee on Interior and Insular Affairs.

REPORT OF THE FUTURE FARMERS OF AMERICA

A letter from the Chairman of the Board of Directors of the Future Farmers of America transmitting, pursuant to law, a report of the audit of the accounts of the Future Farmers of America for the fiscal year ended June 30, 1975 (with an accompanying report); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE DEPARTMENT OF LABOR

A letter from the Secretary of Labor transmitting a draft of proposed legislation entitled "Construction Industry Collective Bargaining Act of 1975" (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE FEDERAL ENERGY ADMINISTRATION

A letter from the Administrator of the Federal Energy Administration transmitting a draft of proposed legislation entitled "The Natural Gas Emergency Standby Act of 1975" (with accompanying papers); to the Committee on Commerce.

A letter from the Administrator of the Federal Energy Administration transmitting a draft of proposed legislation entitled "Gasoline Dealers' Protection Act of 1973" (with accompanying papers); to the Committee on the Judiciary.

PETITIONS

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

House Joint Resolution No. 32 adopted by the Legislature of the State of Alaska; to the Committee on Commerce:

"HOUSE JOINT RESOLUTION No. 32

"Be it resolved by the Legislature of the State of Alaska:

"Whereas the United States Senate Commerce Committee is considering legislation to allow the federal government to set prices for natural gas produced and used in the same state; and

"Whereas the Federal Power Commission presently sets prices for natural gas produced in one state and sold in another state; and

"Whereas the proposed legislation requires the Federal Power Commission to set a uniform national price rate for natural gas sold interstate and intrastate; and

"Whereas a uniform national price rate for natural gas will tend to limit the innovative uses of natural gas produced and sold in the state, particularly in the outlying areas of the state; and

"Whereas economic scholars have suggested that the trend should be in the direction of decontrol of natural gas prices instead of an expansion of the regulation of natural gas prices; and

"Whereas the effect of setting a uniform national price for natural gas will probably be to lower the price of natural gas, which will in turn effect an increase in the demand for natural gas; and

"Whereas lowering the price and increasing the demand for natural gas will result in extending the shortage of natural gas and in delaying the introduction of new supplies of natural gas; and

"Whereas any measure which extends the present shortage of natural gas will tend to favor consumers in a preferential purchasing position and penalize potential consumers for whom gas is not available at any price; and

"Whereas any measure which will lower the price and extend the shortage of natural gas will penalize consumers outside Alaska because the high cost of delivering natural gas from Alaska will make it unprofitable to deliver natural gas outside the state;

"Be it resolved by the Alaska State Legislature that it strongly urges the United States Congress to reject any legislation which allows the federal government to set prices for natural gas produced and sold within the same state."

House Joint Resolution 105 adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary:

"RESOLUTION PETITIONING THE CONGRESS OF THE UNITED STATES TO CONVENE A CONSTITUTIONAL CONVENTION FOR THE PURPOSE OF PROPOSING AN AMENDMENT TO THE CONSTITUTION WHICH WOULD PROHIBIT DEFICIT SPENDING BY THE GOVERNMENT OF THE UNITED STATES, EXCEPT IN TIMES OF NATIONAL EMERGENCY

"Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

"Whereas, the national debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

"Whereas, a continuous program of deficit financing by the Federal Government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

"Whereas, payment of the increased interest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

"Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possibly deplete our supply of national resources for future generations; and

"Whereas, by constantly increasing deficit financing the Federal Government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

"Whereas, be limiting the Federal Government to spend only the revenues that are estimated will be collected in a given fiscal year, except for certain specified emergencies, this could possibly result in greater selectivity of Federal Government programs for the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs; and

"Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (2/3) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress; now therefore

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States to convene a convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose of proposing an amendment which would prohibit deficit spending by the Government of the United States, except in times of a national emergency.

"Be it resolved further, That the legislature of each of our sister states is urged to give the most serious consideration to the problems arising from deficit spending, and to petition the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment which would prohibit deficit spending by the Government of the United States, except in times of national emergency.

"Be it resolved further and alternatively, That this body strongly urges the Congress of the United States to prepare and submit to the several states an amendment to the Constitution of the United States that would prohibit deficit spending.

"Be it resolved further, That the Clerk of the House of Representatives transmit duly authenticated copies of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of the Alabama Congressional delegation, and to the executive authority of each of our sister states for transmittal to its legislature."

A resolution adopted by the Miami Beach City Council, Miami Beach, Fla., concerning the practice of Arab nations which boycott and discriminate against American financial institutions and other businesses; to the Committee on Foreign Relations.

A resolution adopted by the National Assembly of Women Religious relating to world disarmament; to the Committee on Foreign Relations.

A resolution adopted by the National Water Supply Improvement Association requesting additional emphasis on desalination and research and development in the other new water sciences; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 8069. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94-366).

By Mr. RIBICOFF, from the Committee on Government Operations:

S. Res. 244. An original resolution disapproving the regulations proposed by the Administrator of General Services under section 104 of the Presidential Recordings and Materials Preservation Act.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that today, September 10, 1975, he presented to the President of the United States the following enrolled bill and joint resolutions:

S. 331. An act to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday;

S.J. Res. 34. A joint resolution asking the President of the United States to declare the fourth Saturday of September 1975 as "National Hunting and Fishing Day"; and

S.J. Res. 125. A joint resolution authorizing and requesting the President to issue a proclamation designating Sunday, September 14, 1975, as "National Saint Elizabeth Seton Day".

HOUSE BILL REFERRED

The bill (H.R. 1073) to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 3 years, ending September 7, 1978, was read twice by its title and referred to the Committee on Commerce.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. BURDICK:

S. 2312. A bill to amend the Tariff Act of 1930 so as to exempt certain private aircraft entering or departing from the United States and Canada or the United States and Mexico at night or on Sunday or a holiday from provisions requiring payment to the United States for overtime services of customs officers and employees. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 2313. A bill to authorize the changing of the status of refugees from Indochina from that of a parolee to that of a permanent resident alien. Referred to the Committee on the Judiciary.

S. 2314. A bill to authorize the use of appropriated funds to pay the compensation of Vietnamese refugees who may be employed by the United States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. HATFIELD:

S. 2315. A bill to return the privately built and maintained reservoir known as Lake Oswego, Oreg., to its traditional status as a nonnavigable water of the United States. Referred to the Committee on Public Works.

By Mr. HARTKE:

S. 2316. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

By Mr. HUMPHREY:

S. 2317. A bill for the relief of Mr. Moon Kyu Kim. Referred to the Committee on the Judiciary.

S. 2318. A bill for the relief of Dr. Crispin E. See. Referred to the Committee on the Judiciary.

By Mr. CLARK (for himself and Mr. CULVER):

S. 2319. A bill for the relief of Leo Hector Peralta. Referred to the Committee on the Judiciary.

By Mr. BUCKLEY (for himself, Mr. EASTLAND, Mr. LAXALT, Mr. DOMENICI, and Mr. ROTH):

S. 2320. A bill to amend the Internal Revenue Code to provide an additional personal exemption for each senior citizen whose principal place of abode is in the principal residence of the taxpayer. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 2321. A bill to amend the Voting Rights Act of 1965. Referred to the Committee on the Judiciary.

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

S. 2322. A bill for the relief of Lee Mee Sun. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2323. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations. Referred to the Committee on Commerce.

By Mr. DOLE:

S. 2324. A bill to amend the Internal Revenue Code of 1954 to restrict access to confidential tax information. Referred to the Committee on Finance.

By Mr. CHILES (for himself and Mr. STONE):

S. 2325. A bill to amend the act establishing the Gulf Islands National Seashore to increase the amount authorized for the acquisition of private property to be included in the seashore. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUDDLESTON:

S. 2326. A bill to amend the U.S. Grain Standards Act to provide for the inspection of export grain by Federal personnel, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. MORGAN (for himself and Mr. GARN):

S. 2327. A bill to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FONG:

S. 2328. A bill for the relief of Hortensia Perdomo. Referred to the Committee on the Judiciary.

By Mr. STEVENSON (for himself, Mr. PROXMIRE, and Mr. GRAVEL):

S. 2329. A bill to amend the Export-Import Bank Act of 1945 to limit financing for sales of nuclear materials and technology to States not a party to the Nuclear Non-Proliferation Treaty, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. PEARSON (by request):

S. 2330. A bill to provide temporary authority for the President, the Federal Power Commission and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages, and for other purposes. Placed on the calendar.

By Mr. WILLIAMS:

S. 2331. A bill to amend section 362 of title 38, United States Code, to authorize a clothing allowance in the case of certain veterans with non-service-connected disabilities who wear prosthetic or orthopedic appliances which tend to wear out or tear the clothing of such veterans. Referred to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUGH SCOTT:

S. 2313. A bill to authorize the changing of the status of refugees from Indochina from that of a parolee to that of a permanent resident alien. Referred to the Committee on the Judiciary.

S. 2314. A bill to authorize the use of appropriated funds to pay the compensation of Vietnamese refugees who may be employed by the United States, and for other purposes. Referred to the Committee on Post Office and Civil Service.

Mr. HUGH SCOTT. Mr. President, today I introduce two bills—the Refugee Adjustment Act of 1975 and the Refugee Reemployment Act of 1975. In essence, both bills are designed to expedite the process of permanently establishing those Vietnamese and other Indochinese refugees who wish to remain in the country. To achieve this humanitarian purpose, the Refugee Reemployment Act would permit any agency of the U.S. Government to employ Indochinese aliens if they were former employees of the U.S. Government in Indochina for a period of not less than 3 years, which is the period required to attain permanent status in the Civil Service. Compensation for employment of the refugees would be derived from appropriated funds; provided the employees were certified by the Civil Service Commission and they had competently performed their duties during the period of their employment with the U.S. Government.

The Refugee Adjustment Act would allow any alien who is a native or citizen of Vietnam, Cambodia or Laos and has come to the United States as a political refugee to be reclassified as a permanent resident with the approval of the Attorney General. An alien's family would also be allowed to receive permanent resident status, provided the family is living with the alien.

I ask my colleagues' support in taking action on this legislation so that we may welcome the political refugees of Indochina into the United States, and enable those who qualify to resume their service with the U.S. Government. By doing so we will enable them to share America's heritage of which we, as Americans, are so proud.

Mr. President, I urge the adoption of these bills.

By Mr. HATFIELD:

S. 2315. A bill to return the privately built and maintained reservoir known as Lake Oswego, Oreg., to its traditional status as a nonnavigable water of the United States. Referred to the Committee on Public Works.

Mr. HATFIELD. Mr. President, today I am introducing legislation to restore Lake Oswego, a privately built and maintained reservoir in Oregon, to its traditional status as a nonnavigable water of the United States. I am joined in this endeavor by my distinguished colleague, Senator PACKWOOD, and in the House by the distinguished Representative of Oregon's First District, Mr. AUCOIN.

The Lake Oswego reservoir was constructed in the 1850's for the purpose of providing power to operate a sawmill, and later to operate the Oregon Iron and Steel Company works. A dam was placed at the lower end of Sucker Creek Swamp, near the head of the creek's cascades to the Willamette River, and a sluiceway was dug to divert water from the Tualatin River to Sucker Creek. Upon completion of the sluiceway, commercial navigation was theoretically possible across Sucker Lake, now called Lake Oswego, through the sluiceway, and up the Tualatin River, but the attempts to establish such navigation in the late 1800's failed, despite various publicity campaigns and attempts to raise capital.

In order to prevent flooding along the canal and along the lake, a dike and floodgate was later established at the head of the sluiceway, effectively obviating any further possibility of navigational use. The operation of this intake facility and the use of the water to generate power at the dam has remained basically unchanged since the turn of the century. Today, however, the dam, the diversion facilities, the lake bed, the canals above and below the dam, the powerhouse, and a strip of property around the rim of the lake and canals are owned and operated by the Lake Oswego Corp., essentially a local homeowners association. The corporation bought these private facilities in their entirety from Oregon Iron & Steel Co. in 1942. Shareholders in the corporation include approximately 600 owners of property adjacent to the corporation-owned rim. Two waterfront parks have been deeded to the city of Lake Oswego—population 19,000—and the school district, and 18 other water-

front easements to several associations which represent several thousand owners of nonwaterfront property in the area. The association members and the entire population of the city have access to the lake through easement lots. Operation of the lake, the powerhouse, and the other facilities of the corporation is a losing proposition, and all shareholders are assessed annual charges—averaging $100—for maintaining the operation. This charge also applies to each of the 18 easement entities, whose members pay a family assessment.

This reservoir has no navigable access by commercial craft—or other water craft, for that matter—to or from any "navigable water" of the United States, yet the Corps of Engineers abruptly designated Lake Oswego a "navigable water" in 1972, without field studies, without prior notice to the corporation or to the public in general, and without, apparently, much justification, for the Portland district and the North Pacific Division of the corps have since recommended rescission of this action. Unfortunately, the Chief of Engineers has refused to rescind the new classification, leaving no other recourse than this legislation.

Should the new classification be allowed to stand, public access, limited only by the size of access areas the Government may wish to establish by condemnation, could be forced, with the result of loss of operating revenues now gained by controlling all access through corporation ownership of the rim. The Federal Government would have to assume the operation of the reservoir and attendant facilities and assume all costs, which are considerable.

Lake Oswego is a completely locally owned and maintained reservoir in a residential development of long standing. I doubt that the Federal Government actually would wish to acquire the lake bed, rim, dam, diversion structures, and the powerhouse, assume all the liabilities—including a long-term water supply contract—and maintain the water safety patrol and the chemical treatment program, all at a cost of many millions of dollars, not including damages to the value of this residential development. Further, I feel strongly the Government should not do this. The entire operation is run at standards that exceed every Federal guideline, and there is simply no excuse for the kind of Federal intervention the classification of "navigable water" opens up—in fact, requires.

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

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

S. 2315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the artificial reservoir known as Lake Oswego, in the State of Oregon, and its canals in the City of Lake Oswego, Oregon, are hereby declared to be nonnavigable waters of the United States within the meaning of the Constitution and laws of the United States.

By Mr. HARTKE:

S. 2316. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II. Referred to the Committee on Veterans' Affairs.

MEDICAL CARE FOR CERTAIN MEMBERS OF ALLIED WARTIME FORCES

Mr. HARTKE. Mr. President, today I introduce legislation which will authorize hospital and medical care to certain members of armed forces of nations allied or associated with the United States in World War I or World War II. This bill would provide, subject to certain conditions, that any person who served honorably during World War I or World War II as a member of the armed forces of Poland, Czechoslovakia, or any other government allied or associated with the United States during World War I or World War II would be eligible for Veterans' Administration medical services, hospital, and domiciliary care, on the same basis as an eligible veteran of the United States Armed Forces suffering from a nonservice-connected disability. This bill provides that the allied veteran must have been a citizen of the United States for a period of at least 10 years and must have served at some point under the command of the armed forces of France or Great Britain during World War I or World War II and is not entitled to services under current provisions of section 109 of title 38, United States Code.

Mr. President, this is a subject which has occasioned considerable interest and discussion in Congress both last year and this year. A brief review of the history of this legislation is, therefore, appropriate. Last year, the House Committee on Veterans' Affairs reported H.R. 13377, a similar measure which was passed by the full House on August 5, 1974, by a vote of 341 to 40. Hearings on that measure and an identical Senate measure, S. 2890, which I cosponsored with Senator RIBICOFF, were held on September 26, 1974. Administration spokesmen argued vigorously against the measure testifying that it would be "unwise—discriminatory and precedential." Subsequent to the hearing, committee members met in executive session to consider H.R. 13377, but a majority consensus to report the measure favorably was not reached prior to adjournment sine die of the 93d Congress. This year this legislation has been reintroduced in both the House and the Senate. On July 21, 1975, the House by a voice vote passed H.R. 71, a measure identical to the previously passed H.R. 13377. This measure is now pending before the committee. Administration objection to H.R. 71 in its present form is as strong this year as before, as their recent report to me received yesterday by the committee indicates. I will place the full report of the administration to H.R. 71 at the conclusion of my remarks.

Consequently, the modified measure which I introduce today is intended to meet the administration's objections while retaining the essential purpose which has found such strong support in the House of Representatives. I believe the bill introduced today will accomplish that objective and I am hopeful that in its present form it can secure approval of the committee and the full Senate and be enacted into law.

In this connection it would be appropriate to discuss what the law currently authorizes and the circumstances which gave rise to the subject matter before you.

Section 109 of title 38, United States Code, currently provides that the Veterans' Administration will provide medical care to veterans of nations allied with the United States in World War I—excluding, however, any nation which subsequently was an enemy of the United States during World War I—or World War II who are in the United States. Services are rendered to those allied veterans in the same manner as for VA beneficiaries, subject to reimbursement of expenses from the allied government concerned.

The original legislation which provided reciprocal medical care for veterans who served in the allied forces was Public Law 68–242, the World War Veterans Act, 1924. This law provided that the Veterans Bureau—predecessor of the Veterans' Administration—was authorized to furnish—

> Transportation, also the medical, surgical, and hospital services and the supplies and appliances provided by subdivision (6) hereof, to discharged members of the military or naval forces of those governments which have been associated in war with the United States since April 6, 1917.

The act specified that such benefits could only be granted if the allied governments agreed to reciprocate in the care of American veterans in their countries. This statute remained unchanged for over 20 years.

With the outbreak of World War II this provision was amended by Public Law 79–499 to include the veterans of those governments allied with the United States subsequent to December 7, 1941, and prior to the termination of the war. However, before the Veterans' Administration would supply such services it would be necessary first, that a law of the requesting government authorize the type of benefits requested for its own veterans; second, that a request that the United States provide such treatment be made by the proper officials of the allied government; and third, that the allied government reimburse the Veterans' Administration for the cost of services rendered. Fourth, and finally, no benefits would be furnished to allied veterans unless the allied governments reciprocated by furnishing benefits to veterans of the United States residing within their boundaries. These benefits were limited to those veterans from governments who were allied in both World War I and World War II and excluded veterans whose governments were allies in World War I but axis powers in World War II. Also under current pro-

visions, hospitalization in a VA hospital may not be extended to allied beneficiaries, except in an emergency unless there are beds available surplus to the needs of veterans who served in the Armed Forces of the United States.

Mr. President, I ask unanimous consent that the present text of section 109 of title 38, United States Code, be placed in the RECORD at this point.

There being no objection, the material was ordered printed as follows:

SECTION 109—BENEFITS FOR DISCHARGED MEMBERS OF ALLIED FORCES

(a) (1) In consideration of reciprocal services extended to the United States, the Administrator, upon request of the proper officials of the government of any nation allied or associated with the United States in World War I (except any nation which was an enemy of the United States during World War II), or in World War II, may furnish to discharged members of the armed forces of such government, under agreements requiring reimbursement in cash of expenses so incurred, at such rates and under such regulations as the Administrator may prescribe, medical, surgical, and dental treatment, hospital care, transportation and traveling expenses, prosthetic appliances, education, training, or similar benefits authorized by the laws of such nation for its veterans, and services required in extending such benefits. Hospitalization in a Veterans' Administration facility shall not be afforded under this section, except in emergencies, unless there are available beds surplus to the needs of veterans of this country. The Administrator may also pay the court costs and other expenses incident to the proceedings taken for the commitment of such discharged members who are mentally incompetent to institutions for the care or treatment of the insane.

(2) The Administrator, in carrying out the provisions of this subsection, may contract for necessary services in private, State, and other Government hospitals.

(3) All amounts received by the Veterans' Administration as reimbursement for such services shall be credited to the current appropriation of the Veterans' Administration from which expenditures were made under this subsection.

(b) Persons who served in the active service in the armed forces of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of chapters 31 and 37 of this title in the same manner and to the same extent as veterans of World War II are entitled. No such benefit shall be extended to any person who is not a resident of the United States at the time of filing claim, or to any person who has applied for and received the same or any similar benefit from the government in whose armed forces he served.

Following World War II a total of 49 countries were considered to be allied with the United States for the purpose of reimbursable benefits. These countries are as follows:

Australia	Nicaragua
Brazil	Paraguay
Costa Rica	Syria
Dominican Republic	USSR
France	Yugoslavia
Haiti	Chile
Iraq	Philippines
Luxembourg	Bolivia
New Zealand	China
Panama	Czechoslovakia
Saudi Arabia	Egypt
Union of South Africa	Ethiopia
Uruguay	Guatemala
Argentina	Iran
Peru	Liberia
Belgium	Netherlands
Canada	Norway
Cuba	Poland
Ecuador	Turkey
El Salvador	United Kingdom
Greece	Albania
Honduras	Colombia
Lebanon	Venezuela
Mexico	

Currently reimbursable agreements and agreements for reciprocal care of American veterans are in force with British and Canadian Governments covering veterans of the armed forces of the United Kingdom of Great Britain and Northern Ireland, Canada, Australia, New Zealand, and South Africa.

The following table shows the type of case and number of cases provided to veterans of allied forces under the current agreements in fiscal year 1974:

Type of care	British	Canadian	Tota
Outpatient visits (staff and fee)	1,245	2,744	3,989
Prescriptions filled	404	1,353	1,757
Transportation services	164	607	771
Prosthetic services	370	309	679
Laboratory services (contract)	70	220	290

Type of care	British	Canadian	Total
Sickroom supplies and equipment	31	113	143
Dental services (outpatient)	5	23	28
Total days hospital care provide	1,924	2,223	4,147
Total cost	$214,419.70	$223,926.34	$348,346.04

The Veterans' Administration has informed the committee that a review of the Veterans Benefits Office records where requests for care to be provided to allied beneficiaries—other than British and Canadian—are kept, disclosed no requests for care were made in the last 5 years.

In World War I and World War II citizens of many countries fought valiantly in alliance with the United States and our allies.

During World War I refugees and emigrants formed an army in France under the direction of Gen. Joseph Haller. General Haller's army fought valiantly alongside American forces. There can be no doubt that they provided a significant contribution in bringing an end to World War I.

World War II again saw thousands from Poland, Czechoslovakia, Latvia, and other countries fighting in exile. The Polish army represented the Allies' third largest fighting force, after the United States and Great Britain. Polish forces fought both in Europe and in the African campaign. The Czechoslovakian fighter wing within the Royal Air Force provided fighter escort to squadrons of the United States 8th Air Force Bomber Command during missions over Germany and air support to allied and American ground forces across Europe.

The British general, Lucian K. Truscott, said of the Polish army in exile for their part in the battle for Monte Cassino:

The men of Poland were in the vanguard of that battle fighting with the same tenacious purpose that had ever made the name of Poland a byword among liberty-loving people.

These fighters in exile were cited by the British Admiralty for "undiminished gallantry and determination to fight on for victory in the common cause in spite of all adversities."

Upon the cessation of World War II, many veterans from Poland and other countries refused to return to their Communist-controlled countries, but instead emigrated to the United States where they have become active and productive citizens. However, they have never been eligible for veterans benefits as given to American veterans or veterans of allied governments, because their countries have not entered into reciprocal agreements with the United States.

Mr. President, the foregoing I believe establishes the background of this legislation and the strong support it has engendered so far. In recent weeks I have heard from a number of organizations including the Polish American Congress, the Polish Legion of American Veterans, the Polish Army Veterans Association, District 31 of the United Steelworkers of America, and several elected officials from the State of Indiana and elsewhere.

In particular, I want to acknowledge the persistence and dedication in this matter shown by my good friend, Congressman ANNUNZIO.

As noted previously, however, the Veterans' Administration has been and continues to be strongly opposed to this legislation for a number of reasons. Thus the bill I introduce today differs from the House-passed measure in an attempt to meet those objections. First, the Veterans' Administration noted that there is "some confusion between the eligibility provision of proposed paragraph 1 and paragraph 2," and recommended that if this legislation be given further consideration, the "provision should be clarified." The Veterans' Administration's suggestion has been followed and the eligibility provisions in paragraph 1 have been clarified to avoid any possible confusion with paragraph 2.

Second, the Veterans' Administration has argued strongly that the bill as written, discriminates among our allied veterans by singling out the veterans of two particular nations and excluding others.

The bill I introduce today would eliminate that objection by providing that the veteran of any nation allied with the United States in World War I or World War II, who meets the conditions of this bill may qualify for hospital care benefits. Although the number of these eligible veterans is relatively small and

will not significantly add to the original minimal cost of the bill, their inclusion does eliminate any theoretical objection registered by the Veterans' Administration, that it is discriminatory on its face.

Finally, the bill frankly acknowledges that the need for this measure is in large part generated by the failure to date of the countries concerned to enter into reciprocal arrangements with the United States as currently authorized under section 109 of title 38. While the lack of such agreements in the past might be readily explainable in terms of international tensions and antagonisms, they require new examination in light of the expressed policy of détente and the President's recent travel to Poland and other countries. Accordingly, the Administrator of the Veterans' Administration in consultation with the Secretary of State is directed under the bill I introduce today to the maximum extent practicable, to encourage any government affected having a significant number of former members of the Armed Forces residing in that state to enter into reciprocal agreements with the United States.

Mr. President, I believe this is an important measure. The House of Representatives has estimated that this measure will not have a significant cost impact upon the VA hospital care system nor would it have any appreciable impact on the demand for services rendered by VA hospitals. Nevertheless it is an important issue to many Americans and I am hopeful that the committee and the full Senate can and will consider it in the near future.

I ask unanimous consent that the text of the bill, together with a section-by-section analysis and the Veterans' Administration report to H.R. 71 be printed in the RECORD at this point.

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

S. 2316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 109 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c)(1) Any person who served during World War I or World War II as a member of any armed force of the Governments of Czechoslovakia, Poland, or of any other government allied or associated with the United States, and who subsequently honorably served in or with the armed forces of France or Great Britain during the period of World War I or World War II, and who participated while so serving in armed conflict with an enemy of the United States and has been a citizen of the United States for at least ten years shall, by virtue of such service, and upon satisfactory evidence thereof, be entitled to hospital and domiciliary care and medical services within the United States under chapter 17 of this title on the same basis as an eligible veteran of the United States Armed Forces suffering from a non-service-connected disability, unless such person is entitled to, or would, upon application thereof, be entitled to, payment for equivalent care and services under a program established by the foreign government concerned for persons who served in its armed forces in World War I or World War II.

"(2) In order to assist the Administrator in making a determination of proper service eligibility under this subsection, each applicant for the benefits thereof shall furnish an authenticated certification from the French Ministry of Defense or the British War Office as to records in either such Office which clearly indicate military service of the applicant in the armed forces of one of the foreign governments referred to in paragraph (1) of this subsection, and subsequent honorable service in or with the armed forces of France or Great Britain during the period of World War I or World War II.".

SEC. 2. The Administrator, in consultation with the Secretary of State, shall, to the maximum extent practicable, encourage the government of any nation allied or associated with the United States in World War I or World War II having a significant number of former members of the armed forces of such government residing in the United States, to enter into a reciprocal agreement with the United States for furnishing services in the United States to discharged members of the armed forces of such government, as provided for in section 109 of title 38, United States Code.

SECTION-BY-SECTION ANALYSIS OF S. 2316

SECTION 1

Section 1 amends section 109 of title 38, United States Code by adding a new subsection (c). Paragraph 1 of new subsection (c) would extend eligibility for hospital and domiciliary care and medical services within the United States under chapter 17 to veterans of other governments allied or associated with the United States under the following conditions:

(a) That the veteran served during World War I or World War II as a member of any government allied or associated with the United States;

(b) That the veteran subsequently honorably served in or with the Armed Forces of France or Great Britain;

(c) That the veteran participated while so serving in or with the armed forces of France or Great Britain in armed conflict with an enemy of the United States;

(d) That the veteran has been a citizen of the United States for at least ten years;

(e) That the veteran submits satisfactory evidence of the above conditions; and,

(f) That the veteran is not entitled to payment for equivalent care and services under a program established by the government concerned for such veteran who served in its armed forces in World War I or World War II.

Paragraph 2 of new subsection (c) provides that in assisting the Administrator determine eligibility under this subsection each applicant under this program shall furnish an authenticated certification from the French Ministry of Defense or the British War Office as to records in either Office which clearly indicate military service of the veteran in the armed forces of one of the foreign governments allied or associated with the United States and who subsequently honorably served in or with the armed forces of either France or Great Britain during World War I or World War II.

SECTION 2

This section provides that the Administrator of the Veterans' Administration in consultation with the Secretary of State shall encourage the government of any nation allied or associated with the United States in World War I or World War II having a significant number of former members of the armed forces of such government residing in the United States to enter into a reciprocal agreement with our government to furnish services to discharged members of the armed forces of such government as currently provided for in section 109 of title 38, United States Code.

VETERANS' ADMINISTRATION,
Washington, D.C., September 5, 1975.

HON. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans Administration on H.R. 71, 94th Congress, a bill "To amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II." H.R. 71 passed the House of Representatives on July 21, 1975.

The subject bill would amend section 109 of title 38, United States Code, to extend to any person who served during World War I or World War II as a member of any armed force of the Governments of Czechoslovakia or Poland, and participated while so serving in armed conflict with an enemy of the United States, and has been a citizen of the United States for at least ten years, entitlement to hospital care and medical services, and domiciliary care under chapter 17 of title 38.

There is some confusion between the eligibility provisions of the bill and proposed paragraph (2) of the new subsection (c), which provides that *in order to assist the Administrator in making a determination of proper* service eligibility, each applicant shall furnish an authenticated certification from the French Ministry of Defense or the British War Office as to records in either office which clearly indicate military service of the applicant *and subsequent service in or with the armed forces of France or Great Britain during the period of World War I or World War II.*

The eligibility provision in subsection (c)(1) does not require subsequent service in or with the armed forces of France or Great Britain. Moreover, since the bill would require the Veterans' Administration to furnish care to persons made eligible on the same basis as if service had been performed in the armed forces of the United States, it would appear to present an almost impossible task for VA hospital personnel to determine the extent of the VA medical care which can be provided, as well as determining whether the individual has a service-incurred disability. If the Committee is to give this legislation further consideration, we believe that these provisions should be clarified.

Under the bill, benefits would not be available to a person who is entitled to payment for equivalent care and services under a program established by such foreign government for persons who served in its armed forces during World War I or World War II.

Section 109(a)(1) of title 38 currently authorizes the Administrator, in consideration of reciprocal services extended to the United States and upon a reimbursable basis, to furnish hospital care, medical services, and education, training or similar benefits to discharged members of the armed forces of the government of any nation allied, or associated, with the United States in World War I (except a nation which was an enemy of the United States in World War II), or World War II, if such benefits are authorized by such government for its veterans. Section 109(b) provides that persons who served in the active service in the armed forces of any government allied with the United States in World War II, and who at the time of entrance into such service were citizens of the United States, are, if otherwise qualified, entitled to the benefits of chapters 31 and 37 of title 38 in the same manner and to the same extent as U.S. veterans of World War II, provided he is a resident at the time of filing a claim, and has not received similar benefits from the nation in whose armed forces he served.

The proposals under consideration go much

further than the provisions for temporary World War II readjustment benefits. They would include many persons who were not citizens when they served and would provide basic hospital and medical benefits under our continuing program. While the need for medical benefits might appear to be most urgent, the granting of this relief would doubtless be followed by demands for other continuing benefits, such as compensation and pension.

The general policy of Congress, except as to those benefits in section 109(b) of title 38, United States Code, has been to provide benefits solely for veterans who served in the armed forces of the United States and their dependents. The extension of certain benefits (although provided on a reciprocal basis in section 109(a)) to persons who served with governments allied with the United States, but who rendered no service in the United States Armed Forces, would be a departure from this policy.

We not only believe that enactment of legislation in the form of the bill pending before you on this subject would be unwise, but it would be discriminatory and precedential. If medical benefits are provided to veterans of service with the Czechoslovakian and Polish armed forces, it could be argued that equity would require the extension of such benefits to those who served with the armed forces of Bulgaria, Estonia, Hungary, Latvia, Lithuania, Romania, or Yugoslavia, as well as to veterans of other allied forces such as Russia, China, and most of the Latin American countries, who are now United States citizens.

As a matter of policy it would be difficult to explain to nations such as Canada, Great Britain, Australia, New Zealand, and South Africa, why they should reimburse the Veterans Administration for medical treatment provided veterans who served in their armed forces while we provide such services at no cost for veterans of other allied forces.

Aside from allied veterans, many other groups who have served with, but not in, our own armed forces during war periods have through the years sought to obtain benefits reserved to veterans of the military service. Applying the policy of restricting benefits to those who had military service, legislation to include these civilian groups has generally been rejected. If an exception were made for one or more classes of allied veterans, it might prove difficult to resist demands that similar provision should be made for a variety of civilian groups who served closely with our armed forces or who did alternate service as conscientious objectors.

The President has called for the development of plans for a comprehensive national health insurance system for all Americans. Consonant with that policy, we do not believe that citizens, who are not veterans of service in the armed forces of the United States, should be provided VA medical care benefits based purely on service with some other nation's armed forces rendered prior to becoming a citizen of this country.

Accordingly, we oppose the enactment of H.R. 71.

It is not possible to estimate the cost of the bill, since we have no information as to how many individuals may qualify for benefits.

We were advised by the Office of Management and Budget in regard to a report to the Chairman of the House Committee on Veterans' Affairs on H.R. 71, containing language identical to that in the subject bill, that there was no objection to the presentation of that report from the standpoint of the Administration's program.

Sincerely,

A. J. SCHULTZ, Jr.,
Associate Deputy Administrator in the absence of Richard L. Roudebush, Administrator.

By Mr. BUCKLEY (for himself, Mr. EASTLAND, Mr. DOMENICI, Mr. LAXALT, and Mr. ROTH):

S. 2320. A bill to amend the Internal Revenue Code to provide an additional personal exemption for each senior citizen whose principal place of abode is in the principal residence of the taxpayer. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, in our national agenda for older Americans, there is no more crucial concern than housing. The tragic fact is that America seems to have no room for its senior citizens.

Some are forced from their apartments by rising rents, while others are driven from their homes of a lifetime by escalating taxes. Many of those who live alone dwell in fear of crime, which, more and more, is a matter of the brutal young preying upon the defenseless elderly.

In attempting to remedy these ills, both Federal and local governments have thus far failed. Rent controls, like all price controls, do more economic harm than good. "Circuit breaker" tax provisions, under which elderly homeowners pay only minimal real estate levies, are much discussed but rarely enacted. And despite all our efforts, crime is rampant in cities and suburbs and is becoming ever bolder and more impudent.

Unfortunately, there is a common tendency to deal with these problems by segregating the elderly in separate institutions. In many cases, when an individual needs special care, those residential facilities are necessary. In this regard, the nursing homes of this country have done magnificent work; and the abuses in a few should not diminish our appreciation for the great majority of them, which have given dignity and hope to many thousands of the elderly infirm.

But only a small percentage of the elderly belong in nursing homes. All too often, however, no alternative sums available to them or to their families. Financial pressures have combined with the extraordinary mobility of contemporary society to erode our traditional sense of family responsibility. In our national pursuit of a better life, usually defined in terms of quantitative income rather than qualitative appreciation of what we have, too many of us subordinate the care of our elderly relatives to other pursuits.

Let us begin to redress those mistakes. The legislation I am proposing today would assist taxpayers who are trying to keep their family, young and old, together in one household. It would provide a significant financial incentive to bring older Americans into private homes. It would encourage children to invite their parents to live with them, as was once the custom in America. Specifically, I am proposing to give a taxpayer a deduction, in the amount of $1,000, for each senior citizen, related or not, and 65 years of age or older, for whom the taxpayer provides housing, free of charge, in his or her own residence. This would be above and beyond any deduction or exemption presently allowed in the case of dependents.

This approach to the housing problems of the elderly offers several major advantages. It would be far less costly to the taxpayer than would the construction, with Federal funds, of separate housing projects for senior citizens. It would allow them a more humane and supportive atmosphere than would their segregation into unfamiliar and impersonal surroundings. By emphasizing familial responsibility toward the aged, it would turn our national attention to a neglected verity: That unless we care for one another as individuals, we lose our ability to care at all for our neighborhoods and communities, our people and our country.

There are some things we must simply refuse to accept. The dishonoring of age is one of them. Civilized societies have always valued the wisdom of the aged; but contemporary society discounts their utility. Throughout history, the young have learned from their elders the lessons of the past and the values that can be distilled only from experience and length of days. But many of today's young Americans reach maturity without exposure to the insights and fortitude of age. As one astute scholar of human development has put it, our children are the first generation in history to grow up without grandparents. It should not be surprising, therefore, that our society seems fragmented, disjointed, and coming apart at the seams.

The legislation I am introducing today will not solve all those problems. But it does reaffirm the principles by which we must be guided if we are ever to formulate enduring solutions. We must affirm our individual responsibility toward the elderly. We must allow Government to assist, but never to entirely supplant, the efforts of private citizens in caring for their families. And we must begin to examine all the present programs of the Federal Government to see whether public policy has inadvertently encouraged the dispersion of families, the separation of generation, and the segregation of the aged.

By enacting the legislation I am now proposing, by granting a special tax deduction to those who take the elderly into their own homes, the Congress can display, not only its commitment to older Americans, but also its realization that their problems require from us new approaches, fresh thinking, and a greater reliance upon the generous responsibility of the American people.

Mr. ROTH. Mr. President, I am today joining Senator BUCKLEY in cosponsoring legislation to provide a $1,000 tax deduction to taxpayers who provide housing and shelter for a senior citizen. The intent of this legislation is to encourage people to provide homes for their elderly parents, relatives, or friends as an alternative to the use of nursing homes. While nursing home care is indeed necessary in many cases, this legislation will provide additional financial relief to families who wish to provide their elderly relatives a comfortable home life. This $1,000 deduction would be in addition to the deduction presently available for dependents of a taxpayer.

I believe that our primary objective should be to reduce the premature and unnecessary institutionalization of our

senior citizens. But the present Federal regulations, which provide medicare funds to pay nursing home costs, actually encourage the institutionalization of senior citizens. This legislation will provide an alternative to those families who would prefer to keep their elderly relatives in their homes but cannot now afford it.

The Federal Government has provided a number of grant and assistance programs for the elderly, including nutrition, transportation, and housing programs. But I believe that Congress has failed to provide a simple, straightforward approach to help children care for their elderly parents.

The family unit should be the most important aspect of everyone's life, and I am hopeful that this legislation will strengthen the role of the family in this country.

By Mr. BELLMON:

S. 2321. A bill to amend the Voting Rights Act of 1965. Referred to the Committee on the Judiciary.

Mr. BELLMON. Mr. President, I am today introducing a proposal to correct a legislative oversight in the Voting Rights Act extension recently enacted by Congress and signed into Public Law.

This proposal is identical to amendment No. 710 which I offered on July 23, 1975, to the Voting Rights bill, H.R. 6219. Unfortunately, it was rejected during floor debate. However, as my colleagues will recall, the floor manager of this bill was refusing to consider any and all amendments, regardless of their merit, in order to avoid a conference with the House and to secure passage before the August recess. After discussing the reasons for this proposal with numerous Senators and their legislative assistants, I have definitely concluded that this change is not objectionable to those Senators who actively sought and won the much needed extension and expansion of the Voting Rights Act.

This bill is intended to strengthen the provisions of the Voting Rights Act establishing for the first time a remedial device, bilingual elections, to guarantee that no citizen is denied his right to vote, because of his failure to speak or write the English language.

This bill will simply clarify the sections in titles II and III, defining the term "language minorities," by adding to the various groups listed—American Indians, Asian Americans, Alaskan natives, of Spanish heritage—the qualifying phrase: "and whose dominant language is other than English." This clause more properly defines those single language minorities who should be subject to protection under the Voting Rights Act. It should be emphasized that the language added by this amendment is not foreign to the bill. The phrase, "and whose dominant language is other than English," is identical to the purpose clause of the act which states:

> The Congress finds that voting discrimination against citizens of language minorities is pervasive and national in scope. Such minority citizens are from environments in which the dominant language is other than English.

In addition, it should be noted that Senator STEVENS' amendment adding this identical language to the minority group "Alaskan Natives" was eventually accepted during floor debate on the Voting Rights Act. I am merely asking that this modification be extended to all groups.

The goal of the new bilingual provisions is a good and just one—to insure that no citizen is denied the right to vote, because his dominant language is other than English. I fully support this goal and the remedial device, bilingual elections, as a means to guarantee full participation and equal voting rights. However, there is one major flaw in these provisions. Because of the failure to add the qualifying language from the purpose clause, "and whose dominant language is other than English," many political subdivisions will be forced to conduct bilingual elections even though there is no single language minority where 5 percent of the voting age citizens have a dominant language other than English.

The act, as presently written, makes the false assumption that one automatically has a dominant language other than English if he is an American Indian. Obviously, if the trigger mechanisms are not changed to conform to the purpose clause, this act will be improperly applied to many counties where it is absolutely not needed. Bilingual elections will be held in counties where there is in fact no single language minority, no 5 percent group whose dominant language is other than English. This will only frustrate the purpose of this act and further erode the the credibility of Congress. For example, two Oklahoma counties, Choctaw and McCurtin, will unnecessarily be covered by title II with no assurance that a bilingual election is needed because 5 percent of the voting age citizens have a dominant language other than English. In addition, 21 other Oklahoma counties will be required to conduct bilingual elections where there is in fact no single language minority simply because 5 percent of the voting age citizens of these counties are American Indians.

It is highly inaccurate to assume that every American Indian has a dominant language other than English. The definition of a "language minority" contained in the act demonstrates a basic misunderstanding of conditions existing in many States. I seriously doubt if there is a county in Oklahoma where 5 percent of the voting age population is not American Indians by some definition. It is incorrect to assume that because less than 50 percent of the voting age citizen registered or voted in the 1972 Presidential election that this low turnout is due to the citizens' failure to speak or write the English language. It is incorrect to conclude that because the illiteracy rate, as defined in the act, is below the national average there is another language used by these citizens. Based on these faulty premises, the remedial devices of the Voting Rights Act contained in titles II and III are triggered. It is ridiculous to force a bilingual election simply because 5 percent of the voting age citizens are American Indians without the additional assurance that their dominant language is other than English. There is no casual connection whatsoever between the trigger mechanisms contained in the act and the remedies required.

This legislative oversight can lead to an absurd result, a bilingual election with all the costs and problems inherent in such an election, when in fact only a few or none of the voting-age citizens have a language other than English.

Mr. President, I have visited with Sylvester Tinker, chief of the Osage Tribe, and other Oklahoma tribal leaders regarding this bill. In explaining its provisions to Chief Tinker, he was amazed. He proceeded to explain to me that although far more than 5 percent of the voting-age citizens in Osage County are Osage Indians, only a very few of the tribe can read or speak the Osage language. And yet, Osage County will be required to conduct bilingual elections under title III of the act. This one illustration can be multiplied and is analogous to practically every, if not all, tribes in Oklahoma. Other tribal leaders throughout the State have stated near unanimous objections to these bilingual provisions as currently written.

The following is a random sample of opinions expressed by Oklahoma tribal leaders on the need in Oklahoma for the new bilingual provisions as presently written:

> I doubt if there are many (Creeks) that could even read it (Bilingual ballot). Almost 100 percent of the Creeks can read and understand English well enough to vote.—Claude Cox, Principal Chief of the Creeks
>
> There are very few that would not be able to understand English. So few that it would be negligible. I am in complete agreement with Senator Bellmon's stand on the language issue as it relates to the printing of voting ballots in the Indian language. In the Chickasaw Tribe, we have so few (in fact, I doubt any) who cannot read and understand English that it would be significant.—Overton James, Governor, Chickasaw Nation of Oklahoma
>
> Printing ballots in the Choctaw language is just going to be a waste of funds. I would not recommend it.—Harry J. W. Belvin, Principal Chief of the Choctaws
>
> I doubt if I can find a single Indian who cannot read and write the English language. This legislation is an insult to our intelligence and to our well being. If somebody . . . would approach the tribal leaders in this area, they would give unanimous support to get this thing thrown out. As a general rule, we think the whole thing is ridiculous.—Charles James, Area Director for the Bureau of Indian Affairs, Anadarko, Oklahoma.

To lend further absurdity to this situation, one must consider the different dialects and tribal languages there are in Oklahoma. Once covered by the act a county may have to print its bilingual ballots in five, six, or seven different languages even though all the voting-age citizens speak the English language. There is only one fair way to prevent this from occurring, and this is for the Congress to adopt the language of my bill, which will insure that the costly and burdensome bilingual registration and voting mechanism will only be applied where there is an actual need to assure citizens' voting rights, because of an English deficiency.

This change will strengthen the act. The remedies and triggering provisions

of the act are still intact. No instance of voting discrimination cited in either the House or Senate reports will fail to be corrected, because of the passage of this bill. I urge hasty and favorable approval of this bill.

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

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

S. 2321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 14(c) of the Voting Rights Act of 1965 is amended by striking paragraph (3) and inserting the following new paragraph in lieu thereof:

"(3) The term 'language minorities' or 'language minority group' means persons who are American Indian, Asian American, Alaskan Natives or of Spanish heritage, and whose dominant language is other than English.".

SEC. 2. Section 203 of the Voting Rights Act of 1965 is amended by striking subsection (e) and inserting the following new subsection in lieu thereof:

"(e) For purposes of this section, the term 'language minorities' or 'language minority group' means persons who are American Indian, Asian American, Alaskan Natives, or of Spanish heritage, and whose dominant language is other than English.".

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 2323. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations, and I ask unanimous consent that the letter of transmittal be printed in the RECORD, together with the text of the bill.

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

S. 2323

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 121 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1409) is amended to read as follows:

"SEC. 121. There are authorized to be appropriated for the purpose of carrying out this Act, not to exceed $13,000,000 for the transition period July 1, 1976, through September 30, 1976, $60,000,000 for the fiscal year ending September 30, 1977, and $60,000,000 for the fiscal year ending September 30, 1978."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 30, 1975.

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

DEAR MR. PRESIDENT: The Department of Transportation is submitting for your consideration and appropriate reference a draft bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations.

When the National Traffic and Motor Vehicle Safety Act was passed in 1966, the highway fatality rate per 100,000,000 miles of vehicle travel was 5.7. Highway fatalities were over 50,000 and steadily climbing. Since then, substantial progress has been made. The fatality rate declined to 4.3 in 1973 and to an estimated 3.6 in 1974. The number of fatalities in 1974 was 45,534, a decline of more than 9,500 from the previous year's total. The 1974 reductions are largely attributable to the national 55 mile-per-hour speed limit and reduced highway travel in that year.

Since highway travel and speed are again climbing, whether highway fatalities can remain at a reduced level will depend partly upon the promulgation and enforcement of needed vehicle safety standards, and further increases in occupant restraint usage.

To aid these efforts, this legislation would authorize the appropriation of an amount, not to exceed $13,000,000 for the transition period July 1, 1976, through September 30, 1976, and $60,000,000 for each of fiscal years 1977 and 1978. The funds would be used to conduct vehicle safety research; develop and promulgate new vehicle safety standards, amendments to existing standards, and other rules and regulations; provide consumer information; conduct defect and noncompliance testing; and enforce the provisions of the Act.

It is the judgment of this Department, based on available information, that no significant environmental or inflationary impact would result from the implementation of this legislation.

The Office of Management and Budget advises that this proposed legislation is consistent with the Administration's objectives.

Sincerely,

WILLIAM T. COLEMAN, JR.

By Mr. DOLE:

S. 2324. A bill to amend the Internal Revenue Code of 1954 to restrict access to confidential tax information. Referred to the Committee on Finance.

THE TAX RETURN CONFIDENTIALITY ACT OF 1975

Mr. DOLE. Mr. President, three issues have commanded the greatest national attention over the past couple of years in America—the state of the economy, the energy crisis, and, most fundamentally, public confidence in Government. Working together, the administration and Congress have acted in a meaningful way to combat the recession. On the other hand, the struggle to solve the Nation's critical energy problems has faltered badly, in large part due to lack of cooperation between the legislative and executive branches.

Yet the most overriding challenge we face—more far-reaching than our pressing economic and energy concerns—is the restoration of public trust in Government and Government officials. And here the fight has hardly begun. The Congress must act now to reform Federal laws which regulate those aspects of Government which have been abused in the past. And certainly, no function of Government is in need of more reform than the Nation's income tax system. For past abuses and lax administration have raised serious doubts in the public mind about the integrity of the tax system.

I am speaking not of perceived inequities in the tax code for which the remedy is "tax reform." Such inequities involve only so many dollars and cents, and Congress has made great progress in improving the substance of the Internal Revenue Code. Rather, I speak of a more basic, procedural unfairness in the tax laws which permits supposedly confidential individual income tax returns to come into the hands of literally thousands of bureaucrats outside the IRS and which leaves open the possibility that mischievous political operatives will again attempt to gain access to such returns for partisan political purposes.

To guard against the improper use of income tax returns by Government officials, I am today introducing the "Income Tax Return Confidentiality Act of 1975, a measure which will assure every American that his or her tax return will remain confidential and immune from political misuse.

This legislation has been developed as a result of hearings held earlier this session by the Subcommittee on Administration of the Internal Revenue Code; chaired by the Senator from Colorado (Mr. HASKELL) and on which I serve as ranking minority member. Those hearings received testimony from the Senator from Connecticut (Mr. WEICKER), the Senator from Texas (Mr. BENTSEN), and the Senator from New Mexico (Mr. MONTOYA), each of whom has introduced strong tax privacy legislation. The bill I am introducing today incorporates many of the sound concepts contained in these bills and, in addition, includes new concepts which I believe are necessary in light of testimony received at the hearings.

The bill I am introducing today will insure that there will be no repetition of the highly publicized attempts to use the Internal Revenue Service for political purposes. President Ford, through issuance of Executive Order 11805 on September 20, 1974, has established strict procedures by which White House personnel may inspect tax returns. And I commend the President for this action. However, I believe we should go further to assure that future administrations not be tempted to use an individual's income tax returns for partisan political advantage. Accordingly, the legislation I offer today limits White House access to tax return information to limited tax checks on prospective Presidential appointees.

But the bill is also designed to stop the current practice of making returns available to a multitude of Government agencies not responsible for administration of the tax laws. It has been reported that last year some 30,000 returns were turned over to agencies other than the IRS and although some of these agencies may have legitimate uses for some of the information contained on tax returns, I believe the time has come to put an end to this practice of using income tax returns for purposes other than administration of the tax system or legitimate criminal investigations.

PROVISIONS OF THE BILL

CONFIDENTIAL NATURE OF TAX RETURNS

Under the bill, all Federal tax returns and items of tax return information would constitute confidential records and, except as expressly authorized by the statute, inspection and disclosure of returns and tax return information would be prohibited. This prohibition would apply to courts and administrative agencies.

Despite this general prohibition, nothing in the bill would prohibit the IRS from using returns and return information to prepare whatever statistical data

it needs for its internal purposes. Also, statistical information could be published by the IRS so long as the publication does not disclose the identity of any taxpayer or return. The bill would authorize the IRS to provide "clean" statistics to other Federal agencies.

PERMITTED DISCLOSURES

Federal tax administration. The bill contemplates that tax returns and tax return information could be freely used for purposes of Federal tax administration. Nevertheless, since the bill contemplates the removal of administrative discretion as to permitted disclosures, it is necessary to specify with precision how returns and return information may be used in Federal tax administration.

In this respect, the bill follows the approach taken in the Treasury's legislative proposal last year. Thus, returns and return information would be available without written request to IRS and Treasury personnel whose official duties require such inspection and disclosure. Returns and return information would be available to Department of Justice attorneys—including U.S. attorneys—solely for use in preparation for tax litigation, but only if, first, the taxpayer is a party to the proceeding; second, the taxpayer consents; or third, the return or return information has or may have a bearing on the outcome of the proceeding.

Actual disclosure of returns and return information in a judicial or administrative proceeding, or to a grand jury, in a Federal or State tax case would be subject to the same limitations as apply to Department of Justice attorneys, except that returns and return information cauld also be used to impeach the testimony of the taxpayer or other witnesses. Also, disclosure could be made pursuant to a court order under 18 U.S.C. 3500, rule 16 of the Federal Rules of Criminal Procedure, or the Constitution.

Finally, the bill would authorize certain other disclosures necessary or appropriate for orderly tax administration. These include disclosure in connection with tax liens, disclosure under tax conventions with other countries, disclosure of tax identity information of tax return preparers to State and Federal agencies regulating tax return preparers, and disclosures to correct misstatements of fact made by a taxpayer with respect to his dealings with the IRS.

STATE TAX ADMINISTRATION

Under the bill, tax returns and return information could be inspected by, or disclosed to, a State body, agency, or commission charged with tax administration. A written request would be required. The written request would designate by name the person or persons authorized to receive the information on behalf of the State body, agency, or commission and would contain a certification that the information would be used solely for tax administration purposes. Direct disclosure by the IRS to local tax authorities would not be authorized.

The bill contains three safeguards against improper use of returns and return information by States. First, the Secretary or his delegate would be required to make an affirmative determination that the requested disclosures would not impair the administration of the Federal tax laws. Second, it would have to be established to the satisfaction of the Secretary of the Treasury or his delegate that the governing laws of the State provided adequate safeguards against disclosure of returns and return information—however and from whomever collected—for purposes other than tax administration and for substantial penalties for unauthorized disclosures. Third, the Secretary of the Treasury or his delegate would be authorized to terminate—without advance notice—any disclosure arrangement upon receiving evidence that returns or return information had been used for purposes other than tax administration.

PRESIDENT AND WHITE HOUSE PERSONNEL

No disclosure of tax returns would be made to the President or White House personnel, since there does not appear to be a legitimate reason for the White House to have access to such data. Of course, legitimate "tax checks" on prospective appointees to the executive or judicial branches would be permitted—see tax checks below.

CONGRESSIONAL COMMITTEES

Under the bill, tax returns and return information would be available, upon written request, to the Joint Committee on Internal Revenue Taxation, the Senate Finance Committee, and the House Ways and Means Committee. The written request would be required to state the purpose for which the information is requested, and to certify that the request was authorized by a majority vote of the committee's members. All disclosures would be made in executive session.

Disclosures to other congressional committees would be permitted only when made pursuant to a resolution adopted by the appropriate House of Congress, or both the Senate and the House in the case of a joint committee. The resolution would be required to state the purpose for which the information is requested, that the information sought is necessary to the performance of a function within the jurisdiction of the committee to which the disclosure is to be made, and that the information sought is not otherwise reasonably available from other sources.

CRIMINAL LAW ENFORCEMENT

Under the bill, the IRS would be largely removed from the process by which Federal criminal statutes—other than tax laws—are enforced. Generally, returns and return information would be made available to other agencies of the Federal Government—including principally the Department of Justice—for criminal law enforcement purposes only pursuant to an order from a Federal district judge authorizing such disclosure. Such orders could be issued only where the Federal district judge finds that first, there is probable cause to believe that a criminal offense has occurred; second, the information sought is necessary to the proper investigation of the offense and/or prosecution of the offender; and third, the information sought is not otherwise reasonably available to law enforcement authorities.

OTHER FEDERAL AGENCIES

The bill places substantial restrictions upon the extent to which returns and return information may be made available to other Federal agencies for investigative, statistical, or other purposes. Generally, returns and return information would not be available to other Federal agencies. Limited exceptions would be made for the Commerce Department for statistical purposes, for the Labor Department for returns of employee benefit plans, and to the Social Security Administration. Agencies such as the FTC, SEC, and the Department of Agriculture would not be entitled to receive returns or return information.

TAX CHECKS

The bill contains a special provision authorizing "tax checks" on persons being actively considered for highly compensated or sensitive positions. Consistent with the legislative proposal submitted by the Treasury last year, tax checks would be limited to prospective employees of the executive or judicial branch of the Federal Government, and then only upon written request of the President, a Cabinet officer, or the head of a Federal Establishment. The information to be disclosed would be limited to whether the individual has filed income tax returns for the last 3 years, has failed in the current or preceding 3 years to pay any tax within 10 days after notice and demand or has been assessed a negligence penalty within this time period, has been under any criminal tax investigation and the results of such investigation, and has been assessed a civil penalty for fraud or negligence.

PERSONS WITH MATERIAL OR SUBSTANTIAL INTEREST

The bill deletes the provisions of present law requiring disclosure of returns of corporations to 1 percent shareholders and requiring the IRS to indicate whether an individual has or has not filed an income tax return. However, the bill follows the Treasury recommendation last year by permitting disclosure of returns to certain persons such as partners with respect to a partnership return and the executor with respect to a decedent's return, et cetera. Essentially, this is a codification of existing regulations.

OTHER PROVISIONS—IRS REPORTS

To provide Congress with information necessary to determine whether the disclosure rules are functioning properly, the bill requires the IRS to provide a written report to the Joint Committee on Internal Revenue Taxation each year. The report must show the disclosures made to the States, to the President and other White House personnel, to Congressional committees, for criminal law enforcement, to other Federal agencies, and with respect to tax checks. Because of the confidential nature of such reports, they would be furnished in executive session and would not be disclosed except by a majority vote of the Joint Committee.

PENALTIES

Under present law, unauthorized disclosures generally constitute misdemeanors. The bill makes unauthorized disclosures a felony.

LETTER RULINGS

"Return information," which includes all information derived from a taxpayer's return, plus any information furnished by or on behalf of a taxpayer with respect to the determination of any tax will be protected under the bill. The term includes technical advice memoranda and letter rulings. However, letter rulings which have been voluntarily sought by taxpayers are to be made available for public inspection and copying, except that the IRS is to provide for a procedure for the deletion of national security information, trade secrets, and material—including financial information—that would be of significant benefit to competitors.

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

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

S. 2324

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 "Income Tax Return Confidentiality Act of 1975".

SEC. 2. Section 6103 of the Internal Revenue Code of 1954 (relating to publicity of returns and disclosure of information as to persons filing income tax returns) is amended to read as follows:

"SEC. 6103. DISCLOSURE OF TAX RETURNS.

"(a) GENERAL RULE.—Except as provided in this title, a return of tax filed with respect to taxes imposed under this Code shall be open to inspection solely by the taxpayer who files such return.

"(b) INSPECTION FOR FEDERAL TAX ADMINISTRATION PURPOSES.—

"(1) DEPARTMENT OF THE TREASURY.—A return of tax shall be open to inspection by officers and employees of the Department of the Treasury whose official duties with respect to Federal tax administration require such inspection.

"(2) DEPARTMENT OF JUSTICE.—A return of tax shall, upon written request, be open to inspection by attorneys of the Department of Justice, including United States Attorneys, solely for use in connection with an investigation conducted by such attorneys or in preparation by such attorneys for a proceeding before a Federal grand jury or a Federal or State court only if—

"(A) the taxpayer whose return of tax is to be inspected consents, or

"(B)(i) such investigation or proceeding is conducted for Federal tax administration purposes,

"(ii) the taxpayer whose return of tax is to be inspected is the subject of such investigation or is or may be a party to such proceeding, and

"(iii) in the case of preparation for such a proceeding, the return of tax which is to be inspected has or may have a bearing on the outcome of such proceeding because—

"(I) treatment of an item with respect to a person who is or may be a party to such proceeding is or may be determined, in whole or in part, by reference to the treatment of an item on such return, or

"(II) the liability under this Code of any party to such proceeding for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense, which is or may be the subject of such proceeding, is or may be determined, in whole or in part, by reference to such return.

"(3) DISCLOSURE OF AMOUNT OF OUTSTANDING LIEN.—If a notice of lien has been filed pursuant to section 6323 (f), or a corresponding provision of a prior Internal Revenue law, the amount of the outstanding obligation secured by such lien is authorized to be disclosed as a matter of public record and may be disclosed to any person who furnishes satisfactory written evidence that he has a right in the property subject to such lien or intends to obtain a right in such property.

"(4) COMPETENT FOREIGN AUTHORITY UNDER INCOME TAX CONVENTION.—A return may be disclosed to a competent authority of a foreign government which has an income tax convention with the United States but only to the extent provided in, and subject to the terms and conditions of, such convention.

"(5) FEDERAL AND STATE AGENCIES REGULATING TAX RETURN PREPARERS.—Taxpayer identity information of any tax return preparer may be disclosed to any Federal or State agency charged under the laws of the United States or of any State, or political subdivision of a State, with licensing, registrations, or regulation of tax return preparers.

"(c) INSPECTION FOR FEDERAL NONTAX LAW ADMINISTRATION PURPOSES.—

"(1) CRIMINAL INVESTIGATIONS AND PROSECUTIONS.—

"(A) Except as provided in subsection (b), returns of tax filed with respect to taxes imposed under this Code shall be open to inspection by officers and employees of the United States in connection with an investigation or a prosecution of any criminal act alleged to have been committed by the taxpayer who files such return only if such officer or employee first obtains a search warrant issued by a United States district court authorizing the inspection of that return.

"(B) No warrant shall issue for the purposes of subparagraph (A) unless such officer or employee shows to the satisfaction of such court that there is probable cause to believe that the criminal act has occurred, that the information contained in the specified return of tax is necessary to such investigation or prosecution, and that no alternative source of the information contained in such return is reasonably available to such officer or employee.

"(2) CIVIL INVESTIGATIONS.—

"(A) Officers and employees of the Social Security Administration and of the Railroad Retirement Board may inspect returns of tax, not including return information, filed with respect to taxes imposed under chapters 2, 21, and 22 in the manner and at the time and place, specified in regulations prescribed by the Secretary of his delegate.

"(B) Officers or employees of the Department of Labor and of the Pension Benefit Guaranty Corporation may inspect returns of tax, not including return information, filed with respect to taxes imposed by this title in the manner, and at the time and place, specified in regulations prescribed by the Secretary or his delegate, to the extent necessary for the administration of titles I and IV of the Employee Retirement Income Security Act.

"(C) Officers and employees of the Department of Health, Education, and Welfare may inspect registration statements (as described in section 6057) and information with respect to such statements for purposes of administering section 1131 of the Social Security Act.

"(3) STATISTICAL STUDIES.—The Secretary or his delegate shall, upon written request from the Secretary of Commerce, furnish information derived from any return of tax to officers or employees of the Social and Economic Statistics Administration of the Department of Commerce for the purpose of research and statistical studies and compilations to be conducted or prepared by such Administration as authorized by law. No such officer or employee may publish or otherwise disclose any such information except in statistical form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer.

"(4) INVESTIGATION OF FEDERAL APPOINTEES.—The Secretary or his delegate shall disclose to the President or to the head of any department or agency of the Federal Government, upon written request by the President or the head of such department or agency, or to the Federal Bureau of Investigation on behalf of the President or of the head of such department or agency, information derived from returns of tax with respect to an individual who is designated as being under consideration for appointment to a position in the executive or judicial branch of the Federal Government. Such information shall be limited to whether such an individual—

"(A) has filed returns with respect to the taxes imposed under chapter 1 for not more than the immediately preceding 3 years,

"(B) has failed to pay any tax within 10 days after notice and demand, or has been assessed any penalty under this title for negligence, in the current year or immediately preceding 3 years,

"(C) has been or is under investigation of possible criminal offenses under the internal revenue laws and the result of any such investigation, and

"(D) has been assessed any penalty under this title for fraud.

"(5) CONSENT BY TAXPAYER.—The Secretary or his delegate may disclose to any officer or employee of the Federal Government any return of tax if the taxpayer who filed such return voluntarily consents to such disclosure.

"(d) INSPECTION BY COMMITTEES OF CONGRESS.—

"(1) COMMITTEE ON WAYS AND MEANS, COMMITTEE ON FINANCE, AND JOINT COMMITTEE ON INTERNAL REVENUE TAXATION.—Upon written request from the chairman of the Committee on Ways and Means of the House of Representatives, the chairman of the Committee on Finance of the Senate, or the chairman of the Joint Committee on Internal Revenue Taxation, the Secretary or his delegate shall furnish such committee, sitting in closed executive session, any return of tax. Such request must specify the purposes for which such returns are required and must be authorized by a record vote of a majority of the members of the committee.

"(2) OTHER COMMITTEES.—Upon written request from the chairman of a committee of the Senate or House (other than a committee specified in paragraph (1)) specifically authorized to inspect returns of tax by a resolution of the Senate or House or, in the case of a joint committee (other than the joint committee specified in paragraph (1).), by concurrent resolution, the Secretary or his delegate shall furnish such committees, sitting in closed executive session, with any return of tax which such resolution authorizes the committee to inspect. The resolution and concurrent resolution required under the preceding sentence shall specify the purposes for which such inspection may be made and that no such inspection may be made unless there is no alternative source of the information contained in such return reasonably available to the committee.

"(3) AGENTS OF COMMITTEES AND SUBMISSION OF INFORMATION TO SENATE OR HOUSE.—The chairman of any committee described in paragraph (1) or (2) may designate, in writing, such examiners or agents as may be necessary to inspect returns of tax at such

time and in such manner as the chairman may determine. Any relevant or useful information obtained by or on behalf of such committee pursuant to the provisions of this subsection may be submitted by the Committee to the Senate or the House, or to both the Senate and the House, as the case may be. The Joint Committee on Internal Revenue Taxation may submit any information it obtains under the provisions of this subsection to any committee described in paragraph (1) which is sitting in closed

"(e) INSPECTION FOR STATE TAX ADMINISTRATION PURPOSES.—

"(1) IN GENERAL.—Except as provided in section 4102, a return of tax shall, upon written request by the head of an agency of State government which is charged under the laws of such State with responsibility for the administration of State tax laws, be open to inspection by officers and employees of such agency be open solely in connection with their State tax administration duties.

"(2) WRITTEN REQUEST.—The written request required under paragraph (1) shall specify the officers and employees of such State agency who are authorized to inspect returns of tax on behalf of such agency and shall certify that such returns shall be used solely for State tax administration purposes and shall not be disclosed to officers and employees of local governments within the State for any purpose.

"(3) CONDITIONS.—The Secretary or his delegate shall not permit the inspection of any return of tax under the provisions of paragraph (1) unless he determines that—

"(A) the disclosure requested under paragraph (1) will not seriously impair Federal tax administration, and

"(B) the State laws governing disclosure of returns of tax disclosed under paragraph (1) by officers and employees of such State provide adequate safeguards against unauthorized disclosure of such returns.

"(4) TERMINATION.—The Secretary or his delegate shall not disclose any return of tax under paragraph (1) if he determines, after approving a written request under paragraph (1), that the provisions of this subsection are not being complied with by the State.

"(f) INSPECTION FOR JUDICIAL AND ADMINISTRATIVE PROCEEDINGS RELATED TO TAX ADMINISTRATION.—A return of tax shall, upon written request by the presiding officer, be open to inspection in a Federal or State judicial or administrative proceeding pertaining to tax administration, including proceedings before a grand jury, court, or administrative agency charged under Federal or State law with tax administration duties, only if—

"(1) the taxpayer whose return of tax is to be inspected consents,

"(2) the taxpayer whose return of tax is to be inspected is a party to such proceeding,

"(3) the return of tax which is to be inspected has or may have a bearing on the outcome of such proceeding because—

"(A) treatment of an item with respect to a person who is or may be a party to such proceeding is or may be determined, in whole or in part by reference to the treatment of an item on such return, or

"(B) the liability under this Code of any party to such proceeding for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense, which is or may be the subject of such proceeding, is or may be determined, in whole or in part, by reference to such return,

"(4) such inspection is necessary to impeach a witness in the proceeding with respect to testimony by that witness as to a transaction with the taxpayer if the taxpayer is neither a party to, nor a witness in such proceeding,

"(5) in the case of a court proceeding, such inspection is required by order of such court pursuant to section 3500 of title 18, United States Code, or rule 16 of the Federal Rules of Criminal Procedure (in issuing such an order the court shall give due consideration to the congressional policy favoring the confidentiality of returns of tax set forth in this title), or

"(6) such inspection is required by the Constitution of the United States.

"(g) INSPECTION BY PERSONS HAVING SUBSTANTIAL INTEREST.—

"(1) The return of tax of a person with respect to whom the return is filed shall, upon written request, be open to inspection by—

"(A) in the case of the return of a partnership, any person who was a member of such partnership during any part of the period covered by the return,

"(B) in the case of the return of a corporation—

"(i) any person designated by resolution of its board of directors, or other similar governing body,

"(ii) any officer or employee of such corporation upon written request signed by any principal officer and attested by the secretary or other officer,

"(iii) if the corporation was an electing small busines corporation under subchapter S of chapter 1, any person who was a shareholder during any part of the period covered by such return during which an election was in effect, or

"(iv) if the corporation has been dissolved, any person authorized by applicable State law to act for the corporation or any person whom the Secretary or his delegate finds to have a material interest which will be affected by information contained therein,

"(c) in the case of the return of an estate—

"(i) the administrator, executor, or trustee of such estate, and

"(ii) any heir at law, next of kin, or beneficiary under the will, of the decedent but only if the Secretary or his delegate finds that such heir at law, next of kin, or beneficiary has a material interest which will be affected by information contained therein, and

"(D) in the case of the return of a trust—

"(i) the trustee or trustees, jointly or separately, and

"(ii) any beneficiary of such trust but only if the Secretary or his delegate finds that such beneficiary has a material interest which will be affected by information contained therein.

"(2) If an individual who may inspect his own return of tax under subsection (a) or an individual described in paragraph (1) is legally incompetent, the applicable return of tax shall be open to inspection by the committee, trustee, or guardian of his estate.

"(3) If an individual who may inspect his own return of tax under subsection (a) or an individual described in paragraph (1), other than an individual described in subparagraph (C)(i) or (D)(i) of such paragraph, has died, the applicable return of tax may be inspected by—

"(A) the administrator, executor, or trustee of his estate, and

"(B) any heir at law, next of kin, or beneficiary under the will, of such decedent, or a donee of property, but only if the Secretary or his delegate finds that such heir at law, next of kin, beneficiary, or donee has a material interest which will be affected by information contained therein.

"(4) If substantially all of the property of the person with respect to whom the return of tax is filed is in the hands of a trustee in bankruptcy or receiver, and such return or returns for prior years of such person shall be open to inspection by such trustee or receiver, but only if the Secretary or his delegate finds that such receiver or trustee has a material interest which will be affected by information contained therein.

"(5) Any return of tax to which subsection (a) or this subsection applies shall also be open to inspection by the attorney in fact, authorized in writing, of any of the taxpayers or of any of the persons described in paragraph (1), (2), (3), or (4) to inspect the return or receive the information on his behalf, subject to the conditions provided for therein.

"(6) Return information with respect to any return of tax may be disclosed under this subsection and subsection (a) only to the extent that the Secretary or his delegate determines that such disclosure would not seriously impair the administration of Federal tax laws.

"(h) REPORTS.—Within 90 days after the end of each calendar year, the Secretary or his delegate shall report to the Joint Committee on Internal Revenue Taxation on all written requests received under this section to inspect a return of tax or for disclosure of information derived from a return of tax and his disposition of such requests. Except for disclosure requests under subsection (e), such report shall include a list of the names of all taxpayers whose returns of tax were the subject of such a request, the name of the person making such a request, and the date on which such request was received. Such report shall be confidential unless a majority of the members of such joint committee agree, by record vote, to disclose such report.

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

"(A) RETURN.—The term 'return' means any tax or information return or declaration of estimated tax required by, provided for, or permitted under the provisions of this Code which is filed by, on behalf of, or with respect to any person with the Secretary or his delegate, any amendment or supplement thereto or claim for refund, including supporting schedules, attachments, or lists which are designed to be supplemental to, or become part of, the return so filed and return information collected in connection with such return.

"(B) RETURN INFORMATION.—The term 'return information' means—

"(i) any data including a taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, overassessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any particular of any data, in whatever form (whether as a report, investigative file, memorandum, or other document, including a registration statement described in section 6057) or manner received by, recorded by, prepared by, or furnished to the Secretary or his delegate with respect to a return as described in subparagraph (A) or with respect to the existence of the amount of the liability of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense, but, for purposes of this clause, not including any such data (or particular thereof included in a document or request or correspondence for or with respect thereto) described in clause (ii) (without regard to the date limitation therein) or clause (iii),

"(ii) except as provided in subparagraph (C), any letter, advice, or other document issued by the Secretary or his delegate pursuant to a request made therefor by, or on behalf of, any person with respect to a determination of his liability for tax under this Code or pursuant to a request of an officer or employee of the Department of the Treasury acting in his official capacity, and any such request or any correspondence for or with respect to such document or any portion thereof, which is intended to be used to determine or affect the application of any rule contained in this Code, related law, or tax treaty to the facts and circumstances of a particular transaction, arrangement, or

return filed or to be filed by the person to whom such document is furnished,

"(iii) any memorandum, advice, or other document issued by the Secretary or his delegate to any officer or employee of the Department of the Treasury acting in his official capacity, and any such request, or any correspondence for or with respect to such document or any portion thereof, which is intended to be used by him to determine or affect the application of any rule contained in this Code, related law, or tax treaty to the facts and circumstances of a particular transaction, arrangement, or return filed or to be filed by any person to whom such document relates or may relate, and

"(iv) any other data of the type described in clause (i) which is furnished to the Secretary or his delegate in connection with tax administration and accepted as confidential pursuant to regulations prescribed by the Secretary or his delegate.

"(C) LETTER RULINGS.—The term 'return information' does not include a letter ruling or any other written ruling provided by the Secretary or his delegate to any person with respect to the application of this Code to any transaction if—

"(i) such person requested such ruling,

"(ii) such ruling is not required by any provision of this Code, and

"(iii) before disclosure, the Secretary or his delegate removes from such ruling any information disclosure of which would be injurious to national security or would disclose trade secrets or confidential financial data of such person.

"(D) TAX ADMINISTRATION.—The term 'tax administration' means the administration, management, conduct, direction, and supervision of the execution and application of the internal revenue laws or related statutes (or equivalent laws and statutes and a State) and tax conventions to which the United States is a party and the development and formulation of Federal tax policy relating to existing or proposed internal revenue laws, related statutes, and tax treaties, and includes assessment, collection enforcement, litigation, publication, and statistical gathering functions under such laws, statutes, or conventions.

"(E) STATE.—The term 'State' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territories of the Pacific.

"(F) TAXPAYER IDENTITY.—The term 'taxpayer identity' means the name of a person with respect to whom a return is filed, his mailing address, and his taxpayer identifying number (as described in section 6109) or a combination thereof.

"(G) INSPECTION.—The terms 'inspected', 'inspection', and 'inspect' mean the visual examination of a return of tax.

"(H) DISCLOSURE.—The terms 'disclosure' and 'disclosed' means the making known to any person in any manner whatever a return."

Sec. 3. Section 7213 of such Code (relating to penalties for unauthorized disclosure of information) is amended—

(1) by striking out "misdemeanor" each place it appears therein and inserting in lieu thereof "felony",

(2) by striking out "$1,000" each place that it appears therein and inserting in lieu thereof "$5,000",

(3) by striking out "1 year" and inserting in lieu thereof "5 years",

(4) by striking out paragraph (3) of subsection (a), and

(5) by striking out paragraph (1) of subsection (e) and by redesignating paragraph (2) of such subsection as paragraph (1).

SEC. 4. Section 6106 of such Code (relating to publicity of unemployment tax returns) is repealed.

By Mr. CHILES (for himself and Mr. STONE):

S. 2325. A bill to amend the act establishing the Gulf Islands National Seashore to increase the amount authorized for the acquisition of private property to be included in the seashore. Referred to the Committee on Interior and Insular Affairs.

Mr. CHILES. I am introducing a bill today, for myself and Senator STONE, which would increase the authorization for the Gulf Islands National Seashore.

Identical legislation has been introduced in the House by Congressman SIKES, in whose district the seashore is partially located, and by the chairman of the House Interior Committee and the chairman of the House Subcommittee on Natural Parks and Recreation.

Since establishment of the seashore, prices of land have been rapidly increasing, and the Park Service has advised that due to these increased land costs additional funds will be necessary to purchase the privately owned land within the seashore area. The increased authorization provided for in this bill has now been determined by the Park Service to be necessary to purchase the land initially proposed for inclusion in the seashore.

By Mr. HUDDLESTON:

S. 2326. A bill to amend the U.S. Grain Standards Act to provide for the inspection of export grain by Federal personnel, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. HUDDLESTON. Mr. President, today I am introducing a bill which, if enacted, will aid in restoring the integrity of American farm exports. Despite balance-of-payments problems created by higher oil prices U.S. farm exports will be at a recordbreaking level in 1975.

I have repeatedly suggested the hypothesis that with liberal trade policies U.S. agricultural exports could substantially offset the trade deficit that will be created by the impending rise in fuel imports.

To accomplish this the United States is better endowed with resources for agricultural production than any other country. With only 7 percent of the world's land mass we have more than 12 percent of the cultivated land and nearly 9 percent of the pasture land. More importantly, in roughly the Corn Belt we have about half the world's farmland with long summers of adequate rainfall. And in the old Cotton Belt—across the Southern States—we have a third of the world's humid semitropic farmland.

Combinations of temperate climates and fertile soil make these two regions suitable for the production of many crops, especially feed grains and soybeans. Together with other productive agricultural areas such as the upper Prairie States the United States has an absolute advantage in agriculture that parallels the Middle East's advantage in petroleum.

Recent corruption in the grain trade with respect to inspection and grading has placed our farmers at a competitive disadvantage in the world marketplace. Agriculture is the central sector of our economy. Under no circumstances can we allow U.S. farm product integrity to be compromised if economic stability and growth are to be sustained.

Mr. President, the bill I am introducing today, if enacted, would amend the U.S. Grain Standards Act and title 18 of the United States Code to provide for a Federal grading and inspection system for exported grain while leaving the present private system in place for domestic purposes.

This legislation would require Federal inspection under the official standards for export grain that is sold, offered for sale, or consigned for sale, by grade and therefore required to be inspected under section 5 of the U.S. Grain Standards Act, and require a determination whether the export carrier or container is in such condition that it will not adversely affect the condition or quality of the grain.

Voluntary inspection is to be furnished by licensees employed by, or operating, official inspection agencies for other grain in the United States under the official standards or for any grain in this country under other criteria approved by the Secretary of Agriculture. Authority for USDA inspection in Canadian ports would be continued as would be regulations concerning supervisory inspections, reinspections and appeal.

The authority of the Secretary of Agriculture would be clarified relating to issuing regulations requiring operators of grain elevators to install specified sampling and monitoring devices and other equipment needed for official inspection as a condition of obtaining such inspection; as would his authority to require a determination of the condition of carriers or containers for transportation of grain for export or domestic distibution as a prerequisite to official inspection of the grain.

The Secretary of Agriculture would be required to report annually to the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture concerning the viability and effectiveness of the grain inspection program and any need for further legislation. The Secretary would further be required to conduct investigations into the suitability of current official grain standards and report the findings to these committees.

The provisions of this measure delete the prohibitions on forcible assaults and related offenses from section 13(a)(8) of the U.S. Grain Standards Act and extend the comparable provisions of 18 U.S.C. 111 and 1114 to USDA personnel and official inspection personnel licensed or otherwise authorized to perform or supervise the performance of any official inspection function under the cited act; make a violation of 18 U.S.C. 111 or 1114 a basis for administrative action under section 9 of the act to suspend or revoke the license of any inspector, sampler, or other person licensed under the act; and make a conviction of such an offense a basis for denial of inspection service to

any applicant as provided in section 10 of the act.

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. 2326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the United States Grain Standards Act (82 Stat. 761, 7 U.S.C. 75) is amended by changing subsection (i) defining the term "official inspection", subsection (j) defining the term "official inspection personnel", and subsection (m) defining the term "official inspection agency", to read, respectively, as follows:

"(i) (1) the term 'official inspection' means the determination (by original inspection, and, when requested, reinspection and appeal inspection) and the certification, by official inspection personnel, of the kind, class, quality or condition of grain, under standards provided for in this Act, or the condition of vessels and other carriers or containers of grain insofar as it may affect the quality or condition of such grain; or, upon request of the interested person applying for inspection, the quantity of sacks of grain, or other facts relating to grain under other criteria approved by the Secretary under the Act (the term 'officially inspected' shall be construed accordingly);

(2) the term 'official inspection functions' (or the term 'functions involved in official inspection') means sampling, testing, or other procedures involved in official inspection."

"(j) the term 'official inspection personnel' means persons licensed or otherwise authorized by the Secretary pursuant to section 8 of this Act to perform all or specified functions involved in official inspection, or in supervision of official inspection, with respect to grain under this Act;"

"(m) the term 'official inspection agency' means any State or other governmental agency or person designated by the Secretary to provide official inspection at specified locations;"

SEC. 2(a). Section 7 of said Act (82 Stat. 763, 7 U.S.C. 79) is amended by changing subsections (a) and (b) to read, respectively, as follows:

"(a) (1) The Secretary shall cause official inspection under the standards provided for in section 4 of this Act to be made, in accordance with such regulations as he may prescribe, by employees of the Department of Agriculture with respect to all export grain required to be officially inspected as provided in section 5 of this Act. Official inspection of export grain shall include a determination and certification whether the vessel or other carrier, or container, to be used in exportation of the grain, is in such a condition that it will not adversely affect the condition or quality of the grain.

"(2) Whenever in his judgment it will effectuate any of the objectives stated in section 2 of this Act, the Secretary is further authorized, upon request of any interested person and under such regulations as he may prescribe:

(i) to cause official inspection to be made, under the standards provided for in section 4 of this Act, by official inspection agencies with respect to any grain in the United States other than export grain required to be officially inspected as provided in section 5 of this Act;

(ii) to cause official inspection to be made by official inspection agencies with respect to any grain in the United States under other criteria approved by the Secretary for determining the kind, class, quality, or condition of grain or other facts relating to grain; and

(iii) to cause official inspection of United States grain in Canadian ports to be made under such standards or such other criteria by employees of the Department of Agriculture.

"Inspections under this paragraph (2) may be made upon the basis of official samples, submitted samples, or otherwise as provided in the regulations.

"(b) Specific sampling or laboratory testing functions involved in official inspection authorized to be performed by employees of the Department of Agriculture may also be performed under contracts with the Department of Agriculture by persons licensed under section 8 of this Act, notwithstanding other provisions in this section."

(b) The first sentence in subsection (c) of said section 7 is amended to read:

"The regulations prescribed by the Secretary shall require that reinspections and appeal inspections requested for any grain officially inspected by licensees employed by, or operating, an official inspection agency, shall be made by employees of the Department of Agriculture, whenever the Secretary considers such action necessary to assure that the official certifications of such grain will be correct; and the regulations shall include such other provisions for supervisory inspections, and for reinspections and appeal inspections and cancellation of certificates superseded by reinspections and appeal inspections, as are necessary, in his opinion, to effectuate any of the purposes or provisions of this Act."

(c) The first two sentences of subsection (e) of said section 7 are amended to read:

"The Secretary shall, under such regulations as he may prescribe, charge and collect reasonable fees to cover the estimated total cost of official inspection, and supervision thereof, except when the inspection is performed by an official inspection agency. The fees authorized by this subsection shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Department of Agriculture incident to the performance of original inspections of export grain and United States grain in Canadian ports, and reinspections and appeal inspections of any grain, performed by employees of the Department or licensees under contract with the Department, including supervisory and administrative costs directly related thereto."

SEC. 3. Subsection (a) of section 8 of said Act (82 Stat. 764, 7 U.S.C. 84) is amended to read as follows:

"(a) The Secretary is authorized (1) to issue a license to any individual, upon presentation to him of satisfactory evidence that such individual is competent and is employed by an official inspection agency, to perform all or specified functions involved in official inspection of grain in the United States as provided in section 7 of this Act except as provided in paragraph (a) (1) thereof; (2) to authorize any competent employee of the Department of Agriculture to (i) perform all or specified functions involved in official inspection of grain in the United States, and of United States grain in Canadian ports, as provided in section 7 of this Act, or (ii) supervise the official inspection of grain in the United States, and of United States grain in Canadian ports; and (3) to contract with any person to perform specified sampling and laboratory tests and to license competent individuals to perform such functions pursuant to such contract. No person shall perform any official inspection functions for purposes of this Act unless he holds an unsuspended and unrevoked license or authorization from the Secretary under this Act."

SEC. 4. The first sentence of section 9 of said Act (82 Stat. 765, 7 U.S.C. 85) is amended by inserting, before the period at the end thereof, the following: "or has committed any act penalized by section 111 or 1114 of Title 18, United States Code".

SEC. 5. Subsection (a) of section 10 of said Act (82 Stat. 765, 7 U.S.C. 86) is amended by inserting after "section 13 of this Act," the following: "or any offense penalized by section 111 or 1114 of Title 18, United States Code,".

SEC. 6. Section 13 of said Act (82 Stat. 766, 7 U.S.C. 87b) is amended by deleting paragraph (8) of subsection (a) thereof.

SEC. 7. Section 16 of said Act (82 Stat. 768, 7 U.S.C. 87e) is amended by changing the first sentence to read as follows: "The Secretary is authorized to conduct such investigations, hold such hearings, require such reports from any official inspection agency or person, require, by regulation, as a condition for official inspection, the installation in grain elevators of specified sampling and monitoring devices and other equipment needed for the official inspection of grain, and the determination of the condition of carriers and containers of grain, and prescribe such other rules, regulations and instructions, as he deems necessary to effectuate the purposes or provisions of this Act."

SEC. 8. Said Act is further amended by adding a new section 20 to read as follows:

"SEC. 20. The Secretary shall report, not later than January 15 of each year following the year of enactment of this section, to the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, regarding the viability and effectiveness of the official grain inspection system under this Act, with recommendations for any legislative changes he believes are necessary to accomplish the objectives stated in section 2 of this Act. The Secretary shall also conduct in-depth investigations into the suitability, for domestic and export purposes, of the official grain standards in effect on the date of enactment hereof, and report the findings to said Committees within one year from date of enactment."

SEC. 9. Section 1114 of Title 18, United States Code, is amended by inserting after "law enforcement functions," the following: "or any official inspection personnel or any officer or employee of the Department of Agriculture licensed or otherwise authorized to perform any official inspection function, or supervise the performance of any such function, under the United States Grain Standards Act,".

SEC. 10. This Act shall become effective 180 days after enactment hereof, except that any official inspection agency providing official inspection service for export grain may continue to do so after said effective date until notified by the Secretary that the service is available from the Department of Agriculture.

By Mr. MORGAN (for himself and Mr. GARN):

S. 2327. A bill to suspend sections 4, 6, and 7 of the Real Estate Settlement Procedures Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. MORGAN. Mr. President, I am introducing, for the junior Senator from Utah (Mr. GARN) and myself, a bill that will help to relieve the burden placed on real estate brokers, mortgage lenders, and consumers by the Real Estate Settlement Procedures Act—RESPA—and implementing regulations issued by HUD which became effective on June 22, 1975.

The Real Estate Settlement Procedures Act was passed by the 93d Congress to protect the consumer from unnecessarily high settlement charges by a number of provisions which required advanced disclosure to homebuyers of settlement costs and prohibited certain abusive practices. Unfortunately, the initial experience

with the law has indicated that some of its provisions are working a hardship on both the industry and the consumer.

For example, the real estate brokers have complained that the kickback provisions of the law could be construed to outlaw their cooperative brokerage arrangements such as multiple listing service and out-of-town referrals. The lenders protest that the advance disclosure provisions place an unreasonable burden upon them and that they delay settlements, inconveniencing both the lending institutions and the consumer. Some attorneys and sellers dislike the requirement of the disclosure of the previous selling price.

During a 15-day trip throughout my State of North Carolina last month I talked with numerous people who expressed concern about excessive Government regulations and the need to cut some of the redtape which becomes more aggravating each day.

Despite President Ford's speeches about reducing redtape, a recent study found that the increasing complexity of new laws and regulations forces businessmen to spend 20 percent more time than last year filling out the 114 million or so reports that Washington demands each year. According to the Library of Congress, the annual cost of filling out and then filing all Federal forms has doubled in 10 years to $40 billion. While I believe there are a number of areas in which the Federal Government has a legitimate interest in providing reasonable regulations, some areas of private enterprise are suffering needlessly from bureaucratic rulemaking and ought to receive relief.

There are a number of steps being taken by the administration to correct problems arising from RESPA. HUD has announced several steps aimed at meeting the objections of affected parties to the RESPA regulations. They have taken the unusual step of announcing that further comments on the current RESPA regulations will be accepted through September 30, 1975. The General Counsel of HUD will then take the comments and review them in contemplation of changes in the regulations.

HUD is also looking at the statute and will probably recommend amendments based on correspondence received from Congress and the public and the Department's own experience under the law. Any legislative recommendation from HUD will have to be cleared through OMB, but little difficulty is contemplated here because the legislation does not involve the expenditure of funds.

A further step to be taken jointly by HUD and the Department of Justice involves the issuance of advisory opinions to aid industry compliance.

Moreover, Senator PROXMIRE has announced that the full Banking Committee will hold hearings on September 15, 16, and 17 on the implementation of RESPA and any amendments thereto.

A number of legislative proposals may also be introduced to modify or repeal the existing act.

One possible proposal would authorize HUD to exempt from the disclosure requirements lenders located in States or localities where the Secretary determines settlement charges are not excessive. Another possible proposal would give lenders an option of avoiding the disclosure requirements imposed by RESPA on the condition that they pay for certain settlement charges which are closely related to the mortgage transaction, including discount points in excess of 1 percent.

In addition to the outright repeal of the act, there are undoubtedly steps that can be taken both administratively and legislatively which would shape RESPA into a workable piece of legislation.

However, since proper consideration of these various alternatives should take a number of weeks, Senator GARN and I believe there should be a suspension of specific sections of the act pending further study by Congress and HUD. This would give Congress as well as HUD an opportunity to take a new look at the legislation while relieving the industry and consumer of the burdens of the act.

Specifically, our bill would suspend sections 4, 6, and 7 of the Real Estate Settement Procedures Act which require the use of a uniform settlement statement, advance disclosure of settlement costs, and diclosure of previous selling price of existing real property. These are the provisions causing the greatest hardship under the act.

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

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

S. 2327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) section 4 of the Real Estate Settlement Procedures Act is amended by inserting "(a)" after "Section 4" and by adding the following subsection:

"(b) the provisions of this section are suspended." (b) section 6 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(f) the provisions of this section are suspended." (c) section 7 of the Real Estate Settlement Procedures Act is amended by adding the following subsection:

"(d) the provisions of this section are suspended." Section 2—The effective date of this Act shall be the date of enactment thereof.

By Mr. STEVENSON (for himself, Mr. PROXMIRE, and Mr. GRAVEL):

S. 2329. A bill to amend the Export-Import Bank Act of 1945 to limit financing for sales of nuclear materials and technology to States not a party to the Nuclear Non-Proliferation Treaty, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. STEVENSON. Mr. President, today, along with Senators PROXMIRE and GRAVEL I am introducing a bill to ban Export-Import Bank assistance for nuclear exports to countries which are not parties to the Treaty on the Non-Proliferation of Nuclear Weapons—NPT—unless the President determines that it is in the national interest to do so and to require that the Arms Control and Disarmament Agency—ACDA—the body charged by law with responsibility for formulating and coordinating U.S. arms control policy, be given an adequate opportunity to participate in all decisions regarding U.S. nuclear export assistance.

The purpose of the bill is to enchance America's commitment to the NPT and to insure that decisions regarding assistance for nuclear development abroad are made at the highest levels of Government with full and effective participation by those responsible for halting the spread of nuclear weapons.

Specifically, the bill would prohibit the Export-Import Bank from providing assistance for exports of nuclear materials and technology to countries which have not joined the NPT unless the President finds that the national security requires otherwise and reports that finding to the Congress at least 25 days prior to the time the transaction receives final Export-Import Bank approval.

In addition, the bill would require that the Bank notify ACDA at least 50 days prior to final approval of any decision to finance nuclear exports so that the Agency will have an opportunity to assess the transaction fully and make appropriate recommendations regarding the impact on worldwide nuclear proliferation.

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

Mr. President, this legislation is needed to encourage the widest possible membership in the NPT and to insure that decisions to finance nuclear exports do nothing to further undermine that treaty. It is also needed to insure that nuclear export decisions are made on other than a purely commercial basis and that such decisions are made with a full appreciation of the implications for the NPT and the goal of stemming nuclear weapons proliferation.

I do not need to reiterate the dangers of nuclear proliferation. I and others of my colleagues have spoken on the subject on many occasions in the past. It is well known that the potential for nuclear weapons development is spreading rapidly and that many countries presently outside the NPT are on the threshold of nuclear weapons capability. The purpose of the NPT is to forestall worldwide nuclear weapons development, and it is essential that every effort be made to bring all potential nuclear weapons states into the treaty.

Unfortunately, the United States and other nuclear exporting states have created strong incentives for countries to remain outside the NPT. Despite the obvious interest in restricting the availability of nuclear assistance to non-NPT countries and the declaration evidencing that interest which issued from the NPT Review Conference in May of this year, the United States and others continue to provide nuclear assistance to non-NPT countries.

To date, the United States has sold more than half of the nuclear reactors which it has exported to non-NPT countries. One quarter of the reactors sold by other nuclear exporting states have been sold to non-NPT countries. The most disturbing recent example is the German sale of a complete nuclear fuel cycle to Brazil.

Under the NPT, nonnuclear members agree not to acquire or develop nuclear

weapons. They also agree to place all their nuclear facilities under international safeguards. They, thus, make major concessions for the purposes of averting nuclear war and severe instabilities in the world order.

Unlike the NPT members, other recipients of nuclear assistance do not disclaim future nuclear weapons development. They are free to use the technology they acquire to develop nuclear explosives. The Indian nuclear explosion makes the point.

Moreover, unlike NPT members, they are under no obligation to place all their nuclear facilities under international safeguards. The materials and technology which they retain in unsafeguarded facilities remain vulnerable to theft and diversion by terrorist groups and others and available for conversion to military uses. A form of second-class nuclear citizenship has thus been created, but the second-class citizens are those who have joined the NPT, not those who have stayed out. Non-NPT countries get the benefits of membership without the obligations. The danger to the Treaty is clear.

Increased export sales of nuclear power facilities are inevitable. Worldwide energy demands are growing. With the vastly increased cost of oil, nuclear power has become an attractive alternative. The United States has already sold 44 reactors in the world. Other nuclear exporting states have sold 42 reactors beyond their borders.

The question is whether worldwide nuclear power development will take place under international safeguards and commitments to forgo nuclear weapons or whether they will take place under circumstances which leave each country free to exercise the nuclear weapons option. By continuing to supply nuclear assistance to non-NPT countries, the nuclear exporting countries undermine the chances for a coordinated international effort to stop the spread of nuclear weapons.

A disturbing aspect of U.S. nuclear assistance to non-NPT countries is the manner in which decisions to finance nuclear export sales are apparently made. Such decisions appear to be made without an adequate opportunity for full consideration of the proliferation consequences. The process in the United States apparently denies ACDA the opportunity to make its views formally known.

A case in point is the pending Export-Import Bank proposal to finance the sale of nuclear reactors to Spain, a country which has not joined the NPT.

Under the Export-Import Bank Act, the Bank is required to notify the Congress at least 25 legislative days prior to final approval of the transaction. Such notice was given to the Congress on July 18, but I am informed that ACDA was not advised of the proposal beforehand. It was only after notice was sent to the Congress that ACDA learned of the proposal and undertook a review of the matter on its own motion. By leaving ACDA out of the process, a proposal with significant potential consequences for the NPT was set in motion without benefit of advice from the agency with the greatest potential insight into its implications.

The bill which I am introducing today will help rectify this situation. By creating a presumption against assistance for nuclear exports to non-NPT countries, and by requiring that decisions to provide such assistance be made at the Presidential level, it will strengthen the NPT and restore NPT countries to the first class status which they are intended to enjoy. By requiring that all decisions to assist nuclear exports be made with full participation by ACDA, it will reduce the disturbing tendency for such decisions to be made on a purely commercial basis without adequate consideration of the full implications. By showing that the United States is fully committed to the NPT and is prepared to grant preference to those who join, it will create a powerful incentive for countries which have thus far held back to reassess their positions.

The Eximbank's proposal to finance the sale of a nuclear reactor to South Korea provides an illustration of the possibilities. Last February the Bank notified the Congress of its intent to finance a nuclear reactor sale to South Korea. At the time, South Korea was not a party to the NPT. Shortly thereafter, I introduced a resolution to defer final approval of the transaction. Four days later the Bank withdrew the notice, and eight days later the South Korea National Assembly ratified the NPT.

Evidence of congressional willingness to support the NPT may have convinced the South Koreans that the United States was serious about its commitment to the NPT. The time is again ripe for reaffirmation of that commitment and for the United States to signal clearly to the world that it stands firmly behind the goals of nonproliferation.

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

S. 2329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b)(3) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out the second sentence and inserting immediately after the third sentence the following: "No loan, guarantee, or other assistance shall be finally approved by the Board of Directors of the Bank for the export of goods, technology, or services involving or relating to nuclear energy production or research in any country which is not a party to the Treaty on the Non-Proliferation of Nuclear Weapons unless the President finds with respect to a specific transaction that the national security requires otherwise and reports such finding to the Congress at least 25 days of continuous session of the Congress prior to the date of final approval.";

(2) by adding at the end thereof the following sentence:

"For the purpose of this paragraph, continuity of a session of the Congress shall be considered as broken only by an adjournment of the Congress 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 shall be excluded in the computation of the 25 day period referred to herein."; and

(3) by inserting the designation "(A)" after "(3)", by redesignating clauses (A) and (B) as clauses (i) and (ii), respectively, and by adding at the end thereof the following subparagraph:

"(B) No loan, guarantee, or other assistance shall be finally approved by the Board of Directors of the Bank for the export of goods, technology, or services involving or relating to nuclear energy production or research unless the Bank has informed the Director of the United States Arms Control and Disarmament Agency thereof at least 50 days prior to the date of final approval."

By Mr. WILLIAMS:

S. 2331. A bill to amend section 362 of title 38, United States Code, to authorize a clothing allowance in the case of certain veterans with non-service-connected disabilities who wear prosthetic or orthopedic appliances which tend to wear out or tear the clothing of such veterans. Referred to the Committee on Veterans' Affairs.

VETERANS CLOTHING ALLOWANCE REFORM ACT

Mr. WILLIAMS. Mr. President, in the United States today are approximately 210,000 veterans who are 80 percent or more disabled as a result of injuries or diseases suffered while serving in the Armed Forces. One of the benefits extended to these men is a clothing allowance of $175 annually to compensate them for clothing wear that may result from the use of a prosthetic or orthopedic appliance or device prescribed as part of their treatment.

These veterans, however, may not receive this clothing allowance for medical conditions that the Veterans' Administration considers nonservice connected. Such a denial is inconsistent with existing Veterans' Administration policies which relate to medical services for severely disabled veterans. The bill I am introducing today would correct this inconsistency by extending the clothing allowance to veterans who suffered disabilities of 80 percent or more during their military service, but who have subsequently developed additional medical conditions requiring the use of a prosthetic or orthopedic device or appliance, which may cause excessive wear on the clothes.

Present law already affirms this Nation's obligation to furnish its severely disabled veterans with complete medical care, free of charge, for any disability or medical condition that may develop after their discharge from the service. In providing this treatment, the Veterans' Administration makes no distinction between service-connected and non-service-connected conditions.

Thus, the law recognizes that catastrophic diseases or injuries suffered in the service can significantly affect one's overall health and can be the underlying cause of subsequent disabilities that seem unrelated to the original disability. By furnishing complete medical treatment to these men for any and all disabilities, the law further recognizes that service-connected disabilities greatly compound the difficulties of severely disabled veterans in coping with accidents or injuries that may occur following discharge.

As an integral part of the treatment for severely disabled veterans, the Veterans' Administration may provide mechanical appliances or equipment without cost to veterans. By providing the

veterans clothing allowance, the law clearly acknowledges that damage to the clothes can be a direct and unavoidable consequence of this treatment. Therefore, the clothing allowance is directly related to, and, indeed, must be considered part of the complete range of medical services that the Veterans Administration provides to these men.

Yet the Veterans' Administration attempts to distinguish between service-connected and non-service-connected disabilities in determining the eligibility of severely disabled veterans for this clothing allowance, although it makes no such distinction when considering their eligibility for other medical treatment benefits. In addition, there is nothing in the legislative history which indicates why veterans who are 80 percent or more disabled because of service-related injuries or diseases should not receive the clothing allowance for additional disabilities that arise after their discharge.

The legislation that I am introducing today would involve only those who suffer from compensable diseases or injuries which render them 80 percent or more disabled. It would also apply only to those who do not already receive the clothing allowance as the result of these compensable conditions. Therefore, the total number of veterans who would be newly eligible for this benefit would be small, and the cost would be minimal.

The United States owes a great debt to its veterans. To those who have given all but their lives in the service of their country, that debt can never fully be repaid. Yet we can insure that these individuals receive the most equitable treatment possible. We can also insure that these men receive the full benefits that they deserve. I believe that this legislation is an important step toward that goal.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Kentucky (Mr. FORD) and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 5, the Federal Government in the Sunshine Act.

S. 388

At the request of Mr. CHURCH, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 388, a bill to amend titles II, VII, XVI XVIII, and XIX of the Social Security Act to provide for the administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefit checks, and for other purposes.

S. 509

At the request of Mr. STEVENS, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 509, a bill to revise retirement benefits for certain employees of the Bureau of Indian Affairs and the Indian Health Service not entitled to Indian preference, provide greater opportunity for advancement and employment of Indians, and for other purposes.

S. 848

At their own requests, the Senator from Florida (Mr. STONE) and the Senator from North Carolina (Mr. MORGAN) were added as cosponsors of S. 848, a bill to amend section 2 of the National Housing Act.

S. 1479

At the request of Mr. WILLIAMS, the Senator from Washington (Mr. MAGNUSON) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 1479, a bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers.

S. 1729

At the request of Mr. BAYH, the Senator from Colorado (Mr. HASKELL) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1729, a bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit.

S. 1906

At the request of Mr. CHURCH, the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 1906, a bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program.

S. 2006

At the request of Mr. THURMOND, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2006, a bill to amend the Internal Revenue Code of 1954 to provide that members of Reserve components of the Armed Forces who are not serving on active duty or as National Guard technicians may establish individual retirement accounts.

S. 2149

At the request of Mr. NELSON, the Senator from Colorado (Mr. HASKELL), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Hampshire (Mr. MCINTYRE) were added as cosponsors of S. 2149, a bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1975, to make permanent certain changes made by such act in the Internal Revenue Code which affect small business.

S. 2157

At the request of Mr. JAVITS, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 2157, a bill to amend title XX of the Social Security Act.

S. 2291

At the request of Mr. PELL, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 2291, a bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies.

S. 2295

At the request of Mr. CANNON, the Senator from Pensylvania (Mr. HUGH SCOTT) was added as a cosponsor of S. 2295, a bill to promote public confidence in the legislative, executive, and judicial branches of the Government of the United States.

S. 2299

At the request of Mr. ROTH, the Senator from New York (Mr. BUCKLEY) and the Senator from New Mexico (Mr. MONTOYA) were added as cosponsors of S. 2299, a bill which extends the Emergency Petroleum Allocation Act of 1973 to October 15, 1975.

SENATE RESOLUTION 240

At the request of Mr. DOLE, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of Senate Resolution 240, relating to the sale of grain to the Soviet Union.

SENATE JOINT RESOLUTION 65

At the request of Mr. INOUYE, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE JOINT RESOLUTION 124

At the request of Mr. BUCKLEY, the Senator from Maryland (Mr. BEALL), the Senator from Minnesota (Mr. MONDALE), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of Senate Joint Resolution 124, to declare German-American Day.

SENATE RESOLUTION 244—ORIGINAL RESOLUTION REPORTED RELATING TO CERTAIN REGULATIONS PROPOSED BY THE ADMINISTRATOR OF GENERAL SERVICES

(Placed on the calendar.)

Mr. RIBICOFF, from the Committee on Government Operations, reported the following original resolution:

Resolved, That pursuant to the provisions of section 104(b) of the Presidential Recordings and Materials Preservation Act (Public Law 93-526), the Senate hereby disapproves the regulations proposed by the Administrator of General Services in his report to the Senate submitted on March 19, 1975.

SENATE CONCURRENT RESOLUTION 64—SUBMISSION OF A CONCURRENT RESOLUTION APPROVING U.S. PARTICIPATION IN AN EARLY WARNING SYSTEM IN THE SINAI PENINSULA

(Referred to the Committee on Foreign Relations.)

Mr. SPARKMAN submitted the following concurrent resolution:

S. CON. RES. 64

Whereas the threat of another major outbreak of hostility in the Middle East poses

a threat to world peace and to the security and economy of the United States; and

Whereas an agreement signed on September 4, 1975 by the Government of the Arab Republic of Egypt and the Government of Israel will, when it enters into force, constitute a significant step toward a just and lasting peace in the Middle East, thereby reducing the threat to the peace and to the security and economy of the United States; and

Whereas the President of the United States on September 1, 1975 transmitted to the Government of the Arab Republic of Egypt and to the Government of Israel identical proposals for the United States participation in an early warning system, the text of which is incorporated herein, providing for the assignment of no more than 200 United States civilian personnel to carry out certain specified functions and setting forth the terms and conditions thereof; and

Whereas that proposal would permit the Government of the United States to withdraw such personnel if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary; and

Whereas entry into force of the proposal is contingent upon its approval by the Congress of the United States: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that it supports and approves the identical proposals the text of which follows; and

That the President is accordingly encouraged to take such action as may be necessary to fulfill their purposes, including the use of any statutory authority of any agency of the Government of the United States:

In connection with the early warning system referred to in Article IV of the Agreement between Egypt and Israel concluded on this date and as an integral part of that Agreement (hereafter referred to as the Basic Agreement), the United States proposes the following:

1. The early warning system to be established in accordance with Article IV in the area shown on the map attached to the Basic Agreement will be entrusted to the United States. It shall have the following elements:

A. There shall be two surveillance stations to provide strategic early warning, one operated by Egyptian and one operated by Israeli personnel. (Their locations are shown on the map attached to the Basic Agreement.) Each station shall be manned by not more than 250 technical and administrative personnel. They shall perform the functions of visual and electronic surveillance only within their stations.

B. In support of these stations, to provide tactical early warning and to verify access to them, three watch stations shall be established by the United States in the Mitla and Giddi Passes as will be shown on the map attached to the agreement. These stations shall be operated by United States civilian personnel. In support of these stations, there shall be established three unmanned electronic sensor fields at both ends of each Pass and in the general vicinity of each station and the rods leading to and from those stations.

2. The United States civilian personnel shall perform the following duties in connection with the operation and maintenance of these stations.

A. At the two surveillance stations described in paragraph 1A, above, United States personnel will verify the nature of the operations of the stations and all movements into and out of each station and will immediately report any detected divergency from its authorized role of visual and electronic surveillance to the Parties to the Basic Agreement and to the United Nations emergency force.

B. At each watch station described in paragraph 1B, above, the United States personnel will immediately report to the Parties to the Basic Agreement and to the United Nations emergency force and movement of armed forces, other than the United Nations emergency force, into either Pass and any observed preparations for such movement.

C. The total number of United States civilian personnel assigned to functions under this proposal shall not exceed 200. Only civilian personnel shall be assigned to functions under this proposal.

3. No arms shall be maintained at the stations and other facilities covered by this proposal, except for small arms required for their protection.

4. The United States personnel serving the early warning system shall be allowed to move freely within the area of the system.

5. The United States and its personnel shall be entitled to have such support facilities as are reasonably necessary to perform their functions.

6. The United States personnel shall be immune from local criminal, civil, tax and customs jurisdiction and may be accorded any other specific privileges and immunities provided for in the United Nations emergency force agreement of February 13, 1957.

7. The United States affirms that it will continue to preform the functions described above for the duration of the Basic Agreement.

8. Notwithstanding any other provision of this proposal, the United States may withdraw its personnel only if it concludes that their safety is jeopardized or that continuation of their role is no longer necessary. In the latter case the Parties to the Basic Agreement will be informed in advance in order to give them the opportunity to make alternative arrangements. If both Parties to the Basic Agreement request the United States to conclude its role under this proposal, the United States will consider such requests conclusive.

9. Technical problems including the location of the watch stations will be worked out through consultation with the United States.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF STATE AUTHORIZATIONS, 1976—S. 1517

AMENDMENT NO. 874

Mr. CULVER (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by them jointly 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.

DIEGO GARCIA INHABITANTS REPORT

Mr. CULVER. Mr. President, the Diego Garcia issue is still with us. Just this week, press reports brought to our attention previously secret information about people who used to live on that tiny island.

So that the Congress can get the full story on this matter, without delay, and before we act on the Diego Garcia appropriation, I am today submitting an amendment which I intend to offer to the State Department authorization bill, S. 1517.

This amendment would require a report by the President not later than November 1 of this year, detailing the history of U.S. Government agreements, commitments, financial arrangements, understandings, and other relevant communications concerning the people who used to inhabit Diego Garcia. In addition, the amendment requests a judgment on the current status of any U.S. Government obligations to these people, or proposed efforts to assist them.

Throughout the Diego Garcia debate, administration witnesses assured the Congress that this island was uninhabited and had no indigenous population. This was said to be part of its appeal as a base location since there would be no problems with the local population.

Now, it turns out, those statements were at best misleading, and were technically true only because of the prior eviction of the local inhabitants.

In fact, when the British Government agreed to let the United States lease Diego Garcia for military purposes, there were over 1,200 people living and working on this small island. Many families had been there for several generations, but they were forced to resettle in Mauritius, where they now live, apparently disgruntled and impoverished.

It is not clear that the U.S. Congress was ever told about these people, or about their eviction after the Navy acquired base rights.

The pleas of these people for assistance adds a new element, and a potential irritant, to our Indian Ocean policy. Before this becomes a contentious issue, we need to know the facts.

We need to know precisely how and why and to what extent the United States was involved in this resettlement effort.

Did we demand that these people be removed so that our base could be built?

Did we subsidize the relocation, either directly or indirectly?

Have we fulfilled all of our obligations to these people, or are they likely to seek further assistance from us?

Why was the Congress not fully informed of the plight facing these people?

My staff, and others, have made numerous attempts to get the answers to these questions from various officials. But the responses so far have been incomplete and at times contradictory.

In order that the Congress can learn the whole story about this matter, I believe that legislation mandating a report is necessary.

Mr. President, I ask unanimous consent that the text of my amendment, as well as two newspaper articles on this matter, be printed in the RECORD.

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

AMENDMENT NO. 874

On page 50, after line 26, add a new subsection (c) to section 455:

(c) Not later than November 1, 1975, the President shall transmit a detailed report to the Speaker of the House of Representatives and to the President of the Senate with respect to—

(1) the history of all United States Government agreements, commitments, and financial arrangements regarding persons who inhabited, or were native to, the island of Diego Garcia prior to 1972;

(2) the history of any other United States requests, understandings, and relevant communications with the Governments of the United Kingdom, or Mauritius, or the inhabitants of Diego Garcia themselves concerning these persons; and

(3) the current status of any United States Government obligation to, proposed efforts to assist, or estimated cost of assistance for, these persons.

[From the Washington Post, Sept. 9, 1975]

ISLANDERS WERE EVICTED FOR U.S. BASE

(By David B. Ottaway)

PORT LOUIS, MAURITIUS, September 8.—More than a thousand inhabitants of the Indian Ocean island of Diego Garcia, which the Pentagon told Congress was virtually uninhabited, were forcibly removed before 1972 to make way for a controversial American naval base there.

The islanders are now living in abject poverty here in Mauritius, more than a thousand miles away, and have been petitioning the British and American embassies as well as the Mauritian government for help. But Washington has rejected all responsibility for their plight, and London has placed the onus on Mauritius, which already faces serious economic problems.

Diego Garcia and other islands in the Chagos group, 1,000 miles south of India's southern tip, were part of the British colony of Mauritius before Mauritius became independent.

Britain leased Diego Garcia to the United States in 1966, and the Defense Department now plans to expand its naval and air base facilities there. The proposal has aroused controversy in Congress and elsewhere because of its implications for an enlarged U.S. military presence in the Indian Ocean.

Britain gave the Mauritian government about $1.4 million in 1972 to provide housing, social services and other resettlement assistance for the displaced Diego Garcians, but they say little of this money ever reached them.

One American relief organization attempted in 1972 to raise the issue of United States "co-responsibility" for the fate of the Diego Garcians, but the State Department replied that their problems are strictly the concern of Britain and Mauritius, and not in any way those of the United States.

The organization has thus been obliged to try to help the Diego Garcians without assistance from the U.S. government.

Almost nothing has been written, outside Mauritius itself, about the fate of the island's hapless residents. The few Western press reports that have touched on the former inhabitants have generally described them as "transient laborers" from Mauritius numbering only a few hundred.

But interviews here with several dozen Diego Garcians and others familiar with their plight revealed that there were once more than 300 families—between 1,200 and 1,400 people—living on Diego Garcia and two neighboring islets, many of them third- and even fourth-generation inhabitants.

Almost a decade ago, Britain began quietly evacuating the islanders to make way for future British and American naval, air and communications facilities, and the last Diego Garcians were ordered off the island by late 1971.

This allowed the Pentagon to tell Congress during the heated debate over the base that Diego Garcia was virtually uninhabitated and that creation of the base would not cause any indegenous political problems.

But one old man, who said he was part of the final evacuation, recalled being told by an unidentified American official: "If you don't leave you won't be fed any longer."

And the plight of the Diego Garcians is a political issue in Mauritius, where opposition groups charge that the transplanted population has been neglected and uncompensated for its losses.

In the last year, the Diego Garcians have organized and have asked Britain and the United States to press the Mauritian government to provide them with housing, land, jobs and other facilities to start a new life.

About six months ago, they drew up a formal petition and presented it to the British embassy, with copies delivered to the American embassy, Mauritian Prime Minister Seewoosagur Ramgoolam, and several opposition leaders. They also discussed their plight with U.S. embassy officials on several occasions.

[A spokesman for the State Department in Washington said that he was not aware of any petition and that the department is not considering any action "at this time." A British Embassy spokesman said the embassy here "has no knowledge" of the situation. He noted that if such an approach had been made in Mauritius, the matter would normally be taken up with the Commonwealth office in London.]

The petition is primarily a plea for help, but it also expresses the Diego Garcians' feelings about being summarily tossed off their island to make way for a military base.

"We the inhabitants of the Chagos Islands—Diego Garcia, Peros Banhos and Salomon—have been uprooted from those islands because the Mauritian government sold the islands to the British government to build a base," the petition begins.

"Our ancestors were slaves on those islands, but we know that we are the heirs of those islands. Although we were poor there, we were not dying of hunger. We were living free . . . Here in Mauritius when animals are debarked, an enclosure with water and grass is prepared for them. But we, being mini-slaves, we don't get anybody to help us. We are at a loss, not knowing what to do."

The document goes on to ask for a meeting with British embassy officials to explain their problems in detail.

"We (want to) let the British government know how many people have died through sorrow, poverty, and lack of food and care," it says. "We have at least 40 persons who have died."

It ends with an appeal to Britain to get the Mauritian government to provide them with plots of land, a house for each family and jobs, and says that if these facilities are not forthcoming, "It is preferable that we be sent back to our islands."

But the British reportedly told the islanders to address their petition to the Mauritian government, and the Diego Garcians are still waiting for assistance from some quarter while struggling to survive as best they can.

The conditions under which the islanders left Diego Garcia and their present difficulties were detailed by some of the former inhabitants in interviews at several of their homes in Roche Bois, suburb of Port Louis, where many of them now live.

One of the principal leaders is Christian Ramdas, 41, who was born on the island as were his parents, grandmother and most of his children. He said he went on vacation to Mauritius in 1965 shortly after Diego Garcia and the other islands in the Chagos group were formally split off from Mauritius to form part of the separate British Indian Ocean Territory, and was not allowed to return.

The three islands' former inhabitants, who are mostly Indo-Mauritian and speak a French dialect, originally went to the Chagos as workers on coconut plantations owned by Mauritians or by companies based on the British Seychelles Islands.

Working conditions on the Chagos Islands appear to have been close to those of slavery. The plantation workers were given food, housing and the equivalent of about $4 a month to buy clothes, tea and coffee from the company store.

Yet there was apparently a certain security on Diego Garcia which they obviously miss here on Mauritius.

"The life was easy, very easy," according to Ramdas.

"We had animals and raised chickens," said a young woman who has found work here as a maid. "We could fish off the island and we didn't need a lot of clothes."

On Mauritius, the Diego Garcians seem lost souls, living for the first time in a money economy where rent, food and clothing are priced far above their meager incomes and where they are either unsuited for the available jobs or discriminated against by employers who favor local Mauritians.

Although they apparently got along on about $4 a month in the Chagos, they say a family can hardly make ends meet on Mauritius with $65 a month.

A recent private survey of the Diego Garcians found that only 17 per cent of family heads had full-time jobs, 33 per cent were unemployed and 50 per cent worked part time.

Unskilled and uneducated, most "ilois" (French for islanders), as the Diego Garcians are called here, seem doomed to find only menial jobs, unless the local government undertakes some kind of special retraining program for them.

A Mauritian government spokesman said that two plots of land had been bought for housing sites but that the Diego Garcians themselves had rejected the idea of living in separate cities and wanted individual homes in locations of their own choosing.

Some of the men, such as Ramdas, would like to return to Diego Garcia to work on the American base and look after the church and cemetery where their relatives are buried. "We asked the U.S. Embassy to allow some of us to go back there, but there has been no reply," Ramdas said.

In the first British-American agreement concerning Diego Garcia, signed in December 1966, some consideration was given to employing "workers from Mauritius and Seychelles to the maximum extent practicable consistent with United States policies, requirements and schedules." But no specific mention was made of taking on the former inhabitants as workers.

[From the Washington Post, Sept. 10, 1975]

BRITAIN SAYS ISLANDERS WERE MOVED

(By Edward D. Nossiter)

LONDON.—The British government tonight acknowledged that it had emptied Diego Garcia of people in 1965 by closing down the island's chief source of employment, a copra processing plant.

A Foreign Officer spokesman confirmed that about 1,000 islanders were induced to leave to convert Diego Garcia into a naval base, as reported to The Washington Post yesterday. The Indian Ocean island currently houses a British-American communications center, a move that caused heated debate and controversy before gaining congressional approval.

Officials here stressed that Britain gave Mauritius, where the Diego Garcians were forced to go, about $1.4 million to resettle the refugees. There was no indication, however, that London made any attempt to learn how the money was spent or what had happened to the islanders.

The Diego Garcians on Mauritius are living in poverty and suffer a high rate of unemployment. Officials were unable to comment on the Post's report that islanders now in Mauritius had been forbidden to return to their former homes.

The British government is reluctant to describe its measures as "forced evacuation." That, a spokesman said, was a matter of interpretation. He perferred to say that the islanders felt they had no option because there was no work.

A private company, it was explained, had been running the copra plant until 1965. The British government then bought the plant to make way for the base. Officials observed that the factory needed extensive investment, but did not claim that the decision to shut down the plant was made on economic grounds primarily.

The spokesman observed that the Mauritius government had accepted the $1.4 million as a full and final discharge of Britain's obligation to the displaced islanders. The Diego

Garcians say they have seen little of this money.

Mr. KENNEDY. Mr. President, I am pleased to cosponsor the amendment offered by the distinguished Senator from Iowa.

I am deeply disturbed by reports that the United States, in cooperation with the British Government, evicted between 1,200 and 1,400 people from the island of Diego Garcia, to make way for the development of naval and other military facilities there. This is a serious charge, and if these reports are substantiated, it is clear that our Government has acted with a lack of human sensitivity. Furthermore, if it is also true that the administration has consistently refused any responsibility for the plight of these people, who are reportedly now living in poverty, the insult is compounded.

During the Senate debate this summer on whether to proceed with expansion of military and naval facilities on Diego Garcia, we were told that the island was uninhabited. For example, Gen. George S. Brown, Chairman of the Joint Chiefs of Staff, testified before the Senate Armed Services Committee on June 10, 1975, that Diego Garcia was "an unpopulated speck of land." But if this claim was based on the actions reported in the Washington Post yesterday, then the administration was clearly misrepresenting the case.

Mr. President, I believe that the seriousness of the charges made in the press warrant a reopening of the entire issue of the American base at Diego Garcia. If these reports are true, serious issues of executive-legislative relations are involved—issues that can only be resolved by the Congress demanding the true facts in this case.

AMENDMENT NO. 875

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

Mr. HARRY F. BYRD, JR. (for himself and Mr. HELMS) submitted an amendment intended to be proposed by them jointly to the bill (S. 1517), the State Department authorization bill.

Mr. HARRY F. BYRD, JR. Mr. President, this amendment would eliminate a section in S. 1517 which would establish a new program for the United Nations.

The section which I propose to eliminate carries a $25 million contribution to the creation of a United Nations University.

I think this is something that the Senate would want to consider very carefully before helping to underwrite a new project for the United Nations.

The total cost to the American taxpayers for this past year, insofar as the United Nations activities are concerned, totaled more than $400 million.

NOTICE OF HEARINGS ON OUR NATION'S SCHOOLS: SCHOOL VIOLENCE AND VANDALISM

Mr. BAYH. Mr. President, I wish to announce that the Subcommittee to Investigate Juvenile Delinquency, Committee on the Judiciary will resume hearings on the problems of school violence and vandalism. The subcommittee has been conducting an inquiry into these problems for the past 2 years. The preliminary findings of our national survey indicate the incidence of violence and vandalism in our Nation's public school system has reached critical proportions. Earlier hearings include testimony from faculty, students, and administrative personnel on this growing problem. The purpose of this hearing is to address the issues of student rights and parental involvement in the school systems. This is the third day in the series of hearings by the subcommittee on this topic.

The hearing is scheduled to be held on Wednesday, September 17, 1975 at 10 a.m. in room 2228, Dirksen Office Building. Witnesses invited to testify include representatives of groups familiar with educational problems—the Children's Defense Fund, Cambridge, Mass.; the National Committee for Citizens in Education, Columbia, Md.; the National Congress of Parents and Teachers, Chicago, Ill.; and the American Civil Liberties Union, New York, N.Y.

Anyone interested in the subcommittee investigation or desiring to submit a statement for the record should contact John M. Rector, staff director and chief counsel of the subcommittee, U.S. Senate, A504, Washington, D.C. 20510 (202—224-2951).

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs, will hold a 3-day hearing—September 22, 23, and 25, 1975, on mortgage credit.

The purpose of the 3-day hearing is to receive testimony on residential mortgage credit needs of the Nation for the period 1975 to 1980; whether our existing financial system is adequate to meet these needs, and what changes need to be made in Federal laws or regulations to insure adequate mortgage credit flows for the future.

The hearing will be held in room 5302, Dirksen Senate Office Building, and will begin at 10 a.m. each morning.

NOTICE OF HEARINGS ON LEGISLATION REGARDING THE GAO

Mr. METCALF. Mr. President, on Thursday, October 2, the Subcommittee on Reports, Accounting, and Management will conduct hearings on legislation regarding the General Accounting Office.

One of the bills which we shall consider is S. 2268, the General Accounting Office Act of 1975. Title 1 of S. 2268 would amend the Budget and Accounting Act to provide the Comptroller General procedural remedies through court action to prevent the obligation or expenditure of funds in what he has reasonable cause to believe would be an illegal manner. Title 2 and title 3 deal with enforcement of access to records of non-Federal persons and organizations and Federal departments and establishments, including authority to issue subpenas. Title 4 authorizes the Comptroller General to study profits of Government contractors and subcontractors whose Government business exceeds $1 million.

S. 2268 was drafted and proposed by the General Accounting Office. Chairman RIBICOFF and Senator PERCY cosponsored the bill with me. Similar legislation, S. 3014, was before the 93d Congress, along with S. 3013, the General Accounting Office Act of 1974, which is now Public Law 93-604, and S. 2049, an omnibus bill, which was subsequently separated into S. 3013 and S. 3014.

The subcommittee will also receive testimony on S. 2206. It is my bill which provides for the appointment of the Comptroller General and Deputy Comptroller General by the Speaker of the House and the President pro tempore of the Senate, after considering recommendations from the Senate and House Committees on Government Operations. Each would serve a 7-year term. No person would be eligible for reappointment to either office if he has served in either capacity for more than 9 years. Either could be removed from office by the Senate or the House, by resolution.

The CONGRESSIONAL RECORD of July 29 includes, beginning on 25608, my introductory statement regarding S. 2206 and S. 2205, which provides for congressional selection of the Architect of the Capitol, the Librarian of Congress and the Public Printer. S. 2205 is before the Senate Rules Committee.

The hearings on S. 2268 and S. 2206 will begin at 10 a.m., on October 2, in 3302 Dirksen Senate Office Building. Interested Members of Congress and Comptroller General Staats will testify. A hearing will be scheduled at a later date for other persons who wish to testify on either or both of these bills.

Prospective witnesses, or those interested in submitting statements for the record, should communicate with the subcommittee staff, 161 Russell Senate Office Building, 224-1474—majority—or room A-602 Immigration Building, 224-1480—minority.

NOTICE OF HEARINGS ON INDEPENDENT RESEARCH AND DEVELOPMENT

Mr. McINTYRE. Mr. President, bebinning September 17, 1975, at 2 p.m., and continuing on September 24 and 29, open hearings will be held jointly by the Research and Development Subcommittee of the Armed Services Committee and the Priorities and Economy in Government Subcommittee of the Joint Economic Committee on the subject of independent research and development.

The purpose of these hearings is to examine the results of a 2-year study by the General Accounting Office, of parallel studies by DOD, other Government agencies and industry, which will provide the basis for any appropriate legislative action deemed necessary, including possible changes to the existing provisions of section 203, Public Law 91-441.

These hearings will involve appearances by the Comptroller General, the Cost Accounting Standards Board, the Department of Defense, the National Aeronautics and Space Administration, the Energy Research and Development Administration, the Office of Federal Procurement Policy, several industry associations, and other expert witnesses. These hearings will be held in room 1114, Dirksen Senate Office Building.

NOTICE OF HEARINGS ON SMALL BUSINESS TAX REFORM, SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business will conduct public hearings on the business tax structure as it affects smaller and independent enterprise on September 23–25. The sessions are scheduled to take place in the Finance Committee hearing room, 2227 Dirksen Senate Office Building, beginning at 9:30 a.m. each day. Earlier hearings on this subject were held on June 17–19, and an additional session relating to estate and gift tax problems of small businessmen was conducted on August 26.

Copies of the June hearings record and testimony, making recommendations to the House Ways and Means Committee on tax reform in the nature of a preliminary report on the study of these matters, is available through the Small Business Committee office, suite 424, Russell Senate Office Building. Further details as to the September hearings may also be obtained from this office.

ADDITIONAL STATEMENTS

DIRKSEN RESEARCH CENTER DEDICATED IN PEKIN, ILL.

Mr. HRUSKA. Mr. President, it was a distinct honor for me to be present at the dedication on August 19 of the Everett McKinley Dirksen Congressional Leadership Research Center in Pekin, Ill.

This magnificent center of learning will be a fitting memorial to our late and beloved colleague—Senator Dirksen. It contains Senator Dirksen's papers and mementoes from his long and illustrious career in the Congress. Students and scholars will benefit from this valuable information in the years ahead because of the forethought of Senate Dirksen.

President Ford was the speaker at the dedication ceremonies in Senator Dirksen's home town. The President eloquently recalled how successful Senator Dirksen was in his role as minority leader of the U.S. Senate:

> He was a power to be reckoned with, and he did it not by the numbers of his minority but by sheer power of his unique personality, his persuasiveness, his profound gift for friendship, and his consummate legislative skill.

Senator Dirksen was a dear friend of mine. Rabbi Sol Rosenberg of Mission Hills, Calif., also was his friend. At the dedication of the center, Rabbi Rosenberg, in his invocation, had this to say about Senator Dirksen:

> A true son of the Land of Lincoln, Senator Dirksen contributed his rare gifts of spiritual resolution and the political art in the service of the republic, both in the House of Representatives and the Senate. Although he remained the faithful, eloquent tribune of his constituency in his home State of Illinois, Senator Dirksen sustained in his public advocacy a prudent balance between meeting the needs of his state and responding to the ultimate concerns of all Americans.

Mr. President, I ask unanimous consent that the remarks of President Ford, the invocation of Rabbi Rosenberg and newspaper accounts of the events in Pekin, on August 19, 1975, be printed in the RECORD.

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

EVERETT MCKINLEY DIRKSEN CONGRESSIONAL LEADERSHIP RESEARCH CENTER

(The President's Remarks at the Dedication of the Center in Pekin, Illinois, August 19, 1975)

Thank you very much, Howard Baker, my dear friend Louella, Senator Chuck Percy, Senator Jennings Randolph, Senator Roman Hruska, Governor Walker, my very good and dear friend, Charlie Halleck, and, of course, my long time friend and great helper, Les Arends, Mayor Waldmeier, distinguished guests, ladies and gentlemen:

As one of the many, many Americans who knew and loved Everett Dirksen, obviously I am pleased to be in his hometown for the dedication of this great building in his honor.

I wanted to be here in a very special capacity, not as President of the United States, not as a former President of the United States Senate, but as the spokesman for a very exclusive fraternity—minority leaders of the House of Representatives and the United States Senate.

How delighted Ev would be that the dedication coincided with your third annual Marigold Festival. This city really looks beautiful today with so many thousands of Ev's favorite flowers in bloom.

And as I said a moment ago, I did want to be here representing minority leaders. Unfortunately, as Charlie Halleck and I both know, our fraternity has been overwhelmingly Republican in recent years, though we keep trying to recruit more Democrats every day. [*Laughter*]

We take some comfort, however, in the obvious fact that leading the minority in the House or the Senate is a much more demanding job than leading the majority. And, if ever a minority leader could be said to dominate either body, the House or the Senate, that man was Everett Dirksen.

He was a power to be reckoned with, and he did it not by the numbers of his minority but by the sheer power of his unique personality, his persuasiveness, his profound gift for friendship, and his consummate legislative skill.

When I was elected minority leader in January of 1965 for the House of Representatives, Ev Dirksen was already the sage and the seasoned minority leader of the United States Senate. I was the new boy, but he never put me down. Instead, he took me in.

I met almost every day and sometimes oftener with the master, and he taught me the trade. He knew as much about the House as I did, and, of course, he knew everything about the United States Senate. He knew every wheel and every cog that makes the Congress tick. And he knew a thing or two about some Presidents.

In our relationship, I was the spear carrier, and, I must say, we used to aim some sharp ones in the direction of the then occupant of the White House. But Ev's were always softened with a chuckle. And I suspect he was much more effective.

Every couple of weeks, as has been noted by Louella, we would hold a two-headed press conference that became known as the "Ev and Jerry Show." It really should have been known as "Dirksen and Company"—[*Laughter*]—the "Dirksen and Company Show"—because it is obvious, you know, who was the star.

It seems that some of the legacy of homespun humor, left in this part of Illinois by Abraham Lincoln, was reborn in Everett Dirksen. He had a little quip or he had a little story for each and every occasion, regardless of the circumstances.

He was the only politician I have ever known who could walk into a press conference like the prophet Daniel and walk out leaving the lions all purring and without a scratch on him. Isn't that right? [*Laughter*]

I learned an awful lot from Ev, and it's only fitting that others should learn from him also. The Dirksen Research Center, with mementos and papers from his long and productive career, will enable generations of students to learn more about the United States Congress and how it works.

The Senator believed, as you all know, the opportunities to examine the papers and documents of top legislators were far too limited. He had an idea for a research center long before his death. And I agreed with him, as I think most of the Members of the House and Senate would, that the study of the Congress has been far too long neglected.

Ev knew every piece of legislation, and he knew that every piece of legislation could have a lasting imprint on our society and this country. He believed more historical attention should be given to the drafting and the approval of Federal legislation. With the Dirksen papers and those of other Congressional leaders, this great center will give students in many universities and colleges in this area a very special viewpoint on American history.

One of the most fascinating areas of study in the Dirksen papers will be to trace just how influential a single dedicated man can be. His career spanned almost four decades and six Presidents. From the very first of the hundred days of President Franklin D. Roosevelt to Ev's eventful 10 years of service as minority leader in the Senate, Senator Dirksen participated rigorously in the enormous social and political changes of those years.

I have sometimes wondered whether Ev Dirksen ever regretted that he promised his mother not to pursue a career on the stage. [*Laughter*] But he got around it by playing a much larger stage, and we were lucky to have been in his company.

I think it's wonderful that the tapes of Senator Dirksen's speeches will be available to students, because his voice, as well as his presence, were part of his political magic.

The person who knew and loved him best, Louella, his wife and partner for 42 years, wrote this of Ev, and I quote: "My husband loved life. It seemed to love him also. He was awed by the beauty of the flower and the spoken word. He could cultivate them as no other man could. His flowers continue to grow. His words still echo."

I was looking through some of my old files for some of Ev Dirksen's words from the "Ev and Jerry Show" that perhaps I might include in my remarks here this afternoon. I thought maybe I could find one of his hilarious stories about his adventures as an Army balloonist in World War I or some other particularly funny observation.

Instead, I found a comment which Ev said he had pounded out on his trusty portable because he was in a special philosophical mood. It was in 1968, a few days after the assassination of Senator Robert Kennedy. There were riots and violence all across the land.

Senator Dirksen wrote this, and I think it is appropriate at this time:

The time has come to rethink our history. It should have emphasis in every school, church, and forum in the land. The legacy which is ours came from those who were here before us. Into this land they built their skills and talents, their hopes, their dreams, their tears, and their sacrifices. Today, we are the trustees of America. Upon us is a two-fold duty. The one is to those who came before us and gave us this land for our inheritance. The other is to those who shall come after us. Perhaps—as Ev Dirksen said it—three words can state the whole case—dedication, discipline, and duty.

I know that those words, spoken only as Ev Dirksen could, are somewhere in this edifice, reminding Americans of their continuing need for dedication, discipline, and duty.

Yes, Louella, his words still echo.

Thank you very much.

NOTE: The President spoke at 3:26 p.m. at the Everett McKinley Dirksen Congressional

Leadership Research Center, a wing of the Pekin, Illinois, Public Library.

INVOCATION AT THE DEDICATION OF THE EVERETT M. DIRKSEN CONGRESSIONAL LEADERSHIP RESEARCH CENTER, PEKIN, ILL., AUGUST 19, 1975

(By Rabbi Sol Rosenberg)

As we humbly petition the blessings of the Almighty, let us now praise the life of a famous man in whose lasting memory we have gathered this day.

Lord, it is fitting that we dedicate the Congressional Leadership Research Center, bearing the name of a distinguished American, in the year of the Bicentennial observance of our nation's independence; for the late Senator Everett M. Dirksen was a sovereign spirit who perpetually celebrated the history and meaning of our country's manifest purpose and free institutions throughout his long career.

A true son of the Land of Lincoln, Senator Dirksen contributed his rare gifts of spiritual resolution and the political art in the service of the republic, both in the House of Representatives and the Senate. Although he remained the faithful, eloquent tribune of his constituency in his home State of Illinois, Senator Dirksen sustained in his public advocacy a prudent balance between meeting the needs of his state and responding to the ultimate concerns of all Americans.

As a master of political discourse, he always subjected the partisanship of his party to the governance of the general welfare of all our countrymen. The trusted advisor and confidant of presidents, and a peerless leader in Congress for almost his entire adult lifetime, Senator Dirksen shunned the apocalyptic visions of modern doomsday prophets. He countered their prefigurations of political and social upheaval with a buoyant confidence and faith in the ability of free men and women to solve the host of problems which increasingly perplex and discomfit so much humanity today.

As for me, Oh Lord, I cherish the strong bonds of friendship and association with the Senator and Mrs. Dirksen, which remain steadfast over much of my lifetime, and which inspired in me, a child of the old world, a deep understanding, love and respect for the land of my adoption.

Heavenly Father, as we his friends, associates and fellow citizens now begin these ceremonies of dedication, we pray that this repository of Senator Dirksen's works and thought will bring knowledge, clarity and inspiration to the many students, scholars and citizens who will be drawn to this rich resource of Americana in the years to come.

We invoke Thy manifold blessings and grace, Oh Lord, upon Mrs. Dirksen and her beloved family, and upon the President of the United States." Amen.

[From the Peoria (Ill.) Journal Star, Aug. 20, 1975]

PRESIDENT PAYS TRIBUTE TO HIS TEACHER, DIRKSEN

(By Jerry McDowell)

PEKIN.—The President of the United States came here yesterday to pay tribute to the man who broke him in as minority leader of the U.S. House of Representatives 10 years ago.

Gerald R. Ford delivered a 12-minute speech to an enthusiastic crowd of about 10,000 and dedicated the Everett McKinley Dirksen Congressional Leadership Research Center.

During a lighter moment on a tour of the library after his speech, Ford said the name of the center was in keeping with Dirksen's style "to say something in seven words rather than two."

Ford arrived at the speakers platform at 3:15 p.m. after grabbing outstretched hands along a barricaded route to the dedication site and sat between Dirksen's widow, Louella, and his son-in-law, Sen. Howard Baker.

"When I was elected minority leader of the House in 1965, Ev Dirksen was already the sage and seasoned minority leader of the Senate," Ford said.

"I was the new boy, but he never put me down. Instead he took me in.

"I met almost every day and sometimes oftener with the master and he taught me the trade," Ford said. "He knew as much about the House as I did, and everything about the Senate. He knew every wheel and cog that makes the Congress tick. And he knew a thing or two about presidents."

His speech was interrupted by applause twice, the loudest when Ford spoke of the relation Dirksen developed with the press.

"It seems that some of the legacy of homespun humor left in this part of Illinois by Abraham Lincoln was reborn in Everett Dirksen. He had a little quip or story for every occasion, regardless of the circumstances.

"He was the only politician I have ever known who could walk into a press conference like the prophet Daniel and walk out leaving the lions all purring and without a scratch on him."

Ford, the second President to come here in just over two years to praise "Mr. Marigold," did not stray noticeably from his prepared speech text.

Former President Richard Nixon was here on June 15, 1973, to unveil the cornerstone for the new library.

Ford said he learned a lot from Dirksen "and it is only fitting that others should learn from him also" at the library.

"The Dirksen Research Center, with mementoes and papers from his long and productive career, will enable generations of students to learn more about how the U.S. Congress works.

"The senator believed the opportunities to examine the papers and documents of top legislators were too limited. He had the idea for a research center long before his death. I agreed with him then that study of the Congress had been neglected.

"Ev knew how a single piece of legislation could have a lasting imprint on our society. He believed more historical attention should be given to the drafting and approval of federal legislation. With the Dirksen papers and those of other congressional leaders, this center will give students in the many universities and colleges in this area a special viewpoint on American history."

The first floor of the center was open yesterday with the first official tour given President Ford by the building architect, John Hackler.

The upstairs, archives section of the library, however, will not be available to the public for up to four years, after about 4,000 cubic feet of Dirksen papers are catalogued and referenced.

The president was introduced by Dirksen's son-in-law.

"We are here to dedicate not a memorial to Everett Dirksen, but rather a further evidence of a symbol of his realism and an understanding of his belief of the importance of the three departments of government," Sen. Baker said.

He said the crowd had gathered on the warm, sunny afternoon, "not for the past and not for sentimentality, but for the future utility of other generations a place to study and reflect on the greatness of the congressional leadership in the Congress of the United States."

Mrs. Dirksen also spoke briefly at the site, which local officials estimated would hold a crowd of about 10,000.

"This research center was scarcely more than a dream to Everett Dirksen in those days," she said. "Today it is a dream come true for him, for me and for all of you who have given so generously.

"It is a unique edifice in that it is a congressional research center and the only one of its kind in the country," she said.

"Many of us will not be here in years to come to see the tourists as they visit the center and to see how necessary it will become to the young people of this nation.

"I know they will read and work in it and they will get an insight into their Congress and its leaders and it will make them want to become leaders in their own right."

Also on the speaker's platform with the President were Sen. Charles Percy, Sen. Jennings Randolph of West Virginia, who was sworn into the Congress in 1933, the same year as Dirksen; Sen. Roman Hruska of Nebraska; Charles Halleck of Indiana, who was on the "Ev and Charley" show with Dirksen before it became the "Ev and Jerry Show" with Gerald Ford, Tom Dirksen, the senator's twin brother; Rep. Les Arends, former congressman from Illinois; Governor Daniel Walker; Pekin Mayor William Waldmeier; Rabbi Sol Rosenberg, who gave the invocation, Rev. James White of Pekin, who gave the benediction; John Gay, master of ceremonies and director of the dedication; Josephine Jubain, president of the Pekin Public Library Board; members of the Dirksen Library Board; and Karen Geier of Pekin, Marigold Queen.

Ford said tapes of Dirksen's speeches, which will be located at the library, will be good examples of the "political magic" he possessed.

"I was looking through my old files of some of his words from the 'Ev and Jerry show', that I could include in these remarks," the President said.

"I thought maybe I could find one of his hilarious stories about his adventure as an Army balloonist in World War I or a particularly funny joke.

"Instead, I found a comment which Ev said he had pounded out on his trusty portable because he was in a philosophical mood. It was in 1968, a few days after the assassination of Senator Robert Kennedy. There were riots and violence all across the land.

"Senator Dirksen wrote this and I think it's appropriate at this time: 'The time has come to rethink our history. It should have emphasis in every school, church and forum in the land. The legacy which is ours came from those who were here before us. Into this land they built their skills and talents, their hopes and dreams, their tears and sacrifices. Today we are the trustees of America. Upon us is a two-fold duty. The one is to those who came before us and gave us this land for our inheritance. The other is to those who shall come after us'."

He continued, "Perhaps three words can state the whole case—dedication, discipline and duty.

"I know that those words, spoken as only Ev Dirksen could, are somewhere in this edifice, reminding Americans of their continued need for dedication, discipline, and duty.

"Yes, Louella, his words still echo."

Ford said he was here "in a special capacity; not as a President of the United States, not as a former president of the United States Senate, but as the spokesman for a very exclusive fraternity—minority leaders of the United States Congress.

"Unfortunately, our fraternity has been overwhelmingly Republican in recent years, though we keep trying to recruit more Democrats every day. We take comfort in the obvious fact that leading the minority in the House or Senate is a much more demanding job than leading the majority.

"And if ever a majority leader could be said to dominate either body, that man was Senator Dirksen.

"He was a power to be reckoned with, and he did it not by the numbers of his minority, but by the sheer power of his unique personality, his persuasiveness and profound gift

for friendship, and his consummate legislative skill."

After a brief tour of the library, the President went back and forth across Fourth St. to shake hands with spectators, to the dismay of Secret Service agents surrounding him.

It was his third official visit here. The first was to attend funeral services for the late senator in Glendale Memorial Gardens on Sept. 11, 1969. He also addressed an annual Lincoln Day banquet on Feb. 12, 1972.

[From the Peoria (Ill.) Journal Star, Aug. 20, 1975]

PRESIDENT PROBABLY FELT AT HOME

(By Steve Strahler)

"It's the quality of the ordinary, the straight, the square that accounts for the great stability and success of our nation. It's a quality to be proud of. But it's a quality that many people seem to have neglected."—Gerald R. Ford, Jan. 28, 1974.

PEKIN.—President Ford probably felt pretty much at home here yesterday.

A lot of square and ordinary people—possibly 10,000 of them—turned out yesterday afternoon to welcome him to the dedication of the Dirksen Congressional Leadership Research Library.

"It's a Saturday Evening Post cover," said UPI White House correspondent Helen Thomas, scanning the overflow crowd as if it were a Norman Rockwell portrait. "I like it very much. It's a sentimental journey."

It was a sentimental journey for Mr. Ford who came to honor the memory of the man who he said taught him the diplomatic skills of minority leadership.

Dirksen, in the Senate, and Ford, in the House, shared leadership of their congressional party from 1965 until Dirksen's death in 1969.

The President was flanked on the platform by Mrs. Louella Dirksen, the senator's widow, and Sen. Howard Baker, R-Tenn., Dirksen's son-in-law. Also present was Charles A. Halleck of Indiana, whom Ford unseated as minority leader in 1965, and described yesterday as "my good and very dear friend."

For these friends, Gov. Daniel Walker and Sen. Charles Percy, R-Ill., took second-row seats.

Ford's presence, however, honored more than Dirksen's memory.

"It was quite a thrill. I'm not gonna wash my hand for a week," said Mrs. Reba Klein of 804 Chestnut, who, at 67, said Ford was the first President she has touched.

"It's a tremenous feeling," said Mrs. John J. Ruschmeyer of 805 Bacon, another recipient of a presidential handshake. "This is the only country it can be done. It's a great honor to be able to respect and honor the President. It's a rare privilege."

As Ford left the library after a 10-minute tour, Mrs. Gloria Cox of 106 Twin Lakes Dr., North Pekin, jumped up and down and shrieked as he neared.

Excitement had rippled through the crowd lining Margaret and Fourth streets as the motorcade was first sighted after crossing the Pekin Bridge about 3 p.m.

"Oh, here he comes. It's him," said persons in the sun-drenched crowd, momentarily forgetting the 80-degree temperatures and high humidity, when Ford stood up through an opening in the limousine's roof and waved.

Seated next to Ford was Mrs. Dirksen.

Applause, growing louder as the crowd thickened along Fourth St., followed the auto along the eight-block route.

The motorcade was led by a Peoria police car, followed by two state police cars, all containing Secret Service agents. Then came the presidential limousine, as a police helicopter hovered overhead.

About a half-hour before Ford arrived, Pekin police conducted a search of a vacant building west of The Union Store at 357 Court.

"We thought we saw somebody up there," said Sgt. Robert Copelen as police broke down the back door, visible from the motorcade route. The search was futile.

When Ford stepped out of the car at Fourth and Broadway, greeters, restrained by barrel-supported ropes, surged forward with outstretched arms.

As he walked down the 10-foot-wide corridor, shaking hands, Ford's deeply-tanned face was streaming with perspiration.

"I wish I could have been closer," complained Kim Frazier of Pekin.

"This is the heartland of America—a great reception for a great man," said John Henry Altorfer of 7406 N. Edgewild Dr., Peoria. "It's electrifying to me."

Altorfer was defeated for the Republican gubernatorial nomination in 1968, and James Thompson of Chicago, who is seeking the 1976 nomination, termed the ceremonies "tremendous."

Some, however, said the pageant wasn't as spectacular as Richard Nixon's visit here two years ago.

"Kinda boring. Nixon was more exciting. People got beat up," said Annette C. Sheckler of Pekin, referring to the fate of some demonstrators.

Two of those demonstrators, who reappeared yesterday and carried signs reading, "Ford is Nixon's revenge against America" and "Jack Anderson for President," characterized yesterday's crowd as "friendlier."

"When we were down here two years ago for Nixon, we got kicked," said Mike and Susan Anderson of Galesburg. They said they had not been heckled or threatened by presidential supporters this time.

Nixon, then President, laid the library's cornerstone on June 15, 1973.

Other persons carried hand-lettered placards yesterday, but they were not necessarily hostile to Ford.

"I'm glad he came to Pekin . . . to give us a chance to express (our views)," said Kay Vignali of Pekin Right to Life. "I just wish Mrs. Ford had come . . . she was the one who came out in support of the 1973 Supreme Court decision (which declared unconstitutional laws forbidding abortion during the first six months of pregnancy)."

Another person not much impressed by Ford's visit was a neighbor of the library who could watch Ford's speech from her front porch.

"He's just a man," she said, shrugging her shoulders.

Gerald Ford would be the first to agree.

EAMON DE VALERA

Mr. METCALF. Mr. President, for more than a half a century after the Easter week uprising against the British in 1916, Eamon de Valera worked tirelessly—and fought tenaciously—for Irish liberation and the development of an independent, unified Ireland.

Jailed for his part in the rebellion, he made a dramatic escape after his death sentence had been commuted to life imprisonment. Subsequently, as President of the fledgling republic, he was sent to the United States—the land of his birth—to seek recognition and financial assistance.

Diplomatic recognition eluded De Valera on this occasion, but the rallies he held coast to coast gained the sympathetic support of the American people for Ireland's struggle for independence.

One stop along the way—in Butte, Mont.—tells the story. As described in the Anaconda Standard of July 19, 1919, more than 10,000 people came to Hebgen Park to hear an address by the provisional President, many of them arriving as much as 2 hours before the rally began to get a good seat in the grandstand. As De Valera rose to speak, the crowd gave him a 5-minute ovation.

There was a strong wind, making hearing difficult, but "at each mention of Irish freedom the audience broke forth in cheering such as had never before been heard at mass meetings in Butte."

As was his practice, to drive home the point of his Ireland-for-the-Irish crusade, De Valera's opening words were in Gaelic.

He said in translation:

> In my travels through this vast country, I have found scarcely a spot where someone does not speak this language, and I feel it my duty to reply first in that tongue. It is one distinctive mark of our nationhood.

The message that De Valera carried to the citizens of Butte and other American cities during his 18-month tour was compelling in its simplicity and universal in its applicability.

He declared:

> The question of Irish liberty is the question of liberty for the world. Tyranny and exploitation are the same against the individual as against the nation.

Following De Valera's remarks, then Attorney James Murray—later to become my distinguished predecessor, Senator Murray—presented resolutions adopted by the Irish community of Butte, calling upon the State's congressional delegation to press for the right of Ireland to self-government.

Mr. President, Eamon de Valera rose from guerrilla leader to Prime Minister and, eventually, to President of Ireland, dominating his nation's political life in the latter offices for 35 years. His was the guiding hand in eliminating one by one the rights of the crown to oversee and control Irish affairs, in drafting the republic's constitution, and in pressing forward with economic and social reform.

At the same time De Valera exercised leadership in international affairs. Twice the president of the League of Nations Assembly, in later years he played a prominent fole in post World War II developments such as the Marshall plan and the Common Market.

Personally austere and often controversial—his policy of neutrality in the war and his condolence call on the German minister when Hitler died in 1945 provoked a storm of criticism among Americans—De Valera did not live long enough to see a unified Ireland.

But his persistence in the face of adversity, his courage, and his devotion to the cause of independence earned him not only the trust of the Irish but ultimately ungrudging tributes from most of his opponents as well.

Eamon de Valera was a towering figure, a revolutionary and statesman who came to personify Ireland's ideals and aspirations. All of us, Mr. President, must share a sense of loss in the death of this

indomitable and extraordinary individual, whose lifetime of achievement stands as a symbol of man's will to be free.

NOTICE OF STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. HATFIELD. Mr. President, pursuant to the guidelines set forth by the distinguished majority and minority leaders in their July 10, 1974, CONGRESSIONAL RECORD joint statement, I wish to advise that my legal counsel, Mr. Walter H. Evans III, will participate from August 11 to October 13 in the educational exchange program sponsored by the European Community's visitors program. I am advised that this program, sponsored by the European Parliament and Commission of European Communities, closely parallels the leader grant program operated by our Department of State, and meets all criteria established by the July 10 statement. Mr. Evans will be utilizing his regular vacation time during this period.

A QUESTION OF PRIORITIES ON AGING

Mr. CHURCH. Mr. President, a few weeks ago President Ford issued a message which tersely rejected major recommendations made to him by the Federal Council on Aging.

As I said in a statement to the Senate on July 28, the President semed to take the attitude that the Council had somehow spoken out of turn by suggesting that there are serious shortcomings in present administration efforts on behalf of older Americans.

Furthermore, it seemed to me that the President was needlessly abrasive in his attitude to the Council, which came into being because of congressional insistence that a high-level unit be established to assist and advise the President on matters related to aging.

Mr. Bernard Nash, executive director of the National Retired Teachers Association-American Association of Retired Persons, is a member of that Federal Council, along with 14 other persons with longstanding concern about public issues related to aging.

He has informed me that he deems it unfortunate that the first report of the Council should have been met with so negative a response.

He has also provided an editorial which is appearing in the September AARP News Bulletin. I believe that this emphatic and compelling statement admirably expresses the concern caused by the President's action. I ask unanimous consent to have it printed in the RECORD.

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

A QUESTION OF PRIORITIES

About 15 months ago, 15 distinguished Americans were sworn in as members of the Congressionally created Federal Council on Aging, charged with advising and assisting the President and the Congress in evaluating government policies and programs designed to serve older Americans, recommending needed changes and serving as a spokesman on behalf of older citizens.

In its first report to the President recently, the Council expressed its view that "the economic plight of the elderly is of crisis proportions," requiring special attention by both the executive and legislative branches of government to offset the effects of recession and inflation.

"We continue to be distressed," the Council said, "about the apparent lack of consideration for the economic plight of the elderly as reflected in the Administration's proposals for the 1976 Fiscal Year budget. Cutbacks in federal monies for social services for the elderly and ceilings on benefit programs financed from social insurance trust funds are particularly burdensome to this age group. Many of their financial assets are tied to fixed sources, while their needs are mobile. We recommend that the President reconsider the serious effects of these fiscal proposals on the elderly of this nation with their urgent humanitarian needs."

To its reasoned and reasonable recommendations, the President responded: "The perspective and recommendations of this report are limited to a particular area of interest and advocacy. The report does not reflect the Administration's policies, which must reflect a broader range of responsibilities and priorities."

Such harsh language and brusque treatment of a report prepared by a bipartisan council composed of persons highly knowledgeable and experienced in the field of aging must be disheartening to the Council, and is surely disappointing to our Associations.

The Council is precisely charged with representing a particular area of interest, namely, the needs and concerns of the nation's growing older population. Its very purpose is to help the President and the Congress comprehend the impact of broadly defined priorities on the narrowly defined group of citizens who compose its constituency. For the President to dismiss the recommendations because they do not conform to his policies raises serious questions about his concept of the Council's role and his responsibility. Needed is a spirit of consultation and cooperation, not an attitude of confrontation.

In rejecting the Council's recommendations, the President said he was sympathetic to its concerns, but was determined "to reduce the burden of inflation on our older citizens, and that effort demands that the government spending be limited. Inflation is one of the cruelest and most pervasive problems facing older Americans, so many of whom live on fixed incomes. A reduction of inflation, therefore, is in the best interests of all Americans and would be of particular benefit to the aging."

No member of the Council and no older Americans would likely disagree with that statement. The issue is essentially one of priorities. In defining policies and programs to control inflation, the Council is asking the President to be more sensitive to the impact of his decisions on that segment of the population most severely affected.

While all Americans are burdened by rising costs of food, rent, clothing, medical care and transportation, such essentials take a larger proportion of the near-fixed income of the elderly than of the generally higher incomes of younger people in the work force. Rent, for example, takes some 30 percent of the average elderly couple's income compared with 15 percent for younger couples. Many elderly who are able to work and would like to work have been forced out of the labor market completely. Many have ceased even to look for work and no longer are counted in unemployment statistics. Even those who can find work are limited in what they can earn through the "retirement test" of the Social Security system.

When the Council suggested that the President reassess his priorities in the war on inflation, it surely had in mind his Congressionally thwarted attempt to limit inflation-bred Social Security benefit increases to five percent, rather than the 8.7 percent called for through the automatic-escalator provisions of the law. After years of efforts by our Association and others, that provision was enacted to help older citizens cope with rampant inflation.

And it also had in mind his proposed reductions in other programs designed to serve the elderly. The President's budget proposal for 1976 is actually more than $42 million below appropriations for fiscal year 1975.

Congress is now in the process of approving the 1975 Amendments to the Older Americans Act, with provisions to strengthen present social services, nutrition, research and training programs. They will place special emphasis on other services needed to enable older Americans to remain in their own homes rather than enter nursing homes.

Our Association believes that the changes are highly desirable and urgently needed. And we trust that the President will give the measure greater consideration than he did the first report of the Federal Council on Aging. The measure will demand more than words of sympathy about the needs of older Americans. It will demand an act of approval.

VIRGINIA COUNCIL ON HEALTH AND MEDICAL CARE

Mr. HARRY F. BYRD, JR. Mr. President, the Senate may soon be called upon to consider legislation relating to the Federal programs of assistance to medical students.

One of the most important aspects of the debate on this subject concerns distribution of health manpower throughout our country. There are, for example, some areas where the physician-patient ratio is far below the national average and below that needed for adequate health care.

The State of Virginia is fortunate to have an ambitious program aimed at solving the problem of maldistribution. It is a program administered by the Virginia Council on Health and Medical Care, and it has achieved much in recent years.

Fully 834 physicians have established practices in areas of need in the State of Virginia. In fact, the Virginia program has been cited by the American Medical Association for outstanding achievement, and recently 17 other States have contacted the Virginia Council on Health and Medical Care for more information on the program.

I am familiar with the council and the great work that they continue to do. I know the director of the council, Mr. Edgar J. Fisher, Jr., and I commend the council and Mr. Fisher for his great service to that organization.

Because of the relevance of this Vir-

ginia program to upcoming legislation on health manpower programs, I ask unanimous consent to insert in the RECORD at this point, a letter Mr. Edgar J. Fisher, Jr., has sent to the senior Senator from Massachusetts, Senator KENNEDY.

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

AUGUST 13, 1975.

Senator EDWARD M. KENNEDY,
Senate Office Building,
Washington, D.C.

DEAR MR. KENNEDY: The Richmond Times Dispatch of August 10, 1975 carried a feature story by Bill Connelly of the Media General News Service with the headline "Rural Doctor Shortage Worse." A copy of the article is enclosed. You will note that you are quoted based on hearings which your subcommittee investigating the shortage held recently. We are sure that many Virginians who have read the story must have reacted with surprise as the outlook in Virginia is not as dismal as it is perhaps in other states. It is unfortunate that during the hearings and as a result of research carried on by members of your staff, you did not learn of the rather successful work which has been carried on here in Virginia for the past twenty-five years to specifically help meet the shortage of physicians and bring about a better distribution.

You were quoted in the article as saying, "The shortage is severe. . . . No existing porgram anywhere offers a proven, or even a promising, solution." We take strong exception to your statement. You need look no further than Virginia, where you maintain a residence, to learn about one proven and successful program which has steered some 834 physicians, both family and other specialists, to areas of need. It is the Physician Referral Service administered by the Virginia Council on Health and Medical Care with the enthusiastic cooperation and support of The Medical Society of Virginia, the Schools of Medicine at Eastern Virginia, Medical College of Virginia and the University of Virginia, the Virginia State Board of Medicine, the Virginia State Department of Health and the American Medical Association.

Mr. Connelly's article pointed out that the number of counties in the United States without a physician has increased since 1963. Although Virginia statistics for 1963 are not readily available, it is my recollection that there were three counties without a physician then and only one now. So our situation has improved. Also, it should be noted that on December 31, 1963 the Virginia Council listed 91 opportunities for family physicians and 60 family physicians as being available. For other specialists there were 78 opportunities and 173 physicians available. Figures as of July 31, 1975 show that there were 188 opportunities for family physicians and 129 available. There were also 200 openings for specialists and 774 specialists listed with the Council as seeking practice opportunities in the Commonwealth. Certainly the supply of physicians for placement in our State has increased since 1963, and not worsened.

The Virginia Council, without state and federal tax support operating on contributed dollars, has developed and shared recruitment techniques, advice and suggestions with hundreds of community leaders in cities, towns, and rural communities from Chincoteague to Pennington Gap and Purcellville to Claudville, placing physicians in these towns as well as in dozens in between. In Mr. Connelly's article there was no mention of this successful program which has been singled out and recognized by the American Medical Association for special recognition.

Nowhere in the article was mention made of the increasing number of family practice residency programs which, in Virginia, have many more applicants than available places. Now, only the very best qualified applicants are accepted at The Medical College of Virginia and the University of Virginia to train as family physicians. Physicians turned out from these fine programs are setting up their practices in small communities and will continue to do so in increasing numbers in the future. This, Mr. Kennedy, provides another promising solution.

The Virginia Council on Health and Medical Care is involved in other activities, too, which hold promise for the future. For example, the deans of the three medical schools in Virginia make regular safaris into rural areas, arranged by the Council, so that they may meet with physicians, hospital administrators and community leaders, including legislators, to learn of local needs and problems and thus better determine how the medical schools can serve rural areas with physician manpower. The Council maintains a special list of communities where two, three or four family physicians can be absorbed at the same time. This helps promote the development of group practices in small communities where family practice residents can locate together. Annually the three medical schools provide the Council with the names of all their medical students broken down according to communities from which they come. This list is made available to community leaders, including legislators, throughout the Commonwealth so that contact can be made with students encouraging them to return to those areas of the state where they grew up.

The Virginia Council is involved in many other specific cooperative activities with the medical schools, the Virginia Academy of Family Physicians, the Virginia State Board of Medicine and the Virginia State Department of Health to help increase the supply of physicians practicing in Virginia. It is aggressively selling Virginia as a good place to practice to both those trained in the Commonwealth and those from outside of the state. Anyone in a position of leadership who says that, "No existing program anywhere offers a proven, or even promising, solution," has not done his homework and is uninformed. In citing the crisis of meeting the problem of the shortage of physicians it is only fair to give credit to those who are successfully coping with the problem.

It might be pointed out too that in some of the specialty categories, there is an over supply of physicians. This is particularly true with general surgeons and pathologists where the supply is far greater than the demand.

At its Annual Meeting in 1974 the American Medical Association passed a resolution encouraging all states to consider the development of organizations similar to the Virginia Council on Health and Medical Care. The Virginia Council and the Michigan Health Council were cited as the only two organizations of their kind in the country. The Michigan Health Council maintains a successful physician placement service similar to that of the Virginia Council. As a matter of fact, it was modeled after Virginia's program! During the past few months seventeen states have contacted the Virginia Council on Health and Medical Care for information and help.

Mr. Kennedy, should you wish additional information about what we are doing in Virginia, perhaps the enclosed material will be of interest and assistance. As has been the case in the past, the Virginia Council stands ready to help any state which has similar problems and would like to work on practical solutions.

Sincerely yours,

EDGAR J. FISHER, JR.,
Director.

RURAL DOCTOR SHORTAGE WORSE

(By Bill Connelly)

WASHINGTON.—After years of trying to attract more doctors and dentists to rural America, with little success, federal health planners and politicians seem to have run out of ideas.

Despite the millions spent in various federal and state programs, the health care shortage in small towns and rural areas appears to be worsening every year.

In 1963, 98 counties in the United States had no doctor. Today, 135 counties have no doctor. The shortage of doctors in rural areas is estimated at 20,000 (based on a goal of one doctor for 1,000 people) and could go to 30,000 by 1985. The average age of practicing rural doctors is 54.

Sen. Edward M. Kennedy, D-Mass., chairman of a subcommittee holding hearings on the problem last week, offered this gloomy assessment: "This shortage is severe. . . . No existing program anywhere offers a proven, or even promising, solution."

The problem, as always, is that young doctors, dentists and other health professionals would rather practice in comfortable metropolitan areas than go to small towns where the work load is heavy, the cultural and educational opportunities limited and the medical facilities often inadequate.

Some government programs have helped to ease the shortage—young doctors serving two-year terms in the National Health Service Corps; educational loans to medical students who agree to serve in shortage areas; establishment of community and regional health centers; special programs for Indians, migrant workers and the elderly.

But no program seems to offer a long-range solution. "Given the strong cultural forces at play," Kennedy said, [the programs] were and are bound to fail. There are virtually no ways to compete with $50,000 a year and life in an affluent suburb."

Much federal and state money has gone into various "loan forgiveness" programs, in which young doctors can pay off their government educational loans by practicing for a few years in shortage areas. The House recently passed bills seeking to strengthen this approach to aiding rural areas.

But recent studies by the General Accounting Office and by a consulting firm hired by the Department of Health, Education and Welfare concluded that these loan programs have not been effective. Once young doctors and dentists set up practice and begin earning good incomes, they usually prefer to pay off the loans rather than to go to rural communities.

Most of the doctors who did pay off their loans by serving in rural areas, the studies found, admitted that they had planned to move to those areas anyway.

The average graduating medical student has an education debt of about $7,000, according to HEW. At that price, a well-paid professional finds it much easier to "buy out" of his agreement and settle in a pleasant urban or suburban community.

Donald M. McCartney of the CONSAD Research Corp. of Pittsburgh, the firm that studies HEW's loan programs, concluded that it might be more effective to finance fewer students at $20,000 to $30,000 each than to make numerous smaller loans. The larger debt would be a stronger incentive to choose rural or small town practice.

McCartney further suggested to Kennedy's health subcommittee that the government seek out the students most likely to prefer rural communities—because of family and cultural ties—and concentrate the available aid on them instead of trying for broader participation.

Other proposals advanced by witnesses at the hearings include:

Encourage medical schools to foster more respect for family doctors by strengthening their general practice emphasis.

Push for development of television and computer linkups to give rural doctors more opportunities for consultation with specialists and for continuing education with distant medical centers.

Encourage young doctors to open group practices, with government incentives, in rural and small town areas.

Still others suggested that the solution will be more complex, requiring broader efforts to help rural America develop better schools, hospitals, transportation systems, housing and cultural amenities—all of which would make rural communities more attractive to health professionals.

Few new ideas were unearthed in the hearings, but Kennedy said the subcommittee wants to develop legislation.

"Over the past decade," Kennedy said, "the federal government has expended more than $3.4 billion to support the training of health manpower. I believe that if the government is going to continue subsidizing the training of physicians, then it must do so in a manner that will ensure an adequate supply of physicians for all our citizens, rural and urban alike."

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in 1948 the United Nations, under U.S. leadership, unanimously adopted the Genocide Convention. This was an historic occasion. It was the first human rights convention to be endorsed by the General Assembly and it represented the culmination of several years of efforts by our delegates. At that time the United States heralded the event as one "of great importance in the development of international law and of cooperation among States for the purpose of eliminating practices offensive to all civilized mankind."

The influence of the American delegation is particularly evident in the language of the convention for it embraces familiar Anglo-American legal theory and traditional American common law concepts. In light of the history of the drafting of this convention, the reluctance of the Senate to take action on this treaty has been especially puzzling.

The Senate Foreign Relations Committee has reviewed this treaty three times and each time has concluded that the arguments of the opposition have not withstood the test of time. I could not agree more. The speciousness of the critics' reasoning can be seen by an argument which was first raised in 1950. At that time it was argued that if the Senate ratified the convention and Congress adopted appropriate implementing legislation, we would be particularly vulnerable since it was obvious that the rest of the world would drag its feet on this issue.

Mr. President, it must be clear to everyone that as unrealistic as this argument was in 1950, it is ludicrous today. There are now 87 nations which have ratified the Genocide Convention and most of these nations have adopted the necessary implementing legislation. But it is the United States that is dragging its feet.

Mr. President, time is running out. Each year the number of signatories grows. While it is far too late to be among the first to ratify this treaty, I pray that the Senate will not relegate us to the last. We still have time within this Congress to act and I urge my colleagues to join me in seeing that we take prompt action.

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to current U.S. census approximations, the total population of the United States as of September 1, 1975, was 214,411,014. This represents an increase of 1,834,204 since September 1 of last year. It also represents an increase of 180,880 since August 1 of this year, that is, in just 1 short month.

Thus, in this last year, we have added enough additional people to fill three cities the size of St. Louis, Mo.

THE ISRAELI-EGYPTIAN DISENGAGEMENT AGREEMENT

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address which I delivered last evening in New York on the recently concluded Israeli-Egyptian disengagement agreement.

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

REMARKS BY SENATOR HENRY M. JACKSON

For the second time since the Yom Kippur War Israel has agreed to withdraw from defensive positions in the Sinai in the hope that peace, like the Israeli defense line, will be brought closer to home. But unlike the earlier disengagement with Egypt or last year's agreement with Syria, this most recent agreement involves, for the first time, the stationing of American personnel in the zone separating two hostile armies.

This is a development that many Americans and many Israelis have greeted with reservations; and I am bound to say that I am among those who are concerned at the implications of superpower involvement in the Arab-Israeli dispute. In my judgment the greatest chance for a durable peace in the Middle East lies in agreements that the parties themselves can oversee and defend—agreements that leave Israel with borders that Israel can protect and that incorporate the fundamental political reconciliation on which—alone—a lasting peace must be based. In the search for peace, a change of line is no substitute for a change of heart. The fact that even the meager understandings on movement toward a political settlement have been relegated to a secret letter from Secretary Kissinger to Foreign Minister Allon, rather than an open accord between Israel and Egypt, is a disappointment to many of us here this evening, to many in Israel and to those in Egypt who have come to understand the futility of continuing military conflict.

I believe that many of us in this country and in Israel who long for peace were prepared to press harder for an agreement between Israel and Egypt that would begin the long process of political reconciliation—an agreement that would permit Arabs and Israelis to work together, to trade with one another, to talk with one another, to see for themselves the truth about their neighbor. But the American side was unwilling to take the time and lacked the inclination to pursue such an agreement; and the result of American impatience was sustained pressure on Israel that, in the end, Israel could not resist. First, Israel was blamed for the failure of the March shuttle. Then the flow of vital military equipment to Israel, including spare parts, was cut off. Finally, uncertainties about the continuation of American diplomatic support for Israel were voiced behind the closed doors of background press briefings. The message to Israel was unmistakable: it would be necessary to settle for an essentially military disengagement with only the most limited elements of political reconciliation.

Yet in the face of these pressures—overwhelming between friends so disproportionate in size and power—Israel summoned the resources to resist last Spring, with the result that the agreement initialed on September 1st is, for all its shortcomings, better than the agreement pressed upon Israel in March. Better not only for Israel, but for the United States as well. The disengagement line is more readily defended by Israel and is therefore more stable. The duration of the agreement is longer by a good measure. And in other ways as well the new agreement is a more promising one than the proposal that Israel could not accept in March. The conclusion is unavoidable that the Israelis were wise to say "no" in March; only time can establish the wisdom of the agreement signed in September

The Administration proposal to place American personnel in the strategic Sinai passes is the most troublesome element in the new accord. Despite Administration claims that this arrangement was essential to the negotiation I remain unpersuaded that no alternative could be found. The Israelis and Egyptians are now to conduct virtually all the necessary surveillance by themselves in any case; the marginal contribution of American personnel to this purpose raises more problems than it solves. I have simply not seen sufficient evidence that all other approaches were exhausted before we agreed to go into the passes.

Our presence in the Sinai has created apprehensions at home. It is even possible that the Soviets might make the wholly unacceptable demand for a presence in a subsequent Middle East agreement. But most disturbing, our presence in the Sinai could become the precedent for a most dangerous and unwise conviction that somehow an American presence can substitute for secure borders for Israel. Should this notion gain currency it could well become a source of pressure on Israel to accept indefensible borders that would somehow be protected by an American presence. Such an approach would, in my judgment, be a mistake of historic proportions, which would rob Israel of its security and independence and put off, perhaps indefinitely, the genuine accommodation between Arab and Israeli that we are all seeking.

In expressing these reservations I wish to be clear on one point: the analogy between the stationing of American personnel in the Sinai and the errors of American policy in Vietnam—even its earliest stages—is shallow and misleading. We must not allow the mistakes of that tragic war to haunt us in the pursuit of a deliberate and measured foreign policy. We must not recoil from the responsibilities that our leadership of the free world imposes upon us. I believe, as I have indicated, that there are arguments against sending Americans into the passes, but a mistaken reference to Vietnam is not among them.

In 1970, three years before the Yom Kippur War, I urged that the total demilitarization of the Sinai was an essential element in any long-term peace between Israel and Egypt. The war of attrition, the Yom Kippur War, and the events of the two years following it have strengthened that conviction. Among the disappointments of the current agreement I count the forward movement of Egyptian military forces deeper into the Sinai and the agreed augmentation of those forces, however modest. I hope that this part of the current agreement will not become a pattern for a subsequent settlement and that, on the contrary, any final settlement will involve Egyptian as well as Israeli withdrawals from the Sinai east of the Suez Canal.

In the long run the real test of the disengagement agreement will come in the evolution of relations between Egyptians and Israelis. The larger their role in establishing a Middle East peace, and the smaller the role of the great powers, the better for all concerned.

By first pressuring Israel to withdraw from the strategic passes—and now by proposing to insert Americans into them—the Administration has assumed awesome responsibilities on behalf of the United States. The assumption of these responsibilities evolved without Congressional consultation—even, at times, over the objections of Congressional majorities. The nature of the negotiations, in which the American presence has become inextricably bound up with the agreement as a whole, has left the Congress little opportunity other than to give voice to the concerns that many of us feel.

When the issue comes before the Congress I hope to vote to approve the substance of the agreement as it has been presented to the American people. Needless to say the Congress will wish to have Secretary Kissinger and President Ford confirm that there are no secret understandings, written or oral, that have been withheld from the Congress. Full disclosure is essential, not only to retain the confidence of the American people but to assure the integrity of the agreement.

I hope to vote to support the agreement, despite the misgivings that I have shared with you this evening—misgivings that I took pains to express long before the agreement was reached. I do so in recognition of the fact that Congress has unhappily been denied an opportunity to exercise the constructive role that it would have preferred and that I am confident it would have played had it been consulted before the agreement was concluded. The issue now is, essentially, black and white, yes or no.

It is my hope that, with this agreement behind us, the next step in Israeli-Egyptian relations will be taken along a different path—along the path of political reconciliation which alone can lead to a stable and lasting peace.

ELECTION OF HON. THOMAS C. WALKER AS COMMANDER IN CHIEF OF THE VFW

Mr. THURMOND. Mr. President, on August 22, 1975, Thomas C. "Pete" Walker was elected commander in chief of the Veterans of Foreign Wars at its 76th national convention in Los Angeles, Calif.

Pete Walker is a distinguished American, who had an outstanding war record in both World War II and Korea. He is active in the affairs of his community of New London, Conn., and has served in all the important posts of the VFW at the local, State, and national levels. He is well versed in the problems which affect our Nation's veterans, and in the important issues of national security.

In his acceptance speech, Pete Walker discussed his views on some of the issues which will affect our Nation in the coming year. He is a man who speaks his convictions, and never ducks an issue.

Mr. President, in order for my colleagues to review his address, I ask unanimous consent that the acceptance speech of Pete Walker be printed in the RECORD.

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

THIS I BELIEVE

(By Thomas C. "Pete" Walker, Commander-in-Chief, VFW)

Thank you my comrades. Thank you from the bottom of my heart for the greatest honor which can be bestowed on a member of the Veterans of Foreign Wars of the United States. I pledge to each of you here and to each and every member of our great organization, my best for the year to come.

I especially want to thank the members of my own Post who started me through the chairs and backed me all the way. To my District and the Department of Connecticut, I say thank you for your support and for telling me that I could make the highest office. And, to the Eastern Conference, my personal thanks for supporting my candidacy, and my sincere appreciation to the other three Conferences for having faith in me. I shall do my best to prove worthy of your trust and confidence.

A special thanks to the two great Past Commanders-in-Chief under whose guidance I have had the privilege to serve. Thanks to Ray Soden and to fine and outstanding John Stang. Both are fine Americans, great patriots and good personal friends.

It has long been my belief that each and every member of our great organization must understand the purposes and objectives and direction of the Veterans of Foreign Wars of the United States. It is not enough to know that we are a patriotic group that loves country above self. Of course, we do and we should never lose sight of that fact. But we have a much deeper meaning and goals. And, I believe that they must be reviewed from time to time.

You have put your trust in me by electing me your new Commander-in-Chief. And, it is important to me, as your Commander-in-Chief, that you, each member, know my beliefs. Each of you have elected me and are entitled to know the type of leaders in whom you have placed your trust and what he is thinking.

I believe the ideals and goals which have been those of the Veterans of Foreign Wars of the United States for 76 years are still the same. The lofty and pure objectives of our organization can never change. They are carved in our hearts and in marble and bronze—they can never change. Nor, should they.

I believe that the objectives of our society of men who have fought overseas for our country are the same as those as America as a whole. I do not believe that we have the corner on something sacred. Duty, country, allegiance, fidelity, patriotism are not just words common to members of the V.F.W. The preserving and defending of the Constitution of the United States from all her enemies, whomsoever is not our job alone.

I believe that the Veterans of Foreign Wars is dedicated to the objectives that deserve the undivided support of the American people. I also believe that it is our duty to keep these objectives before the American people so that they do, in fact, give their undivided support to those objectives. We can do this only by acting as we should, setting examples for our fellow citizens, especially children, and by educating the people of this great country by telling them why it is so great.

I believe that the Veterans of Foreign Wars is composed of men whose devout loyalty to the ideals of Americanism defies challenge.

It has been said that the V.F.W. is not really an organization. That it is a concept—an idea—an endless devotion—a rallying point—a center of patriotic concern and love of fellowman such as the world has never seen. I agree with that statement. For, where else can one find men and the women of the Ladies Auxiliary taking time from needed recreation, vacations and family outings to take part in community activities, safety and membership programs. We are a voluntary organization with the highest of ideals and devotion.

I believe that the honorably discharged veterans of our Armed Forces have demonstrated their loyalty to the principles of good citizenship to the degree that obligates the Federal government to assist those who are in need. I also believe that the needs of those who served range from education to compensation for service-connected disabilities, to a pension for the needy, especially the older World War I veteran, to the best hospital system in the world for those who need it, to a final resting place among other veterans if so desired.

I believe that fair and just treatment—nothing more, nor nothing less—for the nation's veterans will demonstrate to the future generations of young Americans that their sacrifices in time of war will be duly acknowledged by their grateful government. But, if this treatment is perceived to be unjust or unfair, future Americans will understand that service to country in time of war is nothing special and that our great nation will find itself in the position of having a lack of support in time of need.

I believe that there are forces in and out of government which are working to bring veterans programs to a close. I believe that we are in an era of our government caring more for the price of everything, but knowing the value of nothing. More and more we can see erosion and the chipping away at existing programs. Price tags are set. Limits are placed. Programs are eliminated. Belts are tightened to the wrong notch. Bullets are bitten, then will not fire because of dents made in the wrong places.

I believe that the Veterans of Foreign Wars can honestly point to a record of patriotic service in behalf of the veteran of this country—on the National, State and community levels—that is second to none. Second to any other service organization. Second to any other veterans organization. And, I believe that we should take credit for it. I believe that the V.F.W. has and should make its concern for veterans programs, benefits and his welfare second only to its concern for our country's welfare and security. I believe we will.

I believe if we do not, then we deserve to lose what we hold so dear. If we do not stand tall, the veteran will see compensation taxed, his hospitals second rate, his pension program lost to social welfare programs, doctors and nurses leave the employ of the VA, compensation rating regulations changed for the worse, continued high unemployment rates, especially for the younger veteran, cuts in the ability of employment officers funds, further erosion of the veterans preference in hiring, and a more disgraceful cemetery system without space or locations to bury those who, in death, are all heroes to their Maker.

I believe that if it were not for the Veterans of Foreign Wars pioneering in the establishment of practically every veterans

rights, benefit and program on the records today and standing tall and telling it like it is, that veterans across this land would not have what they have today. We were the organization which worked so closely with the Congress to extend and increase the GI Bill education assistance over a Presidential veto. We were the ones who called for its continuance to be a recruiting inducement for the voluntary Armed Service. We protested cuts in the commissary system. We urged increases in disabled veterans compensation over that recommended by the administration. It was the V.F.W. which demanded reinstatement of medical care programs cut by the budgeteers. We think our World War I comrades need a pension without income limitations. We demand a National Cemetery in each and every state—not a shrine, just a small hallowed place to rest.

I believe that we could not raise our voices to be heard, either by the public, by those in political power or in the halls of the Congress of the United States if we did not have you, my comrades and sisters. I believe that we can earn the membership support of millions of overseas veterans if we will continue to do our utmost to strengthen and improve our individual Posts. I believe that our successful V.F.W. Posts provide shining examples for every community so that we can build a bigger and better national organization. I believe that our strength lies in strength of membership—be it locally, at the state level or nationally. I believe that our continuous years of growth give us the voice which is heard in all places in the land.

Turning to the security of our beloved country, these articles of faith I believe, with all the power that God gave me:

We are not secure because we are free, but we are, and will continue to be free if we remain secure.

With more to conserve, protect, and advance than any nation in the history of the world, I call upon the President and the Congress to support and sustain American military forces second to none.

I believe that never again, comrades, and I mean never, should we embark on a war and not attain victory in the shortest time possible.

This I believe, that détente has been a policy disaster both for America and for the non-Communist world, and I call upon the Administration to start telling it like it is, dealing with the Soviet Union only when a clear American interest is advanced thereby.

I believe that in the Communist scheme of events, America is their last domino.

Plain for all to see, is an American Congress so tangled up in their internal procedures that the unforgiving security needs of our country play second fiddle to personal ambition. We see Portugal in a slow motion slide into terminal Communist, both Greece and Turkey rebuffed and affronted by American policy, and our Central Intelligence Agency, as General "Dick" Walters so clearly told us, hamstrung, hampered and hassled by Congressional "show-boating."

These things, I believe, and more.

I believe that America should pay our share *only* of the dollar cost of that United Nations "Cavern of Winds."

I believe that the United States Canal, located on the Isthmus of Panama, must remain American forever, without any ifs, and, or buts.

I further believe that after Cuba expels the Soviet military presence, frees the jailed thousands whose only offense is that they stood up to Castro, pays us the millions of dollars due us for stolen U.S. companies, and stops her campaign of petty harassments against the U.S. Naval facility at Guantanamo Bay, we might begin to consider dealing with that unhappy island. But, don't hold your breath, comrades. Castro was, is, and will remain an American-hating Communist. As he won't change, we must never cave in.

I believe that the stand-by Selective Service System must be supported so that this irreplaceable national asset can be expanded in time of need.

I deeply believe that every young American owes at least one year of service to his country and, to this end, I urge that a fair and truly universal plan for national service be presented to the Congress, letting the political chips fall where they may. Never again, my comrades, should America, as was the case in Vietnam, wage a poor boys' war. We are *all* Americans, rich or poor, city or farm, black or white, and we better start acting that way, now.

I believe (and the President knows this) that our society of patriots stood by him like a rock when certain "Nervous Nellies" were second guessing him on the recovery of the container ship "Mayaguez." All concerned got a V.F.W. "well done," and while we will never go around looking for a fight, one thing is certain: we will never run away from any international mugger, large or small.

I believe that America should never leave her dead and wounded on the battlefield to the mercy of her enemies. Two young Marines—Corporal Charles McMahon of Woburn, Massachusetts, and Lance Corporal Darwin Judge of Marshalltown, Iowa—were reported left behind when the evacuation of Saigon was completed.

This cannot be; this must not be; this will not be.

These two young men symbolize the nearly 1300 earlier MIAs whose status is still in doubt. They will never be forgotten by the V.F.W. Meeting this debt of honor is the least our country can do for these hundreds of her missing sons. We will stand, shoulder to shoulder, with their tragedy-touched next-of-kin for as long as it takes.

I believe that the plan of the American Federation of Government Employees, AFL–CIO, that they will unionize the armed forces starting in 1976, would destroy, first, the armed forces, and, next, our country. This simple-minded maneuver must and will be halted. (I understand AFL–CIO leader George Meany wants no part of this effort. If he needs any help to stop this self-destruct step, he need only place a call to me.)

Comrades, my words on the travesty called "amnesty" will be brief. It was "no" yesterday; it is "no" today, and it will be "no" forever.

Any Presidential candidate, from either of our great political parties, who chooses to run on a "pro-amnesty" platform in 1976 will lose, and lose big, and he will deserve exactly what he gets.

Finally, my comrades, and from my heart:

I believe in our great organization beyond the telling of it.

We are not as some detractors would like to picture us, a group of war-story-telling, war mongers.

I believe that our faith in God, and with His guidance to permit us to work to maintain a strong national security posture and programs for the veteran, we cannot but succeed. We have an organization which truly honors the memory of our departed comrades. What a better way of honoring the dead than by helping the living. What better an organization than one in which one can associate with men whom we had the privilege to serve on the bloodstained battlefields of the world.

I believe that the title "comrade" sums up our association. "Comrade" in arms, "comrade" in peace. "Comrade" in concern for our communities, states and nation. "Comrade" in the battle to keep veterans programs from useless and stupid economy cuts. "Comrade" in thought for those who might have to follow us in battle if we give away our heritage through lack of concern. I am proud to be a comrade of yours and I will do all my best to make you proud to have me as a comrade.

I believe that your Commander-in-Chief is morally obligated to make every possible personal sacrifice that will contribute to the fulfillment of the many objectives of our organization—and in humble appreciation of the honors and duties I have inherited, I solemnly dedicate myself to this opportunity to serve each of you and the Veterans of Foreign Wars of the United States.

This, I believe.

ETHICAL PROBLEMS OF ABORTION

Mr. HATFIELD. Mr. President, one of the more difficult issues facing Congress during the coming weeks is the drafting of a resolution which would refer a constitutional amendment to the States on abortion. The Subcommittee on Constitutional Amendments has completed hearings on the many aspects of this question and hopefully will be able to resolve possible differences among themselves in order to allow the full Judiciary Committee and the full Senate to vote on the question.

Recently the Members of the Senate were furnished with copies of an article published in the Hastings Center Studies by Sissela Bok, entitled "Ethical Problems of Abortion." Although there were some helpful thoughts presented in the article, there were other assumptions in it which should not go unchallenged. Edwin H. Palmer has prepared a detailed response to the Bok article which I am asking be included in the CONGRESSIONAL RECORD for the benefit of my colleagues. Mr. President, I ask unanimous consent that the Palmer article be printed in the RECORD.

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

AN EVALUATION OF SISSELA BOK'S "ETHICAL PROBLEMS OF ABORTION," HASTINGS CENTER STUDIES

(By Edwin H. Palmer)

Prof. Sissela Bok's article on *The Ethical Problems of Abortion* evidences much that is to be commended:

1. She recognizes that there is an ethical and moral dimension to the abortion issue. Some have failed to see this, believing that abortions have no more of an ethical aspect than does the cutting of a toenail or the digging of a hole or the running of a race. But Prof. Bok spends twenty pages dealing with the moral-ethical problems.

2. Prof. Bok recognizes that legality is not the same as morality. The 1973 Supreme Court decision grants unrestricted permission for abortions during the first trimester of pregnancy. After the first trimester, the state may, if it so desires, regulate the abortions in order to protect the mother's health: and in the third trimester, the state may, if it so desires, forbid abortion, except to protect the life or health of the prospective mother. "But it would be wrong," she says, "to conclude from these decisions that no *moral* distinctions between abortions can now be made—that what is lawful is always justifiable. These decisions leave the moral issues of abortion open, and it is more important than ever to exercise them" (p. 33, col. 1).

This is a most timely and important observation in an era when many people—including columnists, Congressmen and educators—are reasoning: "Since the courts al-

low abortion, it must be morally permissible." Some are now even reasoning that the government should finance abortions—a position that was not seriously considered before the Supreme Court made its decision.

3. She rejects the abortionist view that "women should have the right to do what they want with their own bodies, and that removing a fetus is comparable to cutting one's hair or removing a disfiguring growth" (p. 34, col. 1). For "this view simply ignores the fact that abortion involves more than just one life" (*ibid.*)

4. After viability Prof. Bok would prohibit "all abortions save the rare ones required to save the life of the mother" (p. 44, col. 2).

5. "Between quickening and viability," Prof. Bok writes, ". . . it would not seem unreasonable to hold that special reasons justifying the abortions should be required . . . ; reasons not known earlier, such as the severe malformation of the fetus" (p. 44, col. 1).

6. Finally, Prof. Bok respects the convictions of those who have moral scruples against performing an abortion, and says that "there should never be a requirement that a physician or nurse must participate in an abortion. Even if women have a right to abortion, they have not therefore the right to force others to perform such acts" (p. 52, col. 1).

This is a refreshing restraint in contrast to some who would coerce doctors and nurses to violate their conscience by performing an abortion—often in the name of humanity (helping the poor and those who have no easy access to abortionist doctors). It would have been even more refreshing if she had also stood up for the rights of private hospitals to refuse to perform abortions without having to forfeit government aid, as the ACLU would like to see happen. For the same principle holds for a collective body as does for an individual.

In summary, Prof. Bok's article lacks the strident voice of some pro-abortionists and has some very commendable insights into the abortion problem.

She does not believe in abortion at any time for any reason, and she sets forth four reason for protecting life—reasons that center on the victim, the killer (her term), the family of the victim and all of society. In her mind these reasons do not apply at all in the early stages of pregnancy, and gradually become substantial as the unborn grows and develops. Accordingly, she believes in abortion on request for the time before quickening. But after the time of viability, she would prohibit them, except in rare circumstances. And the cut-off date she would make at 18 weeks.

Her concluding paragraph summarizes her restraint. She writes: "Abortion is a last resort, and must remain so. It is much more problematic than contraception, yet it is sometimes the only way out of a great dilemma. Neither individual parents nor society should look at abortion as a policy to be encouraged at the expense of contraception, sterilization, and adoption. At the same time, there are a number of circumstances in which it can justifiably be undertaken, for which public and private facilities must be provided in such a way as to make no distinction between rich and poor" (p. 52, col. 2).

CRITICISM

1. The most fundamental criticism of Prof. Bok's view of ethics and abortion is that she gives no normative basis for her judgments. As has been mentioned, appreciation can be expressed for several of her conclusions. But even in those cases, she lacks a pou sto, from which she can make those judgments.

She rejects out of hand different world views, often of a religious nature, as not being factual (p. 38, col 2), but then she offers her own world view and expects universal agreement with it!

The question that will not down is: Why hers and not others'? Why is hers superior to Judaism or Christianity or other religions that have endured for thousands of years?

Repeatedly, Prof. Bok uses such terms as "should," must" and "ought," or "unthinkable," "duty" and "surely," to state her ethical views, but no ultimate reason is given for her position. She states her four reasons for protecting life, especially from the 18th week of pregnancy on. But she simply sets them forth and assumes their validity. The questions arise: Why four and not three or five? Why these at all? What is the foundation for such assumptions?

This is the most fundamental criticism that can be made of Prof. Bok's position: It is an ipse dixit.

As a matter of fact, no one can ever say with validity, "You ought," "You must," or "You should," unless he posits a Supreme Being. For might does not make right; nor does a high IQ, nor religion, nor a race, nor a professorship. No human has in himself the right or authority to dictate to another. Such authority can only come from a Supreme Being, who made men, and therefore has the right to assign duties and obligations. There is only a divine imperative—only God can command. There can never be an autonomous human imperative, for all men are on an equal footing.

2. It is remarkable that Prof. Bok never deals with abortion in the light of love or justice. In fact, these terms are never even mentioned in her article. Yet the subject of the article is *Ethical Problems of Abortion.* It is incomprehensible that one can deal with ethics apart from what has been considered for two thousand years to be the two cornerstones of all ethical thought: love and justice.

Let us now examine some of the subsidiary reasoning in Prof. Bok's article.

3. Withdrawal of bodily life support. Prof. Bok writes that we must distinguish between causing death indirectly through ceasing bodily support of the fetus and actively killing the fetus outright (p. 35, col. 1); and that abortion by the saline solution, "which kills and begins to decompose the fetus," is least like cessation of support.

OBSERVATION

It is pure semantics to attempt to distinguish between indirect and direct killing in the case of abortion, as if one is more morally acceptable than the other. There is basically no moral difference between keeping food from a baby or cutting its heart out; from exposing an infant or shooting it; or at the other end of life, from depriving a patient of oxygen by removing the oxygen tent or smothering him. The motive to kill is the same and the result is the same. The method does not alter the morality.

Maybe abortion by the saline solution seems less desirable than sucking or scraping out the embryo because the unborn at time of the saline solution looks so much like an infant. But killing is killing whether you use a vacuum or a knife or salt poisoning. The technique used does not change the morality.

4. Prof. Bok distinguishes between pregnancies voluntarily and intentionally entered upon and those that are not, such as those resulting from rape and the failure of contraceptives or the careless use of them (pp. 35, 36). "Every pregnancy which has been intentionally begun creates special responsibilities for the mother" (p. 35, col. 2). Her sensitivity to the situation reflects itself in the case of parents who deliberately entered upon pregnancy that will probably result in malformation or retardation. She asks: "Can the parents "acknowledge that they meant to begin a human life, but not *this* human life? Or, to take a more callous example, suppose, as sometimes happens, that the parents learn that the baby is of a sex they do not wish? In such cases the justification which derives from wishing to cease life support for the life which had not been intended is absent, since this life *had* been intended" (p. 36, col. 1). "To sum up at this point, ceasing bodily life support *of a fetus or of anyone else cannot* be looked at as a breach of duty except where such a duty has been assumed in the first place" (p. 36, col. 2).

OBSERVATION

We can only applaud her concern for those unborn children—even the malformed and retarded—when pregnancy was planned.

But it is a great impoverishment of the ethic of love when a person feels a responsibility only for those toward whom he has consciously assumed a duty. Note that she speaks of an absence of duty, not only in regard to a fetus but to "anyone else." On this theory of duty and responsibility, which depends on an intentional, deliberate and voluntary assumption of duties, man can absolve himself from helping his neighbor in time of robbery, fire, rape, murder or accident. Then the scope of love and duty becomes most provincial. Then the definition of "brother" in the question "Am I my brother's keeper?" becomes pathetically restricted.

5. Astoundingly, Prof. Bok rejects an appeal to the humanity of the unborn in order to protect life.

OBSERVATION

a. One reason for her rejecting humanity as a basis for the sanctity of life is that there are differing views as to when humanity of the unborn begins. But diversity of opinion does not mean no one is right, anymore than a split Supreme Court decision means that both the majority and minority are wrong.

b. Prof. Bok states that "the different views as to when humanity begins are not dependent upon factual information. Rather, these views are representative of different world views, often of a religious nature" (p. 38, col. 2). But this is a pure gratuitous assumption on the part of Prof. Bok, without any substantiation at all. Some of the world's leading fetologists for example, such as Dr. H. M. Liley from New Zealand, would quickly assert that it is precisely their scientific work—performing fetological surgery, for example, or giving blood transfusions to the unborn—that has convinced them of the humanity of the unborn, and not their preconceived religious ideas. Agreement on the abortion debate will not come easily if we neglect the factual observations of the scientific world.

c. Prof. Bok rejects defending life on the basis of humanity because of the "monumental misuse of the concept of 'humanity' in so many practices of discrimination and atrocity throughout history" (p. 44, col. 1). She calls this "by far the most important reason for abandoning such efforts." In other words, in the history of the world, slavery, witchhunts and wars have been justified because the victims were not considered human.

But she has forgotten the important principle of "Abusus non tollit usus." Because someone misuses a good principle, it does not mean that it is not valid! Because an attacker misuses a knife, it does not follow that a woodcarver or surgeon should not use it.

In conclusion, Prof. Bok's essay is another reminder of how precarious the Supreme Court's position on abortion is. She lists eight different views as to when we should begin to respect life (at conception, implantation, two to four weeks after conception, when the unborn looks human, when electrical brain impulses are first detected, quickening, viability and birth itself). Then she adds a ninth!

In such a welter of confusion, and especi-

ally where we are dealing with sacredness of human life, it would be far more loving (if it is permitted to bring love into an ethical discussion!) to err on the side of caution. Suppose next year, another ethicist at the Hastings-Studies comes up with a tenth view—one that would forbid abortions at an even earlier date than Prof. Bok does. Does this mean then that Prof. Bok has been advocating and promoting all along the death of those whose lives are sacred and should have been preserved?

In the name of humanity, love and justice, let us err on the side of so many fetologists, who tell us that the unique genetic code of every individual is determined at the very start of the life of the unborn. Human life is too precious to jeopardize by following the latest faddish notion of the theoreticians.

In 1967 the New Jersey Supreme Court handed down a resounding defense of the unborn in the Gleitman v. Cosgrove case. On January 22, 1973, by a 7–2 decision the United States Supreme Court, reversing its entire history, went directly against the N.J. Court's decision. Does a five-man majority determine the truth? What about tomorrow when the present Court is replaced? And in the meantime what about the million lives each year that the Court has permitted to be done away with?

SAVING THE DOLPHINS

Mr. WILLIAMS. Mr. President, in 1972, the Marine Mammal Protection Act became public law. I was pleased to sponsor the Senate version of this important legislation, which was designed to halt the depletion of whales, seals, porpoises, and other marine mammals.

Three years after Congress passed the law, the senseless destruction of dolphins by American tuna fishermen continues at an alarming rate. A recent article in the Washington Post by Lewis Regenstein, executive vice president of the Fund for Animals, describes this tragic situation. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

SAVING THE DOLPHINS

(By Lewis Regenstein)

Dolphins and porpoises have traditionally been known for their extraordinary intelligence, their seeming love for one another and their remarkable friendliness toward man. For centuries, stories have circulated of these mammals helping primitive peoples, living along rivers or coastal areas, to catch fish, with dolphins becoming an integral part of these fishing cultures. For instance, Pliny the Elder (A.D. 32–79) has described how ancient French or Gallic fishermen used dolphins to lead them to schools of fish and then shared their catch with these friendly detaceans. According to him, the dolphins even waited in the area until the following day, to be rewarded for their efforts with bread dipped in wine.

The countless tales of dolphins cooperating with fishermen by chasing fish into their nets, once believed to be apocryphal, have now been confirmed by scientific observers. In 1878, J. Anderson described how certain Burmese villages along the Irrawady River each had their own "guardian dolphin" that "the fishermen believe purposely draws fish into their nets." In 1954, "Natural History" carried a similar account, by B. F. Lamb, of the Tapegos River Dolphin of South America. Lamb observed fishermen tapping on the side of their canoes and whistling for "their" dolphins, which appeared immediately after a miner's lamp was lit: "This same porpoise helped the fishermen in all their night fishing, scaring the fish from the deep water back to the shallows." Recently, Jacques Cousteau and his crew observed and filmed a coastal fishing tribe in Mauretania, Africa, that beats the ocean surface with sticks in order to attract dolphins, which in turn help drive schools of mullet into their nets.

U.S. tuna fishermen also use dolphins to catch fish, but they are wiping out these mammals in the process. The U.S. Pacific tuna fleet first began killing dolphins on a large scale in the 1960s, when a new "purse-seine" method of netting yellowfin tuna came into widespread use. Being warm blooded, air breathing mammals, dolphins are found on the surface of the ocean, and some species often travel with yellowfin tuna. The new fishing method involves the use of speed boats to spread huge nets around the schools of dolphins (or "porpoises" as they are called by the fishermen), which are then drawn in to land the tuna beneath the dolphins. When this happens, sometimes hundreds or even thousands of dolphins either drown or die of shock. Although most of them could jump out of the net and escape, they appear reluctant to abandon a fellow dolphin that is injured or in distress. Mothers in particular refuse to leave their infants, so often entire families remain buddled together in the net "whistling" sonar distress calls. By 1970, in just one area of the eastern tropical Pacific, an estimated 250,000 to 400,000 dolphins were being killed each year in this manner.

In order to put an end to the slaughter, Congress in 1972 passed, and the President signed, the Marine Mammal Protection Act. This law stated that its "immediate goal" was to reduce the incidental killing of dolphins "to insignificant levels approaching a zero mortality and serious injury rate," with a two year time-table for accomplishing this requirement. In addition, the law generally prohibits the issuing of a government permit for the killing of any "depleted" species. Over the protests of conservationists, the Commerce Department's National Marine Fisheries Service (NMFS), headed by Robert W. Schoning, was given jurisdiction over the problem.

It is now obvious that the main dolphin species involved in this killing are so depleted as to be in actual danger of extinction. According to an October, 1974, report compiled by the Federal Marine Mammal Commission (MMC), the killing by 1974 was continuing at a rate of at least 100,000 dolphins a year, and some authorities feel that double that figure might be more accurate. (Since NMFS has refused to place observers on most of the tuna boats, these estimates are minimal and are probably much lower than the actual mortality.) The government report concluded that the killing "represents an unacceptably high level of mortality, both in terms of the specific charge of the Marine Mammal Protection Act . . . and in terms of the overall protection and conservation policies and objectives of the Act to maintain the health and stability of the marine ecosystem."

NMFS is well aware of what is happening to the dolphins. A 1974 study prepared by NMFS reports that one dolphin species—the so-called spotter porpoise (*Stenella attenuata*)—may be "30% to 80% lower than the pre-exploitation population in the early 1950's." The report indicates that other dolphins, such as the spinner porpoise (*Stenella longirostris*), are also in grave trouble; and the Marine Mammal Commission concluded in its study that "it is clear that mortality of both [these species] must be reduced significantly in order to ensure, with reasonable probability, the safety of the basic porpoise stocks."

Still, NMFS Director Robert Schoning refuses to act to eliminate the slaughter. Under intense lobbying pressure, NMFS has issued rules and regulations largely designed to placate the powerful tuna industry, namely Ralston Purina, Star Kist, H. J. Heinz, Bumblebee Seafoods, and the American Tunaboat Association. The industry is represented in Washington, D.C. by the well-connected law firm of Covington & Burling, and by lobbyist George Steele. Besides violating the Marine Mammal Protection Act, NMFS is also in violation of the Endangered Species Act of 1973, which requires the agency to protect not only endangered species, but also any species that is "threatened"—"likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range." Despite the overwhelming, incontrovertible evidence that these dolphins are moving toward extinction, none of them has been proposed for the threatened or endangered lists.

The yellowfin tuna caught by using dolphins accounts for only 10 per cent to 15 per cent of the tuna sold in the U.S. It is clear that the tuna fishermen will soon have to stop setting nets on dolphins in any event, for they are rapidly running out of these remarkable creatures. In addition, Project Monitor, a coalition of conservation and environmental groups in Washington, D.C., headed by Col. Milton Kaufman, has filed suit, through Environmental Defense Fund lawyer Richard Gutting, to force NMFS to halt substantially the killing and require government observers on the tuna boats to ensure that the law is adhered to.

In the meantime, greedy, short-sighted tuna fishermen are continuing to push these species of dolphins towards extinction, while indifferent government bureaucrats, with the responsibility for protecting them, look the other way.

THE NATIONAL COUNCIL ON AGING AND THE SOCIAL SECURITY EARNINGS LIMITATION

Mr. FANNIN. Mr. President, during the August congressional recess, the Board of Directors of the National Council on the Aging published a policy statement on the social security system. Included in this statement was the position of the Council regarding the social security earnings limitation test and in particular, the question of repeal. Because this statement is relevant to the debate over the retirement test I ask unanimous consent to have this statement printed in the RECORD.

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

STATEMENT BY THE NATIONAL COUNCIL ON THE AGING, INC.

The social security retirement test should be retained but the amount a beneficiary may earn in a year without reduction in his benefits should be raised from the present $2,520 to $3,000. Benefits should continue, as at present, to be paid, without regard to the amount of earnings in the year, for any month in which earnings do not exceed one-twelfth of the annual exempt amount. Elimination of a retirement test would involve a current cost of about $5 billion, which would require additional financing. The cost would be incurred mainly by reason of the payment of benefits to persons earning about as much as, or more than, they ever earned. There would be no advantage to the great majority of those eligible for benefits. A small increase in the amount of annual earnings exempted under the test would have a correspondingly small cost, and although the

increase would not affect a large number of beneficiaries and although those affected would be on the whole better off than other beneficiaries, the increase would be helpful in some cases and would tend to reduce pressures for complete elimination of the test.

To place the test on a straight annual basis, as has sometimes been proposed, would substantially reduce the incentives for retired persons to return to work. Even if provision for a monthly test were retained with respect to the year of retirement, there would be a penalty, which could be severe, paid by those who returned to work other than at the beginning of a year and also by those who, at other than the end of a year, were again forced to retire.

To revise the test, as has sometimes been proposed, to have it cover all income and not just earnings from work would be to change social security from an insurance against loss of earnings and into a form of welfare program. Incentives for saving, investment, the purchase of private insurance, and the establishment of private pension plans would be severely cut back. Also, it seems almost certain that workers would be unwilling to pay social security contributions if they knew that would not receive benefits unless they met an income test.

RUSSELL C. WILLIAMS RETIRES FROM VETERANS' ADMINISTRATION

Mr. HARTKE. Mr. President, I was happy and sad to note the retirement of a distinguished employee of the Veterans' Administration. I was happy because of the successful career that Russell C. Williams, though blinded in World War II, was able to lead as the Chief of the Blind Rehabilitation Division of the Veterans' Administration. I am somewhat sad because the VA has lost the services of this outstanding employee. On June 30, he closed out a 27-year career of service to the Nation's 65,000 blinded veterans. A fellow Hoosier, Mr. Williams was a high school basketball coach and a former pole vault champion from Dillsboro, Ind., before he was drafted into the military and blinded by a German artillery shell. Upon Mr. Williams' retirement, VA Administrator, Richard Roudebush praised him as "the man who has done more for blind people than any other individual."

While I wish Mr. Williams all the success that may come to a distinguished American upon his retirement, I remain concerned about greater employment of disabled veterans within the Federal Government. The Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93-508), which I was privileged to author, established new section 2014 requiring affirmative action programs to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled veterans. We need to look no further than the success story of Mr. Williams to know that, if given a chance, a disabled veteran can perform with the highest distinction for the Government that sent them off to defend the cause of our Nation.

A story about Mr. Williams' life and career was printed in the August 21, 1975 Washington Post. I believe it would be of interest to my colleagues, and ask unanimous consent to have it printed in the RECORD at this point.

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

LEADER IN THE FIGHT TO HELP BLIND VETS

(By Bill Peterson)

Russell C. Williams gets mad when he reads an article that says "this person, because of his remarkable guts and abilities, has risen above his handicap."

Russell C. Williams gets mad when someone thinks blind people "can't find their way out of their own bathroom" or that his wife is crazy to let him ride the bus alone from his suburban home to downtown Washington.

Russell C. Williams gets made when someone tells him how wonderful or how awful some president is and that he would agree "if only you could see."

Russell C. Williams can't see. He's totally blind and has been since a piece of shrapnel tore across his face in 1944 when he was an infantry sergeant in France.

But he doesn't think of himself as handicapped. On the contrary, he feels "I have been very fortunate in life."

He believes that it doesn't take some sort of a superman to overcome a handicap. Not only can the average blind person lead a relatively normal life and pursue a career, he says, but "you're a damn fool if you don't."

Williams' life is a case in point. He and his wife Jean, of 9415 Corsica Dr., have raised five active sons. He fishes, repairs bicycles, works as a handyman around home, goes to basketball games, plays a mean game of bridge, and for 16 years commuted daily to downtown Washington.

Even more noteworthy is Williams' professional career. For 27 years, he was chief of Blind Rehabilitation for the Veterans Administration and worked through the bureaucratic system to achieve change in behalf of other blind veterans.

He built up the VA's blind program from a single nine-bed unit with nine workers to a comprehensive nationwide effort with 200 employees, 81 programs and three major blind rehabilitation centers.

"Probably no other individual has contributed as much to the rehabilitation of the nation's 65,000 blinded veterans as has Russ Williams," VA administrator Richard Roudebush said when Williams retired June 30. The citation naming Williams one of the Outstanding Handicapped Federal Employees of 1974 went further: "This exceptional man has done more for the blind people than any other individual."

Williams worked within the VA bureaucracy developing new programs, lobbying for them internally and externally, using his own life as an example that they could work, according to Dr. James Folsom, his former boss. "Russ has a tenacity about him," he says. "He just doesn't give up. He'd grab ahold of an idea he believed in and he wouldn't let go."

Williams was a high school basketball coach, a former pole vaulting champion, back in Dillsboro, Ind., before he was drafted in 1942. He is still erect and athletic-looking at 57, a handsome man with wavy, steel grey hair and a commanding presence.

His sky blue glass eyes are sunken deep in their sockets. A deep, ugly shrapnel scar cuts across his left shoulder. And there are traces of scar tissue on his left cheek and above his right eye.

He vividly remembers the German artillery shell that caused the scars. "I was blind as a bat from the first scratch," he recalls.

He was understandably frightened. He wondered, "How can I tell Mom about this?" he says, puffing at a pipe in his comfortable living room. "The business of blindness scares the hell out of everyone. I knew the blindness was there, but I didn't know what could be done medically.

It was four days before a doctor from a British hospital told him: "Sergeant, there isn't a thing I can do. There's nothing left to work with."

Williams credits the doctor and the atmosphere at a VA hospital in Valley Forge, where he was later transferred, for giving him the right attitude in how to deal with his blindness.

The doctor gave him a cane and typewriter and let Williams know "you're not alone in this," he recalls. The hospital, one of the Army's first successful efforts at rehabilitation for the blind created "an environment of belief that had a profound impact on people who went through there," he says.

His injury initially depressed him, Williams concedes. "But I didn't know how to quit. I couldn't find a window to jump out of."

He decided to make the best out of the situation. He'd always been competitive. "I knew that I could compete favorably in a group," Williams says. "I decided that I could do well at Valley Forge if anyone could."

He learned Braille, how to feed himself, how to use "the long cane," now the most common method for blind people to move about but then a new concept, and regained confidence in himself.

He also met a tall, slender brunette, named Jean Riley, who was working as a Red Cross volunteer with blind veterans. They were married in May 1945. "Blindness was incidental to him as a person," she says. "You overlook it after a while. We had the same interests, the same general view of life."

Williams went to the Old Farms Convalescent Hospital near Hartford, Conn., for further help, then returned to the Valley Forge Hospital to work on its rehabilitation staff. In 1948, he was named chief of the first VA Blind Rehabilitation Center at Hines, Ill. He served there 11 years before being transferred to Washington, where he headed VA efforts in dealing with blind veterans until June 30.

During all this time, his wife declares, "I've never once heard him say, 'I wonder how things would be if it weren't for my eyes.'"

As part of his job, Williams traveled around the country alone, presented testimony to congressional committees and served as an advisor on research and development of electronic devices for the blind.

He speaks bluntly about what blindness does to people and how others react to it.

He says discrimination "is part of the business" of being blind and that many people assume that blind people can't do things. "There is an intellectual discrimination. People assume a lack of judgment," Williams says. He reaches for a glass of ice tea on the floor beside his chair as he speaks.

He recalls being in meetings where colleagues disregarded his views because they felt he lacked perspective or information about the particular issue at hand. He recalls a neighbor butting in when he was attempting to fix a yard swing, because he didn't think Williams could complete the job. "He was interferring with my pleasure and I told him so," he says.

Blind people, however, shouldn't let incidents like these "tie our hands," he adds. With "certain modifications" he feels the average blind person can lead a normal life.

Williams, for example, washes windows, fishes, repairs bikes and travels alone by plane. It takes patience, he concedes. When he fishes alone at his cabin in northern Minnesota, he rows back to the dock using some-

one's voice yelling to him as a guide. When he commutes by bus, he questions fellow riders, and bus drivers to make sure he takes the right bus home from his bus stop at 16th and K NW.

Some people use their blindness as a crutch. "It isn't long before blind people realize they have a tool they can use" to gain sympathy, Williams says. "Blindness is a powerful thing to throw back at someone."

Williams' philosophy at VA was to set up institutions to bring in blind veterans to build their self confidence and prepare them to deal with life.

He found the VA receptive to many of his ideas. Williams presented "just the right mix at the right time," says former boss Folsom. The VA had a large concentration of blinded veterans. Something had to be done. Their problems had to be dealt with.

"I don't think I could have developed the kind of program he did. He had a feeling for it because he was blinded himself," says Folsom. "He felt the old system that left blind people very dependent wasn't adequate . . . He'd say, 'Don't talk to me about seeing-eye dogs. Let's make people independent."

Williams was his own best salesman, he adds. "It was very important that he was able to say, 'We have a program that works, see what it has done for me.' Everyone admired the guy. When he spoke, people here listened."

The concept, Williams says, "is to bring people out of their home environments which are bound to be laden with disappointment, doubt and dissatisfaction" into a place where they can "sprout wings."

He has stressed that "a guy doesn't have to have unusual guts or ability" to succeed without sight. But to teach "if a guy sits around on his butt waiting for something to happen, it won't."

The idea is to enable the blinded veteran to return to life with reasonable expectations of what they can do and can't do.

Williams' retirement is in keeping with his teaching. He did it for the normal reasons: He was sick and tired of going downtown everyday to the same office to do the same thing. He felt someone with a fresher outlook could do a better job.

He has spent much of the summer fishing in Minnesota. However, this will change after a few months.

"I'm thinking about a new career," he says with a smile. "I don't have any particular career in mind. I'll just wait and see what comes along."

FTC SHOULD ACT TO PERMIT EYEGLASS PRICE ADVERTISING TO LOWER COST TO CONSUMERS

Mr. PERCY. Mr. President, I would like to address a serious problem that affects one out of every two Americans. The matter involves the inflated cost of eyeglasses caused by restrictions now in effect in some 36 States that forbid or prevent optometrists and opticians from advertising the prices they charge for eyeglass lenses and frames.

Inquiry into this area has uncovered evidence which demonstrates that arbitrary State laws or restrictive practices have resulted in consumers paying 25 to 100 percent more for lenses and frames.

In purely human terms, this unneeded surcharge caused by anticompetitive restrictions on price advertising too frequently has forced the indigent, the elderly, and many middle-income Americans to wear outdated and ineffectual glasses, sometimes with scratched or broken lenses. Too many citizens just cannot afford the high prices charged today for lenses and frames.

In light of the growing number of senior citizens in need of corrective lenses, we should hang our heads in shame when we hear that the elderly in Miami, Fla., for example, have been asked to will their eyeglasses to other senior citizens who cannot afford to replace outdated prescription lenses. No one should have to depend on hand-me-downs from the deceased in order to see satisfactorily.

Florida is one of those States that forbids price advertising. I understand that some Floridians purchase their glasses in neighboring Georgia and Alabama where prices are reported to be as much as 25 percent lower, because they can buy them much cheaper, without sacrificing quality. Both Georgia and Alabama permit price advertising.

There is ample documentation outside of Florida indicating that State restrictions on optical price advertising are an inflationary factor in the price of lenses and frames. Compare, for example, the prices charged to consumers in Illinois, Oklahoma, Louisiana, and California, which forbid price advertising, with those in Texas, Mississippi, Arizona, and Missouri, which permit price advertising:

Almost identical frames that cost some $30 in Oklahoma City, Okla., cost as little as $11 across the Red River in Wichita Falls, Tex. An almost identical trifocal lens that costs $54 in Oklahoma City sells for $35 in Wichita Falls.

In Yuma City, Ariz., lenses and frames can be purchased for as low as $16.90 compared with a low price of $22 found in California. An optician in Yuma City, which sits on the State line, says that not uncommonly Californians drive from as far as El Centro, 50 miles away, to take advantage of the savings in Arizona.

Lenses and frames that sell for $32 in Baton Rouge, La., cost $28.90 across the Sabine River in Texas. Trifocals which start at $48 in Baton Rouge sell for $29.90 in Texas.

Prices in Tennessee, a State with very restrictive laws banning price advertising, are as much as 35 percent higher than in neighboring Mississippi.

An officer of a large optical house told my staff that, until quite recently, he charged $6 more in Illinois for the same frames, than in neighboring Missouri. Higher volume, induced by price advertising in Missouri, resulted in lower prices, the executive said.

The pattern of higher prices in States that forbid price advertising is clear. No one really knows how many persons are not receiving satisfactory eye care as a result of the high prices which put such care out of reach for many.

The most recent study on the subject from the Department of Health, Education, and Welfare, completed in 1966, showed that optometric service is failing to reach more than half the population. The study was based on interviews from July 1963 to July 1964—a period of relative prosperity. There is reason to suspect, because of unemployment and high inflation, that still fewer Americans are currently receiving quality eye care.

Mr. President, the optical industry has no particular need for special statewide protections such as price advertising restrictions. It is currently a $3 billion a year business that is expeuted to grow to between $3.9 and $4.4 billion by 1980. Per capita expenditures for eye wear goods are expected to rise accordingly from $13.50 to $18 by 1980.

The average price markup in the industry, both at the manufacturers' and retailers' level, is between 300 and 500 percent, with the highest markups reserved for frames. For instance, a black plastic frame which may cost the retailer $2.50 is regularly sold for up to $18. Wire frames that may cost the retailer $5 are sold for $30 and more.

Optical retailers do not need restrictive laws or practices to virtually guarantee substantial price markups. They should compete on the basis of price as well as quality optical service.

It is time for the Federal Trade Commission to act to annul these State laws and practices. There is a precedent for the Commission to eliminate State restrictions which inflate consumer prices. On June 4, the FTC proposed rules that would lift State price advertising restrictions on prescription drugs. The parallel is clear. But because of what appears to be some unexplained hesitancy, the Commission did not include prescription lenses in the same category as prescription drugs.

It is time now that the Federal Trade Commission acted decisively. At a time of severe inflation and unemployment, our society cannot afford to pay the high prices caused by Government overregulation, whether those regulations begin at the State capital or the Nation's Capital.

Quality eye care at reasonable prices should be a prime health objective of our Nation. When State laws make eye care unreasonably costly, they should be swept aside.

Mr. President, to indicate the reasons underlying my call for prompt action by the FTC, and so that certain evidence compiled on this issue can be examined by all, I ask unanimous consent to have printed in the RECORD the complete text of my letter of September 4, 1975, to FTC Chairman Lewis Engman, as well as the following additional material: excerpts from a monograph by Prof. Lee Benham, of the School of Economics of Washington University in St. Louis, entitled, "The Effect of Advertising on the Price of Eyeglasses,"Journal of Law and Economics, volume XV—October 1972—pages 337–352; excerpts from the report and recommendations of the California Attorney General's Inflation Committee, March 1975, dealing with "Advertising the Price of Eyeglasses"; a statement from the California Citizen Action Group; and several illuminating and well-documented media articles on this subject: two by Nancy D. Davis and Clydene Weathersby appearing in the Baton Rouge State-Times—March 14, 1975; as well as an outstanding five-part series by Ben Blackstock of the Oklahoma Press Association which appeared in more than 125 newspapers throughout Oklahoma in February of this year.

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

U.S. SENATE,
COMMITTEE ON
GOVERNMENT OPERATIONS,
Washington, D.C., September 4, 1975.

Hon. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: In the health care area, hardly anything impacts on quite as many Americans as the need for quality optical care. Over one hundred million citizens—almost half of the population of the United States—wear corrective lenses; and by age 50, four out of five persons wear glasses or contact lenses. The corrective lens and frame business is a $3 billion a year industry and it is growing. Per capita expenditures by users for eye wear equipment, now at $13.50, is expected to rise to $18.00 by 1980.

Quality optical care that is within the financial reach of all Americans should be a prime health objective for the nation. Not only do well-fitted corrective lenses give users a sense of personal well-being and security, but they are an important safety factor on the highway, in the factory, in recreational activities, and at home. Accordingly, we should be searching for ways to make quality optical care more readily available at more reasonable prices. It is my firm belief that arbitrary laws and regulations which prohibit or limit optical price advertising in 36 states have artificially inflated the cost of such care to too many citizens—particularly older citizens on fixed incomes—who cannot afford to purchase the lenses they dearly need.

On June 4, 1975, the Federal Trade Commission proposed new rules that would overturn state laws which prohibit the advertising of prescription drug prices. For some unexplained reason, the Commission did not include prescription lenses in the same category as prescription drugs. I believe that the underlying problem is the same and that, therefore, the FTC action should apply with similar force and effect to price advertising restrictions on lenses. The Commission should act promptly to ban all such price advertising restrictions that are not only costing Americans millions of dollars but are also resulting in less than satisfactory eye care.

According to a scholarly study by a Washington University economist, advertising restrictions have increased prices for retail lenses and frames to the consumer by from 25 to 100 percent. Professor Lee Benham's findings have been supported by research conducted by my staff, documenting substantial price differences between states that prohibit price advertising and neighboring states which allow consumers to know how much they will be paying and to comparison shop.

(These prohibitions apply, incidentally, to an industry which hardly needs government protection. Figures indicate that the average price markup for lenses and frames is 300 to 500 percent *both* at the manufacturers' and retailers' level. For instance, a black plastic frame which costs the retailer $2.50 is regularly sold at prices up to $18. Wire frames that may cost the retailer $5 are sold for up to $30. Ironically, imported frames that command higher prices from the consumer, in many cases actually cost the retailer less than comparable domestic frames.)

Consider the following examples:

The same frame that costs $30 in Oklahoma City costs $11 in Wichita Falls, Texas, where advertising of prices is permitted. The same trifocal lens that costs $54 in Oklahoma City will cost $35 in Wichita Falls. An Oklahoma woman told my staff that her husband recently purchased a pair of glasses and frames in Texas for $39 which were priced at $85 in their hometown.

In Arizona, which permits price advertising, lenses and frames can be purchased as low as $16.90. Across the state line, in California, according to a recent survey taken by the California Citizen Action Group, the lowest price for the same device would be $22, with the average price at $52.43.

The Baton Rouge State-Times reported on March 14, 1975, that a pair of single-vision lenses and frames that sell for $32 in Baton Rouge could be purchased for $18.90 in Texas. Bifocals and frames in Baton Rouge cost $43 to $80 while the price in Texas was $24.90. Louisiana forbids price advertising while Texas permits it.

The average price for lenses and frames is about 25 per cent higher in Florida, which doesn't permit price advertising, than in neighboring Alabama, which allows it. Similarly, the prices in Tennessee are as much as 35 per cent higher than bordering Mississippi. Mississippi allows price advertising, while Tennessee tightly bans it.

Even companies that do business in both anti-advertising and pro-advertising states say they are forced to charge more in the anti-advertising states. An officer of a large optical house told my staff that until quite recently he had to charge $6 more for the same frames in anti-advertising Illinois than in pro-advertising Missouri. Higher volume, induced by price advertising in Missouri, resulted in the lower price, the executive said.

From all indications, in addition to lower prices, lifting the price advertising restrictions can be expected to produce the following significant benefits:

(i) Increased competition in the optical field due to increased volume from lower prices. With the lifting of these arbitrary restrictions, efficient and cost-conscious businessmen could inform the public about their lower prices and attract more customers because of the savings.

(ii) Consumers would have necessary price information to permit them to shop around for the lowest prices for quality merchandise and service. A recent study of New Jersey optical prices showed that identical pairs of lenses and frames sold for $27 in one store and $58 in another. Short of telephoning retailers in a given retail trading zone, consumers are presently denied this valuable information.

(iii) Lower and middle-income Americans could more readily afford to purchase properly prescribed eyeglasses because of the lower costs that would accrue from price advertising. Tragically, many Americans who cannot afford today's high prices are forced to wear glasses with outdated and ineffectual, sometimes scratched or broken lenses.

I am deeply concerned as to whether adequate optical care is being received by millions of American users whose incomes lie just above the welfare line, making them ineligible for government-provided glasses. The human price being paid by the elderly with failing eyesight is too high a toll. A study by the Department of Health, Education, and Welfare showed that optometric service is failing to reach more than half the population. The study was based on interviews which took place in a period of relative prosperity during the mid-60's. How, with high inflation and unemployment, one can only surmise that this situation has worsened.

In addition to dealing with the problem of advertising restrictions, the Commission should direct its economic staff to determine whether maladministration of today's welfare system is resulting in artificially high prices for frames and lenses. In other words, is it possible—or even likely—that an unsupervised welfare support system maintains an unnaturally high floor on prices; and that, as a consequence, optometrists and opticians do not lower their prices to the general public because they might then have to charge state welfare departments less than they are now able to charge and receive in the absence of individual choice and an arms-length transaction? I ask this with full knowledge that two companies appear to control as much as 80% of the lens market.

I believe that we share a common goal to remove government regulations and policies at all levels that artificially keep prices high. Accordingly, I will look forward to receiving a report from you as to how the Commission tends to proceed in these matters at this time.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

[From the Baton Rouge (La.) State-Times, Mar. 14, 1975]

EYEGLASS BUYERS SAVE IN TEXAS

(By Nancy C. Davis)

HOUSTON.—Cost-conscious customers from Lousiana, Oklahoma, and Arkansas are crossing the state line into Texas for savings of up to 50 per cent or more on eyeglasses and contact lenses.

In Texas, one of the few states which permits advertising for eyewear, the Lee Optical chain is currently offering any combination of frames and prescription single-vision lenses carried in 10 cities, including Houston, for $18.90. Bifocals are $24.90, and trifocals are $29.90. For contact lenses the first pair is $59.50 and the second pair is $20—a total of $79.50 for two pairs.

Prices like these draw customers from as far away as Baton Rouge and Little Rock. "In Beaumont, Orange, and Texarkana about half of our business comes from out-of-state residents. They'll drive 100 or 200 miles to come to us," said Dr. C. T. Shropshire of Dallas, a director of Lee Optical and field supervisor of the firm's retail outlets.

By law, Texas firms cannot advertise optical prices in Louisiana. "We do no newspaper advertising in Lousiana, but we can't prevent broadcast advertising from leaking over the border," said W. Ed Allen of Beaumont who started with the Texas State Optical chain some 20 years ago as advertising manager. Allen said TSO also takes out yellow pages listings in some Louisiana border cities.

But when Allen speaks of TSO advertising, he is not talking about price. A 1969 Texas state law prohibits price advertising for optical dispensing houses which operate in the same office as a prescribing optometrist.

To advertise price in Texas, an optical dispensary must operate separately from an optometrist and must obtain an advertising permit from the State Board of Optometry. Prices must be filed and approved by the board in advance and must be uniform in all markets covered by the advertisement.

A majority of TSO offices employ a resident optometrist who examines eyes and writes prescriptions for an average charge of $10 per visit. Therefore, TSO advertising is limited to such phrases as "reasonable prices" and "credit available," Allen said. No mention is made of actual prices for specific eyewear.

FRAME PRICES

Frames at TSO range from as low as $7 for some plastic styles, up to $60 for more expensive metal designs. One TSO office, however, describes the "average" total cost for examination, lenses, and frames as "around $50."

The same 1969 optical law requires all Texas optometrists to divorce themselves from optical dispensing operations by 1979. Already TSO has some 20 of its 120 Texas offices set up on the "two-door" system, where a TSO dispensary is located next door to an affiliate optometrist. In many cases the optometrist joins in a partnership with TSO. Patients examined by the optometrist walk next door to have prescriptions for eyewear filled, or they can take the prescriptions elsewhere.

All Lee Optical offices operate under the "two-door" system, with independent optometrists leasing the space next door from Dr. Shropshire, not Lee Optical.

Allen, who is now public relations director for TSO, said that since the firm's founding in 1935, it has spread to nearly all Texas markets of reasonable size. "We are now seriously looking at expansion into other states and have already gone into New Mexico. We are definitely looking at the Louisiana market.

"But no matter where we go outside of Texas, I believe we will face legal problems. It's a matter of economics. The people already in business in those states will be watching out for their own bailiwick," Allen said.

EXPANSION FACTOR

He feels that successful expansion into Louisiana would depend on TSO's ability to advertise and relate the new practice to the reputation the firm has established in Texas. And he finds Oklahoma laws particularly rough from an expansion point of view. "In Oklahoma it's against the law for advertising of any type in regards to optometrics. Those people did their homework in making laws to prevent us from coming into the state," Allen said.

Asked about the possibility of mail-order eyewear, officials at both Lee and TSO said they feel it is quite impractical, since both eyeglasses and contact lenses must be fitted to the individual patient.

The question of advertising for optical services generally hinges on an ethics consideration and on the quality of care provided by those who advertise.

Dr. Chester Pheiffer, dean of the College of Optometry at the University of Houston, one of the top 10 schools of optometry in the nation, said, "Good vision care depends on the doctors, just as any other medical care depends on the doctor. Advertising doesn't necessarily modify quality, but it emphasizes materials, rather than care."

Pheiffer feels that the chain optical dispensaries can provide satisfactory prescriptions. However, he stresses the importance of having new prescriptions checked for accuracy. "The doctor should carefully examine the prescription when it comes back to see if it is what he ordered," Pheiffer said. Otherwise poor lab work can give the wearer vague feelings of tiredness or digestive problems, he said.

Advertising hurts professionalism, according to Pheiffer. He feels that materials aren't as important as the services performed by the doctor, and he cites contact lenses as an example. "The cost of materials going into contact lenses are quite cheap, but doctors can cause real problems with contact lenses, if they don't insure proper prescription and fit. Here it is the quality of the doctor's care that is important," he said.

STEP FURTHER

Pheiffer goes one step further. "If you're going to start advertising the cost of materials, then let's do it for all the professions. Dentists can advertise the cost of false teeth, and doctors can advertise the cost of injections or the price of an artificial leg."

However, Allen said, "People are entitled to know what their glasses are going to cost. We don't parallel our operations with medicine. Eyeglasses are not taken internally, and they present no threat to health, if fitted properly."

Instead, Allen feels that the optometrists and opticians working for TSO can provide better quality care, because they spend the entire day specializing in what they do best. The optometrists stick to examining eyes, taking case histories, and prescribing glasses, while the opticians spend their time filling prescriptions.

Shropshire said that the doctors who decry price advertising for optometrics are the same ones who will use Lee's Dal-Tex Laboratory to fill their prescriptions at a lower cost. Shropshire said he finds these doctors seldom pass the savings along to the consumer.

In fact, Shropshire said most independent Texas optometrists and opticians are not influenced to lower their prices by competition from the chain dispensaries. Independent offices generally carry prices comparable to those found in states which prohibit advertising, he said.

[From the Baton Rouge (La.) State-Times, Mar. 14, 1975]

EYEWEAR PRICES IN LOUISIANA DEFENDED; QUALITY IS PRAISED

(By Clydene Weathersby)

A pair of prescription single-vision lenses and frames which currently sell for $18.90 in Texas would cost from $32 upward in Baton Rouge.

The Lee Optical chain in Texas currently offers any combination of frames and bifocal lenses for $24.90 and trifocals for $29.90.

Bifocals in Baton Rouge cost from $43 to $80 or more, depending upon the frame, prescription and where they are purchased. Trifocals run from $48 to $100 upward.

Dr. Dalton S. Oliver, an ophthalmologist at the Oliver Eye Clinic here, said he believes quality as well as prices probably would drop if advertising of eyewear were allowed in Louisiana.

Large chains such as Lee Optical (found in 14 states) stress goods over service, he said. "Everybody wants to be exceptional and get exceptional care," he said, but the chain opticals aren't able to offer it.

MINIMUM SERVICE

A local optometrist who asked not to be identified said the opticians who dispense glasses for the large chains "are badgered to render a minimum amount of service. This is why it's bad for the public.

"If I had to pay for advertising I'd have to do the same thing—render a minimum amount of service. And I'd have to get out of the business," he said.

A local certified optician who also asked not to be identified said, "I just don't believe they can sell glasses and frames as cheaply as they say they can unless they use a cheap frame." An optician is a person who makes or dispenses glasses.

"You get what you pay for," he said. "It's bound to affect the quality of work." Such chains might use a lower quality lens as well as frames, he said, "and some prescriptions make a heck of a lot of difference how they're fitted."

Dr. Lee Benham, now at Washington University in St. Louis, did an extensive study entitled "The Effect of Advertising on the Price of Eyeglasses" which was published in 1972 in The Journal of Law and Economics.

Benham surveyed about 1,500 persons on the eyewear price question. The first sampling was done in 1963, with updating in 1970.

Benham also sampled prices of 19 opticians, optometrists and commercial firms in July 1971.

Benham concluded people who purchase glasses in states which restrict advertising pay from 25 to 100 per cent more than those in states which permit price advertising.

ARGUMENT IS 'HOGWASH'

"The argument by some ophthalmologists and optometrists that those who perform low-priced work generally do so at the sacrifice of quality is hogwash," Benham writes. "The eyeglasses which are produced in Texas are just as good as those produced, say, in Oregon.

"In many cases the same laboratories do work for those optometrists who advertise and those who don't."

Lee Optical currently offers hard contact lenses for $59.50 a pair. Dr. C. T. Shropshire of Dallas, a Lee Optical director and field supervisor of the firm's retail outlets, said this price does not include one's initial visit to an ophthalmologist or optometrist for the prescription, which usually runs from $20 to $30.

Ophthalmologists and optometrists in Baton Rouge charge from $150 to $250 for a pair of hard contacts. The fee includes the initial visit, instructions on insertion, supply kits, all followup visits, and, in some cases, insurance.

Dr. Shropshire said the Lee Optical price also includes instructions on how to insert the lenses and all follow-up visits.

However, he said if a change is needed in the prescription or fit during the adjustment period, the buyer must return to his doctor before Lee Optical's optician can make the change. Whether he is charged for subsequent visits and how much is up to his doctor.

CONTACT LENSES COST

Dr. Oliver said less than a dollar's worth of plastic is used in manufacturing a pair of contacts, but their fabrication and quality control greatly add to the cost. Also, much of the cost of the lenses is the professional services rendered by the doctor, which will probably include three or more follow-up visits.

Most ophthalmologists and optometrists in Baton Rouge have optical dispensaries located either within the same building or next door.

Capitol Optical Co. is located within the Oliver Eye Clinic building. Dr. Oliver said it is organized as a separate corporation from the clinic and said he receives only "minimal profits."

He said one reason for locating the optical dispensary within the clinic is patient convenience, particularly in difficult cases such as fitting glasses on a person with cataracts. It is also easier for clinic doctors to change a prescription and replace a lens if the patient would prefer a stronger or weaker corrected vision, he said.

"As an argument of interest," Dr. Oliver said, "if an individual decides to be his own eye doctor and suffers from a reading deficiency, he can pick out a pair of glasses from a 10 cent store for $3. Mind you though it would be of terrible quality."

"Any glasses can do no permanent harm," he said, "and there is only a very minimal danger in contacts. People in Texas take great refuge in that."

"The damage is in the existing pathology that is overlooked" in the eye exam, he said, such as "early glaucoma which is not seen until the patient has lost a great deal of vision," and that his corrected vision may be more distorted than necessary.

MEDICAL DOCTOR

Only an ophthalmologist, who is a medical doctor, is allowed by state law to use medical drops which allow glaucoma to be spotted in a routine eye examination. An optometrist may prescribe correctional lenses, but not prescription drugs, and he may not perform surgery.

One reason a major optical dispensing chain such as Lee Optical is able to offer lower prices is because of its high volume of business.

Dr. Shropshire said Lee Optical laboratories manufacture all its lens, frames and contact lenses. He said Lee Optical also sells its optical products to independent ophthalmologists, optometrists and retail outlets.

The local optician interviewed said several persons have told him recently they would buy their next pair of glasses in Texas because of the lower prices offered.

"And guess who will fix them and adjust them and who they'll complain to when they can't see out of them," he said. "I'm not complaining, but don't come throw price in my face."

[From the Oklahoma Press Association, February 1975]

WHY DO EYEGLASSES COST MORE IN OKLAHOMA?

PART ONE

(By Ben Blackstock)

If you wear eyeglasses and you bought them in Oklahoma you paid from 25% to 100% more ($10 to $50 on the average) than you would have paid in Texas.

Oklahoma is one of 36 states which prohibits the advertising of eyeglass prices. And, in Oklahoma, eyeglasses and contact lens can't be advertised at all.

The result is that Sooners paid an extra million dollars or more each year for eyeglasses the past 21 years.

It was in 1953 that the state legislature passed a law making it illegal to advertise eyeglasses. The argument was such a law would protect the eyes and health of the public. Advertising had to be stopped, it was argued, because some unscrupulous opticians and optometrists lied in their advertising.

Since false and misleading advertising is against the law, why did the 1953 legislature pass a law which has cost state citizens an estimated million dollars each year?

The real reason was to strangle competition.

Free enterprise is often short-circuited in the name of protecting the health of the public. An example are Oklahoma laws which give barbers and dry cleaners authority to get together in each county and set prices. Both those groups convinced legislatures of 30 years ago that price fixing and no advertising was needed to protect the public health.

The 1953 eyeglass advertising law was pushed by most state optometrists. They were sore about discount eyeglass firms from Texas setting up stores in Oklahoma. Raking up political funds from Oklahoma City and Tulsa optometrists they decided to tackle the competition. The place to do it was in the legislature. They hired influential lawyers who were either legislators, or former legislators, or who could "get things done."

In the closing days of that 1953 legislature, Oklahoma optometrists got a law which was a joy to eyeglass doctors all across the nation. Next, they wangled an opinion of the then attorney general, holding that their new law was consistent with Oklahoma's constitution. Pro advertising advocates didn't even know what was going on because attorney general opinions get little to no public notice.

The opinion was challenged in the courts. It ended up with the U.S. Supreme Court agreeing that each state had authority to protect the health of every citizen.

That was the green light.

Oklahoma's no advertising law for eyeglasses lit up optometrists in state after state. Today, 36 states have such restrictions. Only 14 state legislatures have held fast for the consumers. Among them are Texas, Iowa, Utah, Colorado, Minnesota and nine others.

Do those who wear eyeglasses in the 36 high price states see any better? Has advertising impaired the vision of residents of the 14 competitive states? Is their health worse for the fact that their citizens may shop with eyeglass advertising?

In the next article we will show that Oklahoma's eyeglass frame-up is almost a perfect conspiracy to rip off the public.

[From the Oklahoma Press Association, Feb. 1975]

WHY DO EYEGLASSES COST MORE IN OKLAHOMA?

PART TWO

(By Ben Blackstock)

Businessmen yell the loudest about government meddling with the free enterprise system. Yet, organized groups of these same champions of "the American system" band together to kill competition.

The eyeglass business in Oklahoma is a classic example.

Optometrists go to school to learn how to test some defects in vision. They also learn how to run an eyeglass store. They have limited training in diagnosing and treating eye disorders, such as glaucoma and many others which eyeglasses won't cure. A few optometrists fake it but the better ones know when to send a patient to a specialist.

An ophthalmologist is a medical doctor who has gone through all the six or seven years it takes to be licensed as an M.D. He has gone on in training to be a specialist in eye problems. Usually, an ophthalmologist is a sort of generalist on eye problems. Some do eye surgery for cataracts, treat glaucoma and the like. Others go on to gain the ability to deal with the more rare eye difficulties.

"You can look, deep, into a person's eyes and see all sorts of hints of other physical or even mental problems. I have to recognize if it's more than an eyesight problem. Most times it's relatively simple. Sometimes it's not. Usually, I can do something to help. Once in a while I can't. I have to know the difference."

So spoke an Oklahoma M.D. ophthalmologist.

Yet, only an estimated 35% of the public have their eyes checked by an ophthalmologist.

Another term you need to understand is optician.

An optician fills prescriptions for eyeglasses and contact lenses. He or she may not check eyesight. They are trained to grind glass, or plastic, to specific tolerances. Opticians deal in prescription numbers designating what kind of lens to prepare. If it's a single lens, it is relatively simple. If it's bifocals, a little more complicated. Tri-focals, even more so.

Contact lens orders are also filled by the optician. But he has to have extra training to be able to do that. Contact lens are usually "cosmetic," for appearance. A few are to correct defects of the cornea, a peculiar shape of the eye. In all cases an optician grinds, or otherwise prepares, the correction.

Today in Oklahoma, after 22 years of no eyeglass advertising, an optician fills eye prescriptions only for ophthalmologists.

Almost always.

An optometrist orders his own prescription from a supply house. So does an optician.

To understand why Oklahomans pay so much more for eyeglasses we have to understand what each skill and specialty can do.

Next, we will look at how optometrists have entered into a restraint of trade to guarantee fat profits for themselves and to drive opticians out of business.

[From the Oklahoma Press Association, February, 1975]

WHY DO EYEGLASSES COST MORE IN OKLAHOMA?

PART THREE

(By Ben Blackstock)

Back in 1947, Oklahoma optometrists got together and decided to regulate their new profession. They got the legislature to set up an official board to license optometrists. About the same time they formed a trade association.

The object of both the licensing agency and the association was to improve the health of eye care in Oklahoma.

Today optometrists run both operations out of the same office. Both the licensing board and the association have the same phone number.

They have accomplished their goals. They have controlled and killed all competition in the eyeglass business. They have stopped all advertising. They have increased their profits beyond their wildest dreams.

The public has been the loser.

The public has not gotten better eyesight.

First, the twin collusion stopped advertising.

Next, a bit at a time, they whittled down the opticians to a blathering confusion.

How did the optometrists do it?

After the advertising price ban, optometrists made it unlawful for an optician to have a lensometer in his shop. A lensometer is a sort of microscope which can detect the prescription of a broken eyeglass. Needed by opticians, it is the test of what an eyeglass is, or whether a lens grinder specialist has the correct prescription.

Lensometers may be used only by optometrists, ophthalmologists, laboratory opticians—but never by dispensing opticians.

Not content with these competition controlling laws, the optometrists moved into tax advantages. Buy them from an optician and you pay sales tax.

Optometrists have tried to get the state legislature to forbid an optician from fitting eyeglasses. They want either an optometrist to bend the frames to fit your face and ears, or take them back to the prescription-writing opthalmologists to bend them.

So far, optometrists haven't succeeded in that.

Optometrists are most often good guys. They have been carried away with controlling their competition. Some few ophthalmologists (M.D.s) have resorted to owning a share in an optician (eyeglass prescription filling) store. Some directly, some through the use of their wife's name; some through owning the building and charging a percentage rent on gross business.

Twenty years ago some ophthalmologists and most optometrists got a kickback from the optical supplier to whom they sent their business.

Today most ophthalmologists stick to practicing their profession. They let the patient get the prescription filled where they choose.

Optometrists?

They own the control. They fill 65% of the eyeglass needs of Oklahomans. Give them a little time and there won't be any opticians. If your ophthalmologist gives you an eyeglass prescription, you will have to take it to an optometrist to fill it.

Next, a study on the cost of eyeglasses in all states.

[From the Oklahoma Press Association, February 1975]

WHY DO EYEGLASSES COST MORE IN OKLAHOMA?

PART FOUR

(By Ben Blackstock)

Dr. Lee Benham is a Ph.D. at Washington University, St. Louis. He teaches economics there and in the Washington University Medical School. For several years, Benham has studied the cost of eyeglasses in all states.

As an economist, Benham is no automatic fan of advertising. Yet, he has written in professional journals, such as The Journal of Law and Economics (Chicago Univ.), the prices people pay for eyeglasses depends on advertising. Benham has even developed a formula to determine the price you will pay for eyeglasses:

$$C_t = C_g + C_k + C_t$$

Translated, Benham's formula means the cost you pay for eyeglasses equals the actual cost of the glasses, plus the fee (skill) of the prescriber, plus the price the sales outlet charges and, very important, your knowledge of where to buy them.

"That's where advertising comes in," Benham says. "If the customer doesn't have the benefit of advertising, his choice of where to buy his glasses is severely limited . . . if not non-existent."

Benham checked the price of eyeglasses at optometrists, opticians and commercial firms

in several states. He concluded where advertising is permitted by state law, advertising was the equalizer. People pay less in states where eyeglass advertising is permitted.

Only in 14 states does the consumer get a fair shake. Benham identified these states as Arizona, Utah, Colorado, Texas, Kansas, Nebraska, Minnesota, Iowa, Missouri, Indiana, Michigan, Georgia, Alabama and Maryland.

"The restriction of eyeglass price advertising," claims Dr. Benham, "which prevents people from locating low-priced sellers more readily, is clearly a restraint of trade which results in higher prices for consumers.

"Eyeglasses which are produced in Texas are just as good as those which are produced in Oklahoma. In many cases the same laboratories do work for those optometrists who advertise and those who don't," the economist emphasized.

What can you do about the eyeglass rip off?

Well, you can go to Texas to get your glasses and have your trip expense and weekend paid for from what you save. You can even order your next glasses by mail. But your optometrist will charge you an extra $15 or $20 to give you a prescription. If you have your eyes checked by an ophthalmologist you are ahead. You can take your prescription anywhere to be filled. You can shop around . . . even in Texas.

But if you want to stop this eyeglass rip off in Oklahoma, you will have to insist to your state representative and to your state senator that they repeal the eyeglass advertising law in Oklahoma.

Next, an Oklahoma optician tells how optometrists have almost put him out of business.

[From Oklahoma Press Association, Feb. 1975]

WHY DO EYEGLASSES COST MORE IN OKLAHOMA?

PART FIVE

(By Ben Blackstock)

If you set out to find a typical middle age businessman, Doug Matthews of Oklahoma City, would easily fill the bill.

Married, the father of two children, Matthews has been a practicing optician 23 years He is considered exceptionally skilled.

His shop, by name of Texas Opticians, is located at 7505 N. May Ave., Oklahoma City. He can't be found in the yellow pages. The optometric association has seen to that.

Matthews has a nagging problem. It now threatens the future of his business and his livelihood. Thanks to clever, greedy lobbying, Matthews is prevented from advertising his goods or skills as an optician.

Oklahoma is one of 36 states which prohibit advertising of eyeglasses.

That's a pity, too, because by rough averages, Doug Matthews could save you about $25 per pair of glasses.

The bearded optician is content to make a modest profit. Routed out of downtown Oklahoma City by urban renewal, Matthews relocated. He has had it bad ever since. He ran a small ad in the yellow pages only to be threatened by the optometrist's lawyer. Today, in the Oklahoma City phone book you will find Matthews' Texas Opticians only in the white pages.

"I'm totally dependent upon the public," Matthews said. "I'm proud of my work and I'm quick to point out that doctors have a right not to advertise if they don't want to. But I think it costs the public when the legislature forbids advertising by opticians."

Matthews points out he could drop his prices even further—even as much as 20%—if he had more volume.

"And I'd still make a fair profit and a good living," he said. "I'm a businessman, not a doctor. I am to the eye doctor what a pharmacist is to a medical doctor. I fill prescriptions. I am a retail merchant. The optometrists and the legislature have screwed up the law.

"If I could advertise as they do in free enterprise states, at least the consumer would know that even if he was overcharged for a prescription only as much as $10, I could probably save him $15. That's a lot of money these days.

"Only the state legislature can correct what their forefathers did 22 years ago. They ought to step in and repeal the law which keeps eyeglasses from being advertised. It won't do any good unless we can advertise prices."

We end this series on the eyeglasses rip off by repeating, once again, that if you want a fair shake, write your legislator to change the law to permit eyeglass advertising. Competition is what keeps prices within grasp. It's what it's all about.

REPORT ON THE CALIFORNIA GENERAL'S COMMITTEE ON INFLATION

INTRODUCTION

One of the most significant problems relating to consumers is that of inflation. As the result of inflationary forces in the economy, consumers on fixed income find themselves less able to satisfy their needs in the marketplace. The problems connected with a recession are exacerbated by inflation.

On October 16, 1974, Attorney General Younger announced a new program designed to discover whether various practices now existing in the marketplace are causing higher prices to be paid than should be paid in a free competitive system and to discover whether these practices, if they exist, might be changed by action of the Attorney General and whether the laws of this state might be changed so as to cause a reduction in prices paid by consumers.

The investigation was to concentrate on the present laws affecting prescription drugs, eyeglasses, hearing aids, milk and dairy products and retail price maintenance agreements (normally referred to as fair trade agreements).

An investigative team was appointed on November 19, 1974, and 13 days of public hearings were held, 6 days in San Francisco from December 9 through December 17 and 7 days in Los Angeles from January 6 through January 14.

The committee originally consisted of seven Deputy Attorneys General. Herschel Elkins, head of the Consumer Protection Unit, was chairman. The other members were John Porter, lead attorney in the Consumer Protection Unit in San Francisco; Stephen Porter, who has had extensive experience representing the Department of Alcoholic Beverage Control and enforcing the liquor laws; Al Korobkin, who has had extensive experience representing the Board of Pharmacy, the Optometry Board and the Board of Medical Examiners; Walter Wunderlich, who has for a number of years represented the Director of Food and Agriculture, particularly in regard to the enforcement of the milk laws; Peter Shack, an anti-trust attorney who has investigated collusive prices in several industries, and Michael Spiegel, lead attorney in the Anti-trust Unit in San Francisco. . . .

The committee heard over 100 witnesses, received over 150 exhibits, examined the present laws and regulations concerning the subject discussed, contacted officials in other states and federal agencies, read case materials and articles concerning the subject matter, and examined testimony before a State Senate Committee.

The committee examined California's laws relating to sale of prescription eyeglasses and contact lenses. A majority of the committee recommends repeal of the laws prohibiting price advertising of prescription glasses and lenses, but only if additional quality protections are provided. Those protections are spelled out in the accompanying eyeglass report. . . .

It is the belief of the majority of the committee that implementation of these recommendations will reduce prices paid by consumers for needed products and services. A majority of consumers eventually need eyeglasses and contact lenses and these needs increase with age. The elderly have the greatest need for these products and the least resources to obtain them. . . .

The recommendataions of the committee to urge changes in present legislation were based upon the opinion of the committee that such changes would benefit the public by producing lower prices, preventing economic waste or providing better consumer protection. They were not, in any manner, based upon opinions that present laws were unconstitutional as written or as applied nor that present laws were in any way invalid.

ADVERTISING THE PRICE OF EYEGLASSES—MAJORITY REPORT

INTRODUCTION

It is the opinion of the majority of this committee that the California statutes currently prohibiting price and discount advertising of eyeglasses should be repealed, but only if certain amendments and additions to current California law are made. These necessary amendments and additions are set forth below. It is our belief that media advertising of eyeglass prices will foster greater competition among those who sell eyeglasses and that lower prices for eyeglasses will be the probable result.

Most eyeglasses in California are sold by optometrists and registered dispensing opticians. Optometrists are authorized to determine the powers or range of human vision and to prescribe lenses to correct visual deficiencies. In addition, optometrists are authorized to furnish or dispense eyeglasses and contact lenses pursuant to prescription. Optometrists are allowed to advertise. Section 3129 of the Business and Profession Code, however, prohibits the optometrist from advertising the price at which he will dispense eyeglasses;

"It is unlawful to advertise at a stipulated price, or any variation of such a price, or as being free, any of the following:

"The examination or treatment of the eyes: the furnishing of optometrical services; or the furnishing of a lens, lenses, glasses, or the frames or fittings thereof.

"The provisions of this section do not apply to the advertising of goggles, sun glasses, colored glasses or occupational eye-protective devices, provided the same are so made as not to have refractive values."

Registered dispensing opticians dispense eyeglasses pursuant to the prescription of physicians and surgeons specializing in the practice of ophthalmology. They also fill prescriptions of optometrists. Dispensing opticians are allowed to advertise. Section 2556 prohibits a registered dispensing optician from advertising his prices:

"It is unlawful to do any of the following: To advertise at a stipulated price or any variation of such a price or as being free, the furnishing of a lens, lenses. glasses or the frames and fittings thereof. . . ."

Sections 651 and 651.2 prohibit optometrists and registered dispensing opticians from offering to sell any commodity or render any service under the representation that the price or fee is at a discount, or that the commodity or service is free or without cost. Section 651.3 prohibits any person, whether or not licensed under the Business and Professions Code, from advertising or permitting to be advertised any representations referring to the cost, price, charge, or fee to be paid for any commodity furnished

or service performed by any person licensed as a physician and surgeon, optometrist, or registered dispensing optician.

It is the pertinent provisions of the above mentioned sections which must be repealed in order to allow advertising of the price of eyeglasses.

ARGUMENTS FOR REPEAL

The basic arguments for repeal of price advertising restrictions as presented at the hearings and in the available literature are:

(1) If price is not advertised, competition is more difficult and glasses become more expensive;

(2) The prices now paid for glasses do not necessarily relate to their quality;

(3) Glasses sold in states which allow price advertising cost less than glasses sold in states which do not allow advertising;

(4) Present prices prevent many people from obtaining glasses. It seems unreasonable to allow advertising of everything but what is most significant to a consumer, price.

ARGUMENTS AGAINST REPEAL

The basic arguments for continuation of price advertising restrictions are:

(1) Price advertising will bring to California volume sellers who will cut quality and not give accurate prescriptions;

(2) Price advertising will encourage "quickie" examinations which will not uncover medical problems and which will not result in accurate prescriptions;

(3) If glasses are advertised at a price, this will result in disguised advertising of professional services;

(4) California laboratories provide better service and quality than out-of-state discount laboratories. Because Medi-Cal pays less than a paying patient, many optometrists and opticians use out-of-state labs for Medi-Cal patients and California labs for paying patients. If advertising drives prices down, quality will have to be cut for paying patients too, and California labs will go out of business;

(5) Glasses are part of a professional service and should not be price advertised. Patients cannot judge quality;

(6) Price advertising will be deceptive;

(7) The study most often quoted (Professor Benham) compared prices of unregulated states with those allowing no advertising at all. He found very little difference between states allowing advertising of price and states allowing advertising but not allowing price advertising.

ANALYSIS OF ARGUMENTS

Approximately 10 million Californians wear corrective lenses. This includes more than 85% of those over the age of 45. The studies that have been made indicate that California pays more for lenses and frames than those in states that allow price advertising such as Texas, Michigan, Maryland and Minesota. Price estimates obtained by the United States Bureau of Labor Statistics in various cities indicates higher prices where no advertising is allowed. These studies were based on detailed specifications and appear to compare virtually identical products. If quality can be controlled, and we propose methods for such control, advertising should create consumer awareness of price ranges and should cause a lowering of price. We are not proposing advertising of professional services.

The concern for proper fitting is proper but it should be noted that stores can now advertise prices for non-prescription eyeglasses and stores can, and sometimes do, display glasses for choice by the consumer without professional help. It thus seems reasonable to allow price advertising when professional help is required, when an optometrist or ophthamologist prescribes the lens.

If price advertising demeans the profession, why is advertising now allowed? Perhaps price advertising would appeal to the same consumer as advertising now does and, at least, the consumer would have a meaningful guide. Under present law, an inexperienced, uneducated, 16 year old clerk can and often does handle almost all the aspects of the sale at some dispensing opticians. That is less professional than price advertising with the controls suggested by this committee. Of course many will choose the non-advertising optician or optometrist. Factors other than price enter a consumer's consciousness. However, price of a product is important and should not be hidden from the consumer.

The change in California law would not be novel. Approximately one-fourth of our states allow price advertising. These include large states such as Michigan, Missouri, Texas, Georgia, and Indiana.

Some of the arguments of those who oppose price advertising are valid and the committee felt that price advertising should not be allowed without controls. We have suggested controls which, we believe, answer those arguments.

The remaining arguments, we believe not to be valid. They are the standard arguments used to justify high price: (1) Price sacrifices quality—when price is advertised, competition must cut corners; (2) Price advertising tends to be deceptive and stresses loss leaders and bait and switch; (3) The product or the profession will be damaged.

As to quality, consumers make that judgment constantly. Not everyone shops for the lowest cost. However, advertising does make the consumer price conscious and causes a drop in prices even by those who do not advertise. Price is not assurance of quality now. As long as there is a minimum standard, the public is protected. Price competition is the byword for a free enterprise economy.

As to deception, some advertising may well be improper just as some practices in the eyeglass dispensing field are now improper. Advertising should not be condemned because it may be abused. Present laws make those abuses illegal.

It is argued that price advertisement is demeaning. We are not recommending price advertising of services. At the present time, untrained teenagers can do almost all the work of dispensing glasses. Non-prescription glasses can be price advertised and sold with no professional help. Non-price advertising can pull in customers for the hard sell. The controls we have suggested, with price advertising, can provide better protection to the consumer with lower prices. This committee recommends repeal of price advertising restriction only if additional safeguards are established in the law to protect the health of the consumer. These changes and additions are as follows:

STANDARDS

1. At the present time California law does not provide minimum standards for the quality of ophthalmic or contact lenses. Without such standards, price advertising could easily result in unscrupulous practitioners advertising low prices for substandard and defective lenses. Since the consumer has no way of determining the quality of the spectacle lenses or contact lenses which he purchases, California law must establish minimum standards. Evidence presented at this committee's hearings indicated that the "Z 80" standards for ophthalmic and contact lenses established by the American National Standards Institute, Inc., of New York, are widely accepted by the eyeglass industry in this country as basic minimum quality standards. We also note that it may be necessary to license and regulate manufacturers, wholesalers and laboratories dealing with ophthalmic materials in order to effectively enforce any statutes providing for minimum quality standards.

VERIFICATION

2. The statutes governing optometrists and registered dispensing opticians should expressly require those licensees to verify the accuracy of all prescription lenses before delivery to the patient. This committee heard evidence that at least one optician, when faced with higher volume and an increasing number of glasses being returned to the laboratory as not meeting the prescription, was "instructed" to dispense eyeglasses without verification. The glasses were to be checked for accuracy only if the patient later complained about the glasses.

There was testimony that a patient replacing a lost or broken lens without change of prescription would probably recognize most errors. However, if a patient has not worn glasses before or has a new prescription, he may not be able to tell whether the new lens is correct. He could suffer headaches, distortion or have other side-effects without realizing that his prescription was incorrectly filled. Even the best laboratories make mistakes. Error of 7% of the prescriptions is not considered high. Some currently operating laboratories' error is more than 1/3 of the prescriptions filled and in tests in New York and in New Jersey, even a larger number of inaccuracies were noted. If advertising generates volume and if untrained personnel are fitting glasses and the prescriptions are not being verified, the potential harm may be substantially increased. Expressly requiring verification of a prescription before delivery of the eyeglasses to the patient will reduce the likelihood of such conduct. There was testimony that there now sometimes occurs substitution of less expensive tints or less expensive power of bifocals or trifocals. Verification should include these items.

QUALIFICATIONS

3. Chapter 5.5 of the Business and Professions Code, dealing with registered dispensing opticians, should be amended to provide for the licensing of the individuals who will be furnishing, fitting and adjusting spectacles and contact lenses. At the present time it is only the person or company owning the business which is licensed, while the person or persons who will actually dispense and fit and adjust prescription lenses are not licensed. It is the opinion of this committee that any person who is going to verify the prescription for ophthalmic or contact lenses, take facial measurements, and fit and adjust such lenses must be licensed by the appropriate state agency in order to protect the health and welfare of the consumer.

The only person required to have any qualifications of any kind in connection with the office of a registered dispensing optician is "the person or persons who will have charge or manage applicant's general dispensing operations." Section 2552(a). There are no educational requirements in order to serve as the "qualified manager" of a registered dispensing optician. In order to obtain a license as a registered dispensing optician, one need only submit to the Board of Medical Examiners sworn affidavits from three ophthalmologists certifying that the proposed "qualified manager" has five years of experience in fitting and adjusting prescription lenses. Section 2552(a) and section 2552(b). The statute does not require the qualified manager to be present during all of the hours of operation and does not require him to directly observe or supervise nonqualified employees who fit and adjust prescription lenses.

In summary, the existing statute governing registered dispensing opticians permits employees with no experience or education whatsoever to fill eyeglass prescriptions, take facial measurements, and fit and adjust prescription lenses, including contact lenses. We do not believe the statute's vague reference to a manager who must have five years of experience in fitting and adjusting prescription lenses comes even close to affording adequate

protection to the consumer. The danger to the human eye which might result by the use of untrained personnel in order to make a profit in a low-price high-volume dispensing optician is patently clear. A total review of the statutes and upgrading of the requirements for licensure is mandatory.

SEPARATION OF OPTOMETRISTS AND OPTICIANS

Evidence received at this committee's hearings indicates the need to strengthen the statutes intended to guarantee the total separation and independence between registered dispensing opticians and optometrists. Section 2556 currently prohibits a registered dispensing optician from directly or indirectly employing or maintaining an optometrist on or near the premises used for optical dispensing. Section 655 prohibits any proprietary interest or landlord-tenant relation-registered dispensing opticians and optometrists, but only if there are referrals between registered dispensing opticians and optometrists, but only if there are referrals between the optician and the optometrist. It is the opinion of this committee that the potential harm to the consumer inherent in any such relationship between optician and optometrists is so great that proof of any specific referral should not be a requisite to the prohibition of such relationships. Elimination of the "referral" requirement of section 655(a) will strengthen the statute immensely. Endless litigation over the existence of a referral operation will be avoided, and the situation whereby an optician and a captive optometrist have a financial interest in the optometrist issuing a prescription which will be filled by his landlord-optician will be expressly prohibited.

FINANCING

5. This committee recognizes that allowing price advertising of eyeglasses could result in false or misleading advertising by some persons. It could also result in some licensees, either optometrists or registered dispensing opticians, engaging in unprofessional practices in order to maintain profits while lowering prices in order to meet competition. Indeed, problems of unprofessional conduct and misrepresentation now exist in regard to some licensees. Because the public health is directly involved, it is absolutely imperative that enough money be available to enforce the statutes which protect the public from unlawful activities on the part of optometrists and dispensing opticians. Provisions should be established whereby the Board of Optometry and the Board of Medical Examiners could use money from the general fund, if necessary, in order to enforce the statutes protecting the health of the consumer, or that a special emergency fund be made available for necessary investigations and preventions.

MINORITY REPORT ON ADVERTISING THE PRICE OF EYEGLASSES

We disagree with the opinion of the majority of this committee that the statutes which prohibit advertising the price of eyeglasses should be repealed. To the contrary, we believe that media advertising of the price of eyeglasses is not in the best interests of the consumer because it will result in the deterioration of the quality of eye care received by the California consumer. Promoting the sale of eyeglasses in the same manner that one would promote the sale of a bar of soap is, in our opinion, potentially too dangerous to the eyesight of the public, especially when there is no competent evidence that media price advertising will result in lower prices for eyeglasses.

Before elaborating on our position, we wish to indicate our full support for the suggested changes and additions to the current statutory provisions governing optometrists and registered dispensing opticians, which are enumerated as items 1 through 5 in the majority report. We believe, as does the majority, that said changes and additions are urgently needed at the present time in order to protect the health of the consumer—whether or not advertising the price of eyeglasses is permitted. The majority, however, would also allow price advertising if these changes and additions are made. We would not.

It is our opinion that optometrists and registered dispensing opticians should be allowed to post their prices in their offices, so that the public may be fully advised in advance of the prices available at a particular location. We oppose, however, the concept of individuals who provide health care services "selling" their services in the newspapers, radio and television in the same manner that automobile dealers sell their product—by advertising their prices.

This state has a long history of prohibiting the commercialization of the eye care profession. *Rich* v. *State Board of Optometry*, 235 Cal. App. 2d 591, 602 (1965); *Pennington* v. *Bonelli*, 15 Cal. App. 2d 315, 319 (1936). Without this protection the consumer becomes easy prey for the unscrupulous practitioner who is a great salesman but a terrible optometrist or registered dispensing optician.

If price advertising is permitted, many optometrists and registered dispensing opticians will be forced to provide lower quality materials and lower quality services in order to meet low prices advertised by the marginal practitioner. The advertising commercialist, in order to make a profit on his "low prices," will necessarily depend on inferior materials and a high volume operation. Bait and switch sales techniques will undoubtedly go hand in hand with media price advertising in many instances, just as it does today in the traditional retail sales market. High pressure sales techniques will be increased as "competition" through price advertising increases. We feel strongly that such activities will be the natural result from media price advertising of eyeglasses, to the detriment of the health of the public.

Eyeglasses are not an isolated commodity. They are furnished in conjunction with a service performed by the licensed optometrist or registered dispensing optician. Optometrists examine the human eye for visual acuity, and assist patients in their performance of ocular exercises, visual training and orthoptics. Registered dispensing opticians take facial measurements and fit and adjust eyeglasses. It is impossible to separate these services from the "commodity" for which a price is advertised. We believe that the quality of these services will be reduced if price advertising is allowed, perhaps approaching the quality of the services being provided by the person advertising the lowest price. The consumer, who does not know that the amount of time and effort spent on such services, by the licensee may seriously affect his eyesight, will naturally be attracted by the lowest price. We think it is contrary to the public interest to put this chain of events in motion, just as it would be to allow a physician to advertise the price of surgical procedures.

For example, eye examinations may be performed in a careful and thorough manner, or they may be performed in the shortest time possible in order to meet a high volume of patients responding to an imaginative price advertisement appearing in the newspaper. Eyeglasses and contact lenses may be applied to the face quickly if the main concern is to "move the patient out." The cost may go down, but the service may be inadequate, careless and unprofessional as a result. Is placing this kind of pressure upon optometrists and registered dispensing opticians, in the name of competition and possible lowest prices, in the best interest of the consumer who is uneducated in the eye care field? We think not. We believe that the statutes prohibiting price advertising of eyeglasses protect the health of the public far more than they stifle competition or protect any vested interests. It is our opinion that health is far too valuable an asset to be placed in the hands of the commercial specialist, with the inevitable deterioration in the quality of health care.

We also wish to point out that no competent evidence was received at this committee's hearing establishing that price advertising would actually result in lower prices. The only authority cited for the proposition that price advertising of eyeglasses leads to lower eyeglass prices was an article by Lee Benham appearing in 15 Journal of Law and Economics 337 (1972). We believe the members of the committee signing the majority report agree with our position that the Benham article does not stand for that proposition with regard to states like California which allow nonprice advertising. In fact, at page 349 of his article Benham concludes that nonprice advertising is a close substitute for price advertising and that his research suggests prices are only "slightly higher" in states such as California compared with states where price advertising is allowed. It should be further noted that Benham himself admits at page 344, footnote 13, that his study does not take into account many variables, including the "unmeasured variation in type and *quality* of eyeglasses purchased." (Emphasis added.)

With no guarantee of lower eyeglass prices, and with the almost certain lowering of the quality of services accompanying the lowering of prices, we recommend that the prohibition against advertising the price of eyeglasses remain, with the exception that the posting of prices of eyeglasses in a licensee's office be allowed. We conclude by quoting from the case of *Williamson* v. *Lee Optical of Oklahoma*, 348 U.S. 483, 490 (1954):

"We see no constitutional reason why a State may not treat all who deal with the human eye as members of a profession who should use no merchandising methods for obtaining customers."

ALVIN J. KOROBKIN,
L. STEPHEN PORTER,
Deputy Attorneys General.

[From the California Citizen Action Group]

THE SECRET COST OF SEEING: CALIFORNIA LAW PROHIBITS EYEGLASS ADVERTISING

(Excerpts)

The California Citizen Action Group has completed a sample survey of the cost of prescription eyeglasses in three major population areas of California—Los Angeles, Oakland, and Sacramento. The study reveals a wide range in the cost of both frames and lenses. . . .

Surveyors queried over fifty opticians and optometrists about the cost of frames and lenses for their personal eyeglass prescriptions.

In seeking the cost of frames, the surveyors informed a potential vendor that he/she could not afford an expensive model, but nevertheless wanted one that would be serviceable and not of such a low-grade quality that it would not last. That is, they did not seek the "cheapest" model, but rather a low-cost functional one. The price of both plastic and metal frames was sought. The range was wide. For plastic frames, one could pay anywhere from $7.00 to $40.00, with the average cost $17.20. For metal frames, the spread was from $12.00 to $70.00, with an average cost of $26.93.

With regard to lenses, the surveyors asked for the price of clear lenses, in both glass and plastic. Most of the surveyors had single-vision prescriptions, although two had prescriptions for bi-focal lenses. An attempt was made to ascertain the cost of simple hard contact lenses as well.

As for frames, the cost spread for lenses

was significant. For single-vision lenses in glass, costs ran from $15.00 to $37.50, with an average of $25.50. For single-vision lenses in plastic, the range was from $18.00 to $37.50, with an average of $28.57. For bifocals, the more limited sample revealed a spread from $20.00 to $58.35, with an average of $37.23 in glass; and from $17.50 to $74.00, with an average of $44.23 in plastic. The cost of contact lenses, when available, ran from $75.00 to $250.00, with an average of $178.89.

CalCAG's study demonstrates a wide range of prices charged for prescription eyeglasses. Does the consumer know this? If the consumer took the trouble to call or visit a number of eyeglass vendors, and were able to get the information, he or she might discover the wide disparity in prices. But the consumer will not find these prices advertised anywhere, there is no source of ready information. The consumer must dig it out for him/herself.

California law prohibits the advertising of the cost of prescription eyeglasses. This is a huge obstacle to consumers being able to purchase eyeglasses at reasonable, competitive prices. We believe these laws to be unconstitutional, in violation of the First and Fourteenth Amendments of the United States Constitution.

Our offices receive frequent complaints about the high cost of glasses, with comparisons often made to prices found in other states. These persons regularly want to know where they can purchase glasses for a lower price.

The provisions of Sections 651.3, 2556, and 3129 of the Business and Professions Code of the State of California and Section 1515(b) of Title 16 of the Professional and Vocational Regulations of the State of California deprive persons needing prescription eyeglasses of the opportunity to acquire the information needed to discover the lower prices they seek. They are deprived of vital information and the media is deprived of the right to communicate this information to them. The constitutional rights of both the consumer and the media under the First Amendment of the United States Constitution are thereby denied.

These provisions prevent consumers from receiving the information necessary to shop around and compare prices. They make it extremely difficult, if not impossible, for consumers to find out where they can get the best deal for their inflation-eroded dollars. These laws effectively prevent any semblance of a free market by prohibiting the communication of information about prices, an essential element of a free market. Absent a market in which such information stimulates the competition necessary to keep prices down, the consumer is at the mercy of prescription eyeglass vendors. Unnecessarily inflated, artificial prices for prescription eyeglasses is the result.

Many other states do not have these restrictive, anti-consumer laws. Where advertising of the prices of eyeglasses is permitted, the prices are dramatically lower, ranging from 25 per cent to well over 300 per cent. The traditional, healthy element of competition keeps the prices down. It has also been shown that commercial firms are slow to come into new market areas when advertising is prohibited. This barrier to market entry serves to dampen competition and further strengthens the grip of existing interests, particularly optometrists and physicians, over this vital health need. And there is no evidence that advertising of the prices of eyeglasses significantly increases these prices: to the contrary, it forces them down.

One voiced concern of those who would maintain the current ban on advertising relates to "quality control." The spectre is raised of an invasion of hordes of shlock operators into the prescription eyeglass market if advertising were permitted. But whence this logic? What relationship is there between a ban on advertising and the quality of the product? Indeed, what quality controls now exist? There currently exist no objective standards in California for the licensing of a registered dispensing optician. If current entrepreneurs in the prescription eyeglass business fear an entry into the market of less-than-qualified operators, let us if necessary institute a meaningful licensing and monitoring system that would shake out the incompetent. (A rigorous enforcement system of high standards seems called for now, even without advertising. A recent accusation by the Board of Optometry against one unscrupulous "professional" has him charging over $200 for eyeglasses, foisting off unneeded eyeglasses and contact lenses on unwitting patients, and similar outrageous abuses of decency.) Such evidence as exists indicates there is no difference in the quality of prescription eyeglasses dispensed in states permitting price advertising and of those in states not permitting such advertising.

Another grim warning issued by the currently vested special interests is that advertising will lead to lower prices, thus driving out smaller operators with volumes that will not permit them to compete with larger outfits. Perhaps this may occur in places. But certainly there are myriad examples of the durability of local businesses and professional services, modest in scale, perhaps with slightly higher prices, but sustained, patronized, and cherished by those who prefer the convenience of a neighborhood locale, the friendliness and personal attention of a small shop, or the opportunity to foster individual and diverse enterprise. Surely we cannot anticipate the erosion of our free enterprise system by restoring competition to it.

In preventing competition and fostering high prices of prescription eyeglasses by denying consumers their First Amendment rights to critical information, California laws are not protecting the consumer and the public interest. Rather, they are inimical to the public interest, forcing higher prices and, in some cases, discouraging some from purchasing needed prescription eyeglasses. The only interests served by these laws are those of physicians, optometrists, and opticians, who profit from the unnecessarily high prices of such eyeglasses. By preventing the dissemination of vital information to the consumer, these laws strengthen the grip of these special interests over this vital health need. These laws do not foster the health, safety, and welfare of the citizens of California, but rather the welfare of these special interests.

The California Citizen Action Group urges the Legislature, the Governor, and all such policy-makers as have the interests of the individual consumer at heart to seek the excision of laws that deny us essential marketplace information and destroy competition. In these parlous times of crushing inflation and emerging depression, we cannot tolerate the unconstitutional sheltering and subsidy of special interest groups, especially at the expense of our health and welfare.

[From the Journal of Law and Economics, Vol. XV (Oct. 1972)]

THE EFFECT OF ADVERTISING ON THE PRICE OF EYEGLASSES

(Excerpts)

(By Lee Benham of Washington University)

I. INTRODUCTION

The impact of advertising on prices has long been a matter of dispute. It has been argued that the persuasive aspects and the product differentiation effects of advertising tend to raise the prices of products to consumers. On the other hand, by providing consumers with information about products and alternatives in the market, allowing them to economize on search and to locate low-priced sellers more readily, advertising may tend to lower prices to consumers. It may also lower prices by allowing sellers or producers to economize on other merchandising costs and to take advantage of economies of scale. On purely theoretical grounds, therefore, no reliable prediction can be made as to the overall effect of advertising on prices.

While there has been much discussion of this question, relatively little has been done to estimate empirically the relationship between advertising and prices. Some studies have compared prices for different brands of "homogeneous" items, some of which were advertised and some of which were not. . . .

One way to understand better the full impact of advertising on prices is to examine markets for a product in which advertising is prohibited and markets for the same product in which advertising is allowed, comparing the price structures of the two types of markets. Market organization and price structure may be significantly affected by the presence in a market of even one seller who advertises or who potentially can do so. The full impact on prices of the existence of advertising may be much greater than the price differences we observe when some producers of an item choose to advertise it and others do not.

For a variety of goods and services, especially in the service sector, advertising is frequently prohibited by cities or states. Examples are most services of physicians and dentists, prescription drugs, and eyeglasses. Unfortunately, for most such items there is little if any variation in the restrictions imposed across states. A major exception is eyeglasses: some states prohibit advertising related to eyeglasses and eye examinations while others do not. By examining the prices paid for these items by a sample of individuals in each category of states, we may gain more insight into the impact of advertising on prices.

II. ADVERTISING AND INFORMATION

The full cost of purchase (C_t) of a good to a consumer includes not only the cost of the item itself (C_g) but the cost of knowledge (C_k) concerning the location of sellers, outlets and prices and the cost of time and transportation (C_T) required to purchase the item:

$$C_t = C_g + C_k + C_t$$

These components of full cost are in part jointly determined. For a given frequency distribution of retail prices offered in the market, the distribution of prices paid (C_g) will depend upon the extent of consumers' knowledge of the alternative prices available and the cost of time and transportation. Past studies have shown that both the mean and the dispersion of prices paid generally decrease as the extent of search (knowledge) increases.

Insofar as advertising increases consumers' knowledge of alternative prices in the market, it will tend to decrease the mean and dispersion of prices paid. If there are economies of scale in retailing the good, then the effect of advertising in lowering mean prices should be intensified. In general, large-volume low-price sellers are dependent upon drawing consumers from a wide area and consequently need to inform their potential customers of the advantages of coming to them. If advertising is prohibited, they may not be able to generate the necessary sales to maintain the low prices. In such a situation, the cost of disseminating information to consumers will more than offset the other economies of scale. At the same time, the likelihood that small-volume high-priced retailers survive in the market will increase. Consequently, the distribution of retail prices offered will shift upward. The question under consideration here is the extent to which economies resulting from the information provided through advertising are offset by the costs of advertising and by product differentiation.

III. ADVERTISING RESTRICTIONS IN THE MARKET FOR EYEGLASSES

The advertising of eyeglasses and eye examinations is controlled in many states by various state agencies. From a predominantly laissez-faire situation in the first decades of this century, the trend has been toward increased regulation and restriction of advertising. In 1963, the year for which data on prices were available for this study, approximately three-quarters of the states had some regulations against advertising. Some states prohibited only price advertising while others allowed virtually no information concerning eye examinations or eyeglasses to be published, broadcast, or in any way distributed. Since 1963, several additional states have introduced restrictions. The following excerpts are taken from 1963 laws.

Arkansas: The following Acts are hereby declared to be unlawful Acts: . . . For any optometrist, physician, surgeon, individual, firm, partnership, corporation, wholesaler, jobber or retailer to solicit the sale of spectacles, eyeglasses, lenses, contact lenses, frames, mountings, prisms, or any other optical appliances or devices, eye examinations or visual services including vision training or orthoptics by radio, window display, television, telephone directory display advertisement, newspaper advertisement, hand bills, circulars, prospectus, posters, motion pictures, stereopticon slides or any other printed publication or medium or by any other means of advertisement; or to use any method or means of baiting, persuading, or enticing the public into buying spectacles, eyeglasses, lenses, contact lenses, frames, mountings, prisms, or other optical appliances or devices for visual correction or relief of the visual system or to train the visual system. . . .

Nothing in this Act except as expressly provided otherwise herein shall apply to physicians and surgeons, nor to persons who sell eyeglasses, spectacles, lenses, frames, mountings, or prisms at wholesale on individual prescriptions to optometrists, physicians, and surgeons. . . .

Florida: Any certificate of registration granted by the Florida state board of optometry . . . may be revoked by said board, if the person . . . is found guilty of unprofessional conduct. . . . 'Unprofessional conduct' . . . is defined to mean any conduct of a character likely to deceive or defraud the public, including among other things free examination, advertising, price advertising, billboard advertising, use of any advertising either directly or indirectly, whether printed, radio, display, or any nature which seeks to solicit practice on any installment payment or price plan.

It is unlawful for any person, firm or corporation to . . . advertise either directly or indirectly by any means whatsoever any definite or indefinite price or credit terms on prescriptive or corrective lenses, frames, complete prescriptive or corrective glasses or any optometric service; to advertise in any manner that will tend to mislead or deceive the public; to solicit optometric patronage by advertising that he or some other person or group of persons possess better qualifications or are best trained to perform the service or to render any optometric service pursuant to such advertising. This section is passed in the interest of public health, safety and welfare, and its provisions shall be liberally construed to carry out its objects and purposes.

A survey was made of several state boards of optometry concerning the sanctions used to enforce these regulations. Injunctions and suspensions of license for periods up to a year were the most common sanctions mentioned by the respondents. In some cases they said that fines were levied and licenses revoked. There appears to be careful policing and enforcement of these regulations in most states.

IV. PRICE DIFFERENTIALS ASSOCIATED WITH ADVERTISING RESTRICTIONS

The data on eyeglass and eye examination prices used in this study were obtained from a 1963 survey of a national sample of individuals. The survey examined use of and expenditures on medical services. The present study uses a subsample of 634 individuals who each underwent an eye examination and/or obtained a pair of eyeglasses in 1963. In addition to the amount spent by individuals for eye examinations and eyeglasses, detailed demographic information on each individual was included in the survey. With this information, the prices paid for eye examinations and eyeglasses could be associated with the state of purchase.

The analysis below deals principally with eyeglasses and not with eye examinations; very few states permitted advertising of eye examinations in 1963. However, 291 individuals in the survey quoted only the combined price of the examination and glasses. Since relatively little variation in the cost of eye examinations was found across states and since prices of examinations and eyeglasses were not highly correlated across states, the systematic variation in total cost examined here is assumed to reflect variation in the cost of eyeglasses.

To estimate the differential in prices associated with prohibition of advertising, two comparisons were made. First, the mean price paid for eyeglasses and the mean price paid for eyeglasses and eye examination together were calculated for individuals living in states with and without restrictions on advertising. Next, since the demographic characteristics of individuals in the sample were not uniform across the states, a simple model was used to estimate price differentials. . . .

There appears to be no single most satisfactory way to categorize states by the extent to which they restrict advertising, so two sets of estimates are presented to indicate the likely range of impact. The first set of estimates is based on all individuals purchasing eyeglasses in 1963 in states either with no restrictions on advertising or in states with complete prohibition of it.[1]

To estimate the probable upper bound of the effects of advertising restrictions, the second set of estimates is based only on individuals living in states at the extremes: Texas and the District of Columbia, extreme laissez-faire states, versus North Carolina, a state with extensive restrictions in force for a number of years prior to 1963 (hence likely to have the long-run effects of these restrictions in evidence. This latter set of estimates is likely to over-take the impact of advertising restrictions; since North Carolina had other laws which would tend to raise prices independent of advertising regulations, and the proportion of the total price difference which can be attributed to advertising restrictions cannot be determined at this stage.

In the first set of estimates, the difference in mean prices of eyeglasses between the two categories of states is $6.70, with the lower mean price found in states having no advertising restrictions. The regression estimate of the difference is similar, $7.48. The difference in price between the most and least restrictive state is much larger, $19.50 as measured by means and $18.89 as measured by the regression coefficient. Estimates using combined cost of eyeglasses and eye examinations yield the same results, although the absolute difference is somewhat smaller in one case.

Despite the shortcomings of these estimates, they serve to indicate the direction and magnitude of effect. The estimates of eyeglass prices alone suggest that advertising restrictions in this market increase the prices paid by 25 per cent to more than 100 per cent.[2] Furthermore, these estimates are likely to understate the total savings to consumers occasioned by advertising, since the search process itself is less expensive when information is more readily and cheaply available.

V. ALTERNATIVE EXPLANATIONS OF OBSERVED PRICE DIFFERENTIALS

Some have argued that in this model advertising restrictions serve only as a proxy for other restraints on competition. If this is so, then the higher prices observed in states with restrictions on advertising may be improperly attributed to the advertising restrictions. For example, interstate barriers to mobility for optometrists and opticians might account for the observed price differentials. If there are effective barriers to entry in some states, there will be an artificially low number of optometrists and opticians per capita there, and this in turn will be reflected in higher prices. If states restricting advertising also keep the number of optometrists and opticians artificially low by restrictions on entry, then the higher prices might be inappropriately attributed to advertising restrictions. . . .

Many other types of regulations, if vigorously or selectively enforced, could reduce competition and raise prices. These range

[1] Several sources of information were used to determine states' restrictions on advertising. State laws were canvassed, a survey of state optometry board members was made, 1963 newspapers from several states were sampled to search for eyeglass advertisements, and optometrists in several states were contacted. The problem was to ascertain not only the restraints against advertising by optometrists but also the restraints against advertising by other sellers. In some states optometrists were prohibited from advertising but opticians or commercial firms were permitted to advertise. States were classified as allowing advertising, if any sellers were permitted to advertise. Despite the aforementioned search, it was not possible to classify several states satisfactorily. Furthermore, Ohio was excluded because cities apparently had regulatory authority over advertising; New Jersey was excluded because the individuals sampled lived predominantly near New York City, creating substantial classification problems. In addition, the original survey did not include respondents from some states. In the estimates here, states classified as having no restrictions on advertising in 1963 are Alabama, the District of Columbia, Georgia, Illinois, Indiana, Kansas, Maryland, Michigan, Minnesota, Missouri, Texas and Utah. States classified as having total prohibition of advertising are Arkansas, Massachusetts, North Carolina, North Dakota, Oklahoma, and South Carolina.

[2] A further comparison was made by sampling, through personal visits, the prices of eyeglasses at nineteen opticians, optometrists, and commercial firms in Texas and New Mexico in July, 1971. A price quote was requested for eyeglasses with a given lens and frame specification without an examination. The mean price sampled in New Mexico, a state with restrictions on advertising, was $31.70 (n=10) and in Texas, a state without restrictions, $25.90 (n=9). The difference in mean prices paid by consumers would be larger than those figures indicate, since the volume of sales in the low-priced firms in Texas is much larger than the average volume of the other outlets.

Consumers in New Mexico are apparently not completely unaware of the lower prices in Texas. A newspaper editor from Albuquerque, New Mexico told Professor Yale Brozen of the University of Chicago that some families had in the past driven from Albuquerque to Amarillo, Texas to purchase glasses, a distance of 288 miles.

from restrictions on employment of optometrists to extra-legal harassment. Unfortunately, they cannot be investigated as easily as barriers to entry because of the difficulties in classifying states according to the severity of these other regulations. *A priori* judgments concerning the effects of each regulation are quite arbitrary, and data limitations prevent the development of a model at this time to estimate the separate effects of each such regulation on prices. . . .

The representatives of commercial firms were also asked to give their assessments of the impact of advertising restrictions. All stated that the presence or absence of advertising restrictions affected their decision to move into new market areas. Several said that they would not enter a new market unless advertising were permitted, no matter what the other restrictions.[3] Furthermore, the representatives of two large commercial firms stated that the retail prices of their own firms varied across states, with the higher prices in the states with advertising restrictions.

Data limitations prevent a fuller treatment of this question. The qualitative evidence presented hardly eliminates the possibility that the advertising variable serves as a proxy for other restrictions. Nevertheless, the available evidence is consistent with the hypothesis that restrictions on advertising reduce competition and raise prices.

Another type of argument often given by the professionals (optometrists and ophthalmologists) is that the quality of service and product supplied by the "commercial" establishments is lower than that supplied by "professionals." By implication, the average quality of eyeglasses would be lower in states where commercial establishments were more strongly represented, the states in which advertising was permitted. During the course of this study, several professionals referred to their own personal experience with low quality commercial work. Commercial representatives responded to these charges with allegations of low quality work by certain professionals. Although standards do not appear to be uniform across establishments, either commercial or professional,[4] the issue here is not that of establishing how many of these specific allegations are valid. It is rather one of determining any systematic differences in quality of products between states which allowed and states which prohibited advertising.[5] Several attempts were made to investigate this question.

The issue was first examined by investigating the source of eyeglasses by type of retail establishment. Some commercial firms produce their own eyeglasses; however, many purchase from the same sources as the professionals.[6] The professionals also purchase from the commercial firms. In 1971, one of the largest commercial firms sold only 50 per cent of its eyeglass output through its own retail outlets. The remainder was sold through professional establishments.[7] To the extent that commercial and professional firms both have the same source of eyeglasses, possibilities for quality variation are obviously reduced.

The quality issue was then raised with representatives of several large retail chains. They argued that the commercial firms were generally under more careful scrutiny by state regulatory authorities and state optometric association than the typical professional establishments and consequently had to be more concerned about quality control. They also argued that evidence on systematic quality differences would long since have been used against them in political and legal disputes, if any such evidence could be found, and that none had been so presented.

In following up this point, a search was made attempting to locate references to quality differences. No specific evidence was found to support the claim of systematic quality differences as a function of type of firm or of advertising regulations. The headquarters of the American Optometric Association, the Illinois State Optometric Association, and local optometrists were also unable to give any specific references to support these allegations. This lack of evidence does not establish the absence of a systematic difference in quality. However, it is consistent with this position particularly since the professional associations have a strong incentive to generate and use such information in their disputes with the commercial firms.

Some direct evidence on the prices of standardized products is available from two other sources. In a personal survey of retail outlets in Texas and New Mexico in which specification of frames and lenses was uniform, prices were found to be higher in New Mexico, a state with strict advertising laws.

V. CONTENT OF ADVERTISING

The results presented above are consistent with the hypothesis that, in the market examined, advertising improves consumers' knowledge and that the benefits derived from this knowledge outweigh the price-increasing effects of advertising. However, some individuals have argued that eyeglass advertising contains substantially more information than other types of advertising and that consequently these findings cannot be generalized to most other goods and services. It is true that there has been little if any advertising of eyeglasses on national television, a medium which some feel provides a less information-intensive form of advertising. However, there has been considerable local and statewide television adveristing in those states which allow advertising. One large commercial firm spends 80 per cent of its advertising budget on television.

As one means of investigating this question further, newspapers of several cities in Illinois, a state with no advertising restrictions on eyeglasses in 1963 (Illinois now has price restrictions), were examined for 1963 advertisements. During a week's search, few advertisements were found which contained any reference to price, and fewer still quoted specific prices. The proportion of eyeglass advertisements which contained price information was smaller than for most other items advertised in the newspapers, in particular clothing and furniture. This is obviously fragmentary but suggestive evidence that eyeglass advertising is not markedly more information intensive than other advertising.

Note that the relative infrequency of price advertising of eyeglasses is not necessarily inconsistent with the argument that restrictions on advertising have a significant impact on price. Only a few price advertisements may be required to inform a sufficient number of consumers so that the average purchase price is reduced substantially. Nonprice advertising may also be a close substitute for price advertising.

To examine the effect of non-price advertising on prices (my data), I re-estimated with the addition of individuals in the sample who purchased eyeglasses in states which in 1963 prohibited price advertising but allowed other types of advertising.[8] . . . The results are . . . suggest that in states prohibiting only price advertising, prices are slightly higher than in states with no restrictions, and are considerably lower than in states prohibiting all advertising. This estimate suggests that even "non-price" advertising may lower prices.

VII. WHO BENEFITS?

The discussion thus far has been concerned with the costs of advertising restrictions to consumers. The extent to which various groups supplying eyeglasses benefit from these restrictions depends upon a number of factors including the elasticity of demand for eye examinations and eyeglasses, firm size, the level of specialization within firms of differing sizes, and restrictions on entry into the state.

A crude estimate of the elasticity of demand can be obtained by comparing per capita expenditures on eyeglasses and eye examinations for the total sample population in states which restricted advertising and in those which did not. Two comparisons were made, one for the sample as a whole and one for the subset of Texas, the District of Columbia, and North Carolina. Both results suggest that the industry faces an inelactic demand, since per capita expenditures were higher in states which had higher prices (and which had restrictions on advertising).

There is in addition some evidence which suggests that the share of the market held by the large commercial firms declines when advertising is prohibited. The individuals in the sample were asked about the source of their eye examinations and eyeglasses, and responses were classified into four categories: physicians, optometrists, firms (or clinics), and unknown. The first two categories are more likely to indicate individual or small firm operations, while the third category is more likely to represent larger commercial firms. Although these figures should not be interpreted as accurate measures of the distribution of sales by firm size, the results do suggest that a larger fraction of purchases are made from "large" firms in states which allow advertising. The frequency with which

---

[3] (The data used in this study suggest that commercial firms have a larger share of the market in the states with lower prices. Another recent study of prices charged for frames and lenses by optometrists and by retail stores in New York showed substantially lower prices in the retail stores. The study also found that prices charged by optometrists were lower in an area with a high concentration of commercial firms (New York City) than in areas with a lower concentration of commercial firms. See A Retail Shopping Study of Optometrists and Retail Opticians, submitted by Marketing Research Dept., to N.Y. St. Optical Retailers Ass'n, January, 1968.)

[4] For example, a reporter for the CBS Television Network traveled around the country having his eyes examined in 1969. He had excellent vision and did not wear glasses. He read all the charts and answered all questions honestly. Out of the 28 eye examinations which he took he was given three prescriptions, one each from an optical firm, an optometrist, and an opthalmologist. CBS Television Network, 60 Minutes, Tuesday, October 28, 1969.

[5] Even if the commercial firms sold eyeglasses which were unambiguously lower in quality, the case for eliminating these firms through legislative action is not obviously strengthened. For many individuals, the choice may be between the low quality, low price product and no product at all. The quality issue arises in this study because of the need to compare homogeneous items across states. For a discussion of the costs and benefits of eliminating "low quality" products from the market, see Milton Friedman, Capitalism and Freedom, ch. 9 (1962).

[6] Approximately 90% of eyeglasses worn in the U.S. are made by three companies: American Optical, Bausch and Lomb, and Shuron Continental.

[7] In the small survey of eyeglass prices in Texas and New Mexico, one of the highest prices quoted was by an optometrist in New Mexico who was selling frames and lenses produced by Texas State Optical, one of the large and low priced commercial firms in Texas.

[8] These states were California, Florida, New York, Oregon, and Virginia.

the large chains were specifically named as the source also follows the same pattern. Since larger firms tend to employ fewer optometrists per volume of sale, a decline in the large firms' share of the market would appear to benefit optometrists and physicians.

Finally, advertising restrictions make it more difficult for new firms to become established, and they increase the opportunities for price discrimination.

Taken together, this evidence suggests that established optometrists and other professionals within a state are likely to benefit if advertising is prohibited, not a surprising conclusion given the enthusiasm with which they support these restrictions."

THIRTIETH ANNIVERSARY OF V–J DAY

Mr. HARTKE. Mr. President, far too often in this fast paced age, it is easy to overlook dates of significant importance in the American past. One such date is V–J Day which marks the victory over Japan that successfully concluded hostilities in World War II. Recently on the 30th anniversary of V–J Day held in Seymour, Ind., on August 10, 1975, the Administrator of Veterans' Affairs, Richard L. Roudebush, had occasion to speak at that observance of what that victory should mean to all Americans. Mr. President, I believe these remarks would be of interest to my colleagues and ask unanimous consent that they be printed in the RECORD.

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

REMARKS BY THE HONORABLE RICHARD L. ROUDEBUSH

I am glad to be back with you participating in your observance of V–J Day.

This is an outstanding event that you have made into a cherished tradition. I am beginning to feel myself a part of that tradition because of your kindness in inviting me to speak here again.

This is a visit that I always enjoy and I believe that if you were to keep allowing me a place on your program I would always continue to get satisfaction in seeing how well you remember and how well you observe a day that few communities still celebrate.

Surely there has been no day in the Twentieth Century more worthy of our recalling. No day in recent history gave us so much to be thankful for. No day offered so much optimism and so much hope.

This year we mark the passing of thirty years since Japan capitulated and the most widespread and destructive war in history came to an end. The youngest persons who were in that war are now middle-aged. They have sons older than they were then and . . . unfortunately . . . many of those sons have gone to war also.

But V–J Day is still very much alive in our memories and it will continue to be because it was the culmination of the most cataclysmic event in history, an event that still overpowers in size and intensity all that has happened since.

There were 15 million battle deaths in World War II and the number of civilians who died has never been calculated. American battle deaths in World War II were more than twice the combined totals of World War I, the Korean Conflict and the Vietnam war.

World War II was, of course, only one period in history and historical periods cannot be isolated from the whole flow of history. Our troubles, personal, national or global, weren't over just because the war was over and we have seen conflict and crisis in all the years since 1945.

But on that August day thirty years ago when the news of the Japanese surrender came, life was more beautiful than it had been for a long time. A great weight had been lifted from the world and there was rejoicing even by those whose lives had been so shattered by the war that they had nothing personal to be joyful about.

So the spirit of celebration that existed at that moment is one of the things that you seek to recall and revive by your annual observance of V-J Day.

There are other reasons for marking this day, however . . . more important reasons.

We mark it so that we can remind ourselves of the principles involved in our fighting such a long and costly war, what we fought for and what we gained from our sacrifice.

And we remind ourselves by this observance that we must be strong, vigilant and wise so that such a war does not envelop us again.

Finally, we conduct these annual ceremonies as a tribute to those who made our World War II victory possible and as a memorial to those who gave their lives in that great conflict.

We can never give enough credit to the brave and dedicated young men and women who served during World War II. By their service they made it possible for us to be here thirty years later . . . not only looking back on a day of triumph but still enjoying the existence of a free country, the advantages of its free institutions and the privileges of our personal freedom.

It is sometimes difficult for us to remember that the Nation faced the great peril it faced in the days of World War II . . . to remember that it was the announced intention of our adversaries to subjugate us and that so many other free nations had been defeated and their people enslaved.

While it seemed far-fetched for the Japanese to predict that one day the emperor would ride his white horse down the streets of Washington, Japanese control of most of the Pacific and German control of most of Europe were at one time a reality.

Millions of Americans fought and nearly three hundred thousand Americans died as the victory march of our enemies was slowed and then stopped and own victory was won.

I think the horror of World War II and the devastating effect it had on such a large number of people was brought back to us in a most telling way during President Ford's recent trip to Poland.

The President made a pilgrimage to the Nazi death camp at Auschwitz, a place where some four million persons from 17 nations had been put to death.

The President had requested the visit and knew what to expect. But still, according to news reports, he was stunned by what he saw. He was deeply moved just by being at the site of the camp more than thirty years after it had ceased to exist as a place of suffering and death.

He then wrote in a guest book: "This monument and the memory of those it honors inspire us further to the dedicated pursuit of peace, cooperation and security for all peoples."

I hope that all leaders . . . and all people . . . will be thus inspired by the recollection of war and the atrocities of war.

I hope that this observance today will be enough of a reminder to inspire us all to do a little more in the cause of peace and understanding. I hope that your perpetuation of this observance marking the end of a war will result each year in new contemplation of what must be done to keep such a war from ever happening again.

To me, this is the true purpose of such a patriotic demonstration as this parade. And if it serves this purpose, the efforts of all who have put so much into it over the years will have been worthwhile.

If it serves this purpose . . . if those who are here today, next year and the year after are really moved to make more of their citizenship . . . this observance is much more than the delightful and enjoyable community project that we all know it to be.

More than 400,000 citizens of Indiana served in World War II. Ten thousand of them did not return home.

I join with you today in paying tribute to these men who accomplished so much for all of us but who never lived to celebrate their accomplishments with us.

I join you also in expressing gratitude to those 320,000 Hoosiers living today who had World War II service. While this is a special day for all of us, it is really their day most of all.

There are some 2,000 World War II veterans in Jackson County. They rate a special salute . . . for their military service, of course, but also for the effort they have put into keeping the tradition of V–J Day alive in this community.

I don't think we can separate veterans by war, however. All Americans, all Hoosiers, all residents of Jackson County who served in our armed forces deserve our thanks and support for what they have done for America.

And I am sure all Americans will want to give them a special salute as we celebrate our Two-hundredth Birthday as a nation.

It is important that we remember the early citizens who were intrepid enough to bear arms and challenge those who oppressed us 200 years ago. But their suffering, their hardship . . . and their gallantry . . . were no greater than those of the millions of Americans who have borne arms since that time in defense of the principles for which they first fought.

It is a high honor for me to be Administrator of Veterans Affairs. I consider it a privilege to be in a position to serve those who have themselves given so much service and there is a great deal of personal satisfaction that goes with the job.

I think it appropriate that I assure you that we at VA are ever mindful of the seriousness of our responsibility and that we consider those we serve to be very special Americans.

I think it is also appropriate that I express my appreciation to you for the honor you bestow on veterans by remembering this day with a parade and other activities.

I thank you as head of VA. I thank you as a veteran of World War II.

I thank you also as a fellow Hoosier and a not too distant neighbor. It is good to live where such patriotic observances are conducted.

I hope V-J Day will continue to be a big event in Seymour and that I may be a future participant in your ceremonies.

NEW MEXICO'S ELECTRICAL ENERGY TAX

Mr. FANNIN. Mr. President, on June 17, 1975, I introduced S. 1957, a bill to prohibit State taxation on the generation of electricity distributed in interstate commerce. The purpose of S. 1957 is to alleviate a specific situation confronting Arizona which could easily spread across the Nation.

The specific situation to which I refer is New Mexico's recently enacted Electri-

[9] When questioned about restrictions on advertising in the District of Columbia, an optometrist there informed me that there were none but that such restrictions would be the first item on the agenda if the optometrists ever obtained profesisonal control.

cal Energy Tax Act which became effective on July 1, 1975. This tax appears to apply both to electricity generated and consumed within New Mexico and electricity generated outside but consumed within New Mexico. However, due to tax credits available to New Mexico generators, this entire tax bill is paid by Arizonans. This is grossly inequitable.

When the Finance Committee resumes consideration of H.R. 6860, the Energy Conservation and Conversion Act of 1975, I intend to offer the language of S. 1957 as an amendment thereto. I strongly urge my colleagues to join me in this effort in order not only to rid Arizona of this unfair burden, but also to make certain the other States do not follow New Mexico's lead.

Mr. President, it is noteworthy that a New Mexico newspaper, the Current-Argus of Carlsbad, N. Mex., would carry a column in opposition to the New Mexico tax measure. Mr. Carl Turner, the author of the article, is executive manager of New Mexico Rural Electrification Cooperative Association.

I believe the Turner article clearly points out the problems inherent in this recently enacted tax legislation. I would like to share Mr. Turner's article with my colleagues.

I ask unanimous consent that the article published in the Current-Argus be printed in the RECORD.

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

FRED BUCKLES' STATE REPORT—TAX MEASURE CRITICIZED

(By Carl Turner)

(The controversial new electricity generating tax is explored in this informative guest column for vacationing Fred Buckles by Carl Turner, executive manager of New Mexico Rural Electrification Cooperative Association.)

SANTA FE.—One of the most controversial bits of legislation passed by the 1975 Legislature was the generating tax.

First introduced in the legislature about five years ago, it was originally conceived as environmental legislation. It was going to punish the Four Corners generating plants for polluting our air, using our water and coal and sending the product, electricity, to Arizona.

The original sponsor, Rep. John Radosevich, D-Albuquerque, was not reelected to the 1975 Legislature. Things were quiet for a day or so until Sen. Aubrey Dunn, D-Alamogordo, revived the idea as a method of getting some tax money to pay for the New Mexico's share of the cost of building highways on the Navajo Reservation.

Albuquerque and Farmington people had tried for some time for reconstruction of NM-44—the main link between Albuquerque and Northwestern New Mexico.

Originally, it was contemplated that severance tax money would be used for the state share but that was abandoned in favor of the generating tax gimmick.

To make the tax palatable to a majority of the legislature a unique rebate provision was planned in the legislation so that only out-of-state consumers would pay the tax.

Utilities that generate for consumption in New Mexico pay the tax but then take an equal dollar amount of credit when they pay the state gross receipts tax. Most attorneys seem to think this provision is constitutionally questionable.

Since "contitutional" or "unconstitutional" is whatever a Supreme Court says it is we will not know until the question is litigated. A legal attack on the legislation is being prepared. It will be filed in the near future.

Electric utilities in New Mexico and those in Arizona and California objected to the legislation. Although not directly affected, New Mexico utilities cautioned the legislature that the long-term result of this type of tax would be detrimental to New Mexico consumers.

One of their contentions held that the generation and distribution of electric energy is not an isolated and provincial exercise.

In an attempt to provide adequate, reasonably priced energy most utilities are interconnected across state boundaries.

Although Arizona is expected to use a great deal of power from the Four Corners Plant in the near future it is anticipated that within 10 years a large nuclear plant west of Phoenix will export power to New Mexico.

Southwestern Public Service Co., which provides power for most of the larger communities on New Mexico's East Side, is building a large coal-fired plant in Texas.

A large share of power presently used by rural electric cooperatives in New Mexico is hydrogenerated at Glen Canyon in Northern Arizona.

In the near future the major source of electric energy for Southwestern New Mexico will come out of the Four Corners Plant on the now famous Tucson Gas and Electric Co. line, move into Arizona and then back to New Mexico just west of Silver City.

If courts rule the new legislation is constitutional, then we can expect retaliatory moves from our neighboring state.

A result of the possible law suit is uncertainty on the future of NM-44. Recently a spokesman for the Navajo Tribe indicated that the first priority for the Navajos is not NM-44 but other roads, not particularly important to the Albuquerque Chamber of Commerce would be built first.

After all is said the final victim of all this push and pull is the traveler on NM-44.

The person who was going to benefit from the generating tax winds up being the victim.

LOSS OF WATER POLLUTION CONTROL FUNDS

Mr. MCINTYRE. Mr. President, I know that many of my colleagues share my concern over passage of the amendment offered by the distinguished Senator from Georgia (Mr. TALMADGE) to the Public Works Employment Act. If enacted, this measure would change the formula used to allocate water pollution control funds resulting in a loss of $147 million to the hard-pressed New England area. New Hampshire alone would lose $24 million, cutting back our cleanup efforts and accompanied by the loss of a substantial number of construction jobs.

More directly upset by this possible action are the State water control agencies. Mr. William Healy, executive director of the New Hampshire Water Supply and Pollution Control Commission, has stated in a letter to Mr. James Agee the havoc wrought upon his agency. I wish to share this discussion with my colleagues.

At this time I ask unanimous consent that the text of Mr. Healy's letter be printed in the RECORD.

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

AUGUST 11, 1975.

MR. JAMES L. AGEE,
Assistant Administrator for Water and Hazardous Materials, Environmental Protection Agency, Washington, D.C.

DEAR MR. AGEE: Thank you for your letter of July 24, 1975, in which you invite comments from the states with regard to EPA's proposed new method for developing needs estimates for submittal to Congress not later than February 10, 1977.

We have reviewed your letter carefully as well as the May 6, 1975 report which accompanied the letter, titled "Cost Estimates for Construction of Publicly-Owned Waste Treatment Facilities 1974 Needs Survey" and are convinced that the decision to deviate from the current formula based on actual needs and substituting therefor a new one based upon 50% needs and 50% population is a regressive step.

It seems obvious that the logical method for determining allocations must be related directly to the cost projections associated with the known and anticipated projects for whatever time-span is involved. Population parameters, as such, have no recognizable quantitative relationship to the allocation process. Undoubtedly, it was because of this fact that Congress abandoned population as a means for distributing grant funds some time ago and turned to the direct needs survey method in developing its distribution formula for the 1973-1975 period. EPA reservations about the use of a strict population formula continue to be expressed as recently as the May 1975 report, and thus, we fail to see any significant basis for now suggesting a population factor, since it can only defeat the objective of equitable distribution of funds in relation to the actual needs. The hazards involved in preparing reliable population projections are well-known to all of us; yet EPA, not only wishes to re-introduce that discarded parameter, but would further heighten the error by using 1990 population projections.

Again, referring to the May 6, 1975 Report to the Congress, EPA concludes that there is close correlation between state and EPA cost estimates for categories I, II and IV-B (page 7, (2) Cost Estimating Technology). This was found true because of the experience state and Federal agencies have had in dealing with such estimates, plus the well-defined guidelines for preparing such information. The discrepancies and lack of "evenness" with which EPA characterized estimates for the remaining categories developed (as stated by EPA) because of lack of uniform guidelines, methodologies, assumptions, etc. This situation was especially marked in connection with the preparation of some state estimates for category VI, which, not so incidentally, is approximately two-thirds of the total estimated needs for all categories. Since the problem is one of lack of uniformity and an absence of well-defined guidelines, it is our position that EPA should direct its efforts toward relieving those problem areas rather than to propose a basis for allocations for which there is no validity.

Introduction of a third party via the consultant contract concept can only serve to further complicate matters. Moreover, it could not eliminate the need for the individual states to prepare their own estimates if no more than to provide a means for checking the work of independent consultants. Also, it is inconceivable that the consultant could prepare meaningful estimates without almost complete dependency upon the affected states; thus, we arrive at the conclusion that instead of lessening the work load for the concerned state agencies, it will actually increase under the consultant approach. It will have the further disadvantage of later placing the states in a defensive and

perhaps adversary role when "alternative needs estimates" are submitted to EPA for subsequent submission to Congress. In our judgment, the introduction of a third party is fraught with problems, counter-productive, and it is quite likely to produce an atmosphere of uncertainty on the part of the Congress as to whose estimates should be relied upon.

Finally, it must be appreciated by EPA that the states have structured the NPDES permits to projected funding over future years under the existing needs method of allocation. Should the formula now be altered, most, if not all, of these permits would be automatically in non-compliance with the due dates specified therein.

As a concluding observation, we firmly believe that since Federal grant funding is the cornerstone on which the entire program is based, we have the joint obligation to devote whatever energies, funds and personnel as are necessary to prepare sound estimates of needs through which allocations can be made equitably. Any failure to accept this responsibility is bound to frustrate the realization of the water pollution control goals set forth in P.L. 92-500. The 1974 survey was far superior to the 1973 effort; thus, the present weaknesses are merely a reflection of "growing pains" and in no sense justify a drastic overhaul such as would be precipitated by the 50% needs-50% population plan.

We urge in the strongest terms possible that the states and EPA continue to work directly together retaining the needs survey rationale. The introduction of contract consultants is not warranted or likely to prove useful.

Very truly yours,

WILLIAM A. HEALY, P.E.,
Executive Director.

A TRIBUTE TO BILL COOK

Mr. HANSEN. Mr. President, I am pleased to have the opportunity to pay tribute to my friend and constituent, Mr. Willard E. "Bill" Cook, Sr., of Sheridan, Wyo., who is this year's recipient of the Time magazine Quality Dealer Award.

Bill is the 16th annual spokesman for the Quality Dealer Award program, which is sponsored by the National Automobile Dealers Association and Time magazine to honor outstanding and civic-minded automobile dealers.

Bill began his automotive career in 1934 on the credit desk with General Motors Acceptance Corp. in Great Falls, Mont. After working for a time as a sales representative for General Mills, he returned to the automobile business in 1947 as vice president of Scales Motor Co., a Ford dealership in Sheridan since 1914. Two years later, he became a partner in the dealership, and in 1954, bought out his partner.

Bill's dealership, Cook Ford Sales, has received numerous Ford Motors Co. awards, including the Distinguished Service Citation for Total Excellence and the Ford Distinguished Achievement Awards. Cook has been a representative on the Ford Regional Dealer Council and served as secretary and a director of the Rocky Mountain Ford Dealers Advertising Fund.

Mr. Cook is a former director of the Wyoming Automobile Dealers Association, a past president of the Sheridan Automobile Dealers Association, and a member of the National Automobile Dealers Association.

He is active in community affairs, having served as President of the Sheridan Salvation Army Chapter, a director of the Young Men's Christian Association, president of the Lions Club, and as an active member for 25 years of the Sheridan Chamber of Commerce.

In 1970, Bill received the Sheridan Jaycee Award for outstanding contributions to that group and to the Wyoming Jaycees. He is serving a 4-year term as a director of Whitney Benefits, Inc., a foundation whose interest-free loans have helped many Sheridan men and women obtain a college education in the past 30 years.

Bill served 2 years on the Governor's Committee on Education for the State of Wyoming, 18 years as an elected member of the board of trustees for School District No. Seven, and received the Golden Bell Award from the Wyoming School Board Association in 1968 "for outstanding service to education and youth."

He was awarded an honorary life membership in the Future Farmers of America in 1972 for his contributions to that organization, including furnishing the local chapter with a Ford pickup truck annually for 19 years.

He is a director of the Big Horn Executive Club and a former member of the Sheridan County Welfare Board. He is active in the Sheridan Country Club, the Elks, Sheridan Lodge No. 8, A.F. & A.M. and other Masonic organizations, York Rite, Scottish Rite, Kalif Shrine Order of Jesters, and is a past patron for the Order of Eastern Star.

Bill and his wife, Anne, live in Sheridan, and two of their four children work at the dealership. A son, Willard E. Cook, Jr., is secretary-treasurer, and a daughter, Judith, is cashier. Another son, Stephen, is with General Electric Corp. in Washington, D.C., and a married daughter, Mrs. Janet Atkinson, is a graduate student at the University of Wyoming.

Mr. President, Bill Cook is a highly successful small businessman and civic leader because of his willingness to work hard, to strive to please consumers, and to play an incredibly active role in the affairs of his city and his State. His outstanding success is representative of what can be achieved in this country under the free enterprise system by those willing to put forth effort.

I am delighted Bill Cook's many achievements have been recognized via this award, and I am grateful to him for his contributions to others.

FTC PROPOSED FUNERAL INDUSTRY TRADE REGULATION RULE

Mr. HARTKE. Mr. President, the Federal Trade Commission has recently proposed a trade regulation rule concerning funeral practices. This rule would require disclosure of price and other pertinent information as well as prohibit various exploitive, unfair, and deceptive practices by the Nation's funeral industry. The Commission stated that it has reason to believe that certain consumers have been exploited by some elements of the funeral industry through a variety of misrepresentations, improper sale tactics, nondisclosure of vital information, and interference with the market.

As chairman of the Committee on Veterans' Affairs, I have been and continue to be quite concerned about such practices particularly because substantial Federal benefits are paid by the Veterans' Administration for burial expenses of deceased eligible veterans. During this fiscal year, for example, VA burial benefits will exceed $143 million. Eligible veterans currently receive $250 for burial expense plus an additional $150 plot allowance if they are not buried in a national cemetery. The plot allowance, of course, was authorized by the National Cemeteries Act of 1973—Public Law 93-43—which I was privileged to author. In all, nearly 26 million veterans are currently eligible for veterans burial benefits. In the next 25 years it is estimated that benefits totaling approximately $4.5 billion will be paid by the VA. This year, for example, the families of 338,000 veterans will come into direct contact with representatives of the funeral industry. Thus it is readily apparent, to the extent there is misrepresentation, improper sales techniques, nondisclosure of vital information or interference with the market, that these are all issues of extreme importance to the committee, which I am privileged to chair.

The rule would prohibit funeral directors from:

First, picking up or embalming corpses without permission from the family;

Second, requiring those who opt for an immediate cremation to purchase a casket, and from refusing to make available inexpensive containers suitable for cremation;

Third, profiting on cash advance items—amounts paid out by the funeral home for obituary notices, cemetery charges, flowers, and the like which are reimbursed by the family;

Fourth, misrepresentation of the legal or public health necessity for or preservative utility of embalming, caskets or burial vaults;

Fifth, untruthful and unsubstantiated claims of watertightness or airtightness of caskets and burial vaults;

Sixth, bait-and-switch tactics;

Seventh, disparagement of a consumer's concern for price;

Eighth, restrictions or obstructions to advertising or other disclosure of price information;

Ninth, interferences with the offering of low-cost funerals, direct cremation services or other alternative modes of disposition preneed arrangements; and memorial society activities.

The rule would also require mortuaries to furnish to customers:

First, a fact sheet about legal requirements for embalming, caskets, and buriel vaults;

Second, a casket price list;

Third, an itemized list of prices for the services and merchandise offered for sale, with conspicuous disclosure of the con-

sumer's right to select only the items desired;

Fourth, a memorandum, at the time funeral arrangements are made which records the items selected and their respective prices.

The rule would also require funeral homes which advertise to include in their advertisements a notice that price information is available and the telephone number to call to obtain such information.

The Federal Trade Commission, of course, has initiated public comment and plans full hearings on all aspects of the proposed rule. Thus problems with the operation of any of the particulars of the rule will be aired and subject to modification, deletion or improvements if merited. And without passing judgment on all aspects of the proposed rule, I believe it important at the onset to note my agreement with the general intent of requiring adequate disclosure of pertinent information and the prohibition of unfair practices. This has been a continuing concern of the committee, which has been evidenced by legislation reported from it on a number of occasions, particularly with reference to the VA education, housing, and insurance programs. Members will also recall that full committee hearings in 1972 exposed a number of problems and deceptive practices with respect to sales or cemetery plots specifically directed at veterans and their families.

Thus it is both consistent and appropriate that we examine closely industry practices as they relate to veterans and their families, particularly when that industry will receive several billion dollars in Federal veteran benefits in the coming decades.

Mr. President, I believe that the proposed rule covering the funeral industry practices, the statements of reason and questions to be addressed in public comments and hearings, would be of interest to my colleagues, and I ask unanimous consent that they be printed in the RECORD.

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

FEDERAL TRADE COMMISSION,
Washington, D.C.

[16 CFR Part 453]

FUNERAL INDUSTRY PRACTICES

Notice of Proceeding, Proposed Trade Regulation Rule, Statement of Reason for Proposed Rule, Invitation to Propose Issues of Fact for Consideration in Public Hearings, and Invitation to Comment on Proposed Rule.

Notice is hereby given that the Federal Trade Commission, pursuant to the Federal Trade Commission Act, as amended, 15 U.S.C. § 41, et seq., the provisions of Part I, Subpart B of the Commission's procedures and rules of practice, 16 CFR 1.7, et seq., and § 553 of Subchapter II, Chapter 5, Title 5 of the U.S. Code (Administrative Procedure), has initiated a proceeding for the promulgation of a Trade Regulation Rule concerning Funeral Industry Practices.

Accordingly, the Commission proposes the following Trade Regulation Rule and to amend subchapter D, Trade Regulation Rules, Chapter 1 of 16 CFR by adding a new Part 453 as follows:

Sec.
453.1 Definitions.
453.2 Exploitative practices.
453.3 Misrepresentations.
453.4 Merchandise and service selection.
453.5 Price disclosures.
453.6 Interference with the market.
453.7 Retention of documents.

Authority: The provisions of this Part 453 are issued under 38 Stat. 717, as amended (15 U.S.C. 41, et seq.)

§453.1 Definitions.

For the purpose of this part, the following terms and definitions shall apply:

(a) *Funeral service industry member.* A "funeral service industry member" is any person, partnership or corporation, or any employee or agent thereof, engaged in the business of selling or offering for sale, directly to the public, funeral services and merchandise; of preparing deceased human bodies for burial, cremation or other final disposition; or of conducting or arranging funerals.

(b) *Funeral services.* "Funeral services" consist of services performed incident to: (1) the care and preparation of deceased human bodies for burial, cremation or other final disposition; (2) the arrangement, supervision or conducting of the funeral ceremony and the final disposition of the deceased including, but not limited to, transporting the remains, securing necessary permits, embalming, arranging for death notices and other funeral-related items.

(c) *Funeral merchandise.* "Funeral merchandise" consists of articles and supplies sold or offered for sale, directly to the public, or used by funeral directors incident to: (1) the care and preparation of deceased human bodies for burial, cremation or other final disposition; (2) the arrangement, supervision or conducting of the funeral ceremony.

(d) *Person, partnership or corporation.* The term "person, partnership or corporation" refers to any party, other than a state, over which the Federal Trade Commission has jurisdiction, and may include in appropriate circumstances, but is not limited to, individuals, groups, organizations, trade associations, and professional societies.

(e) *Customer.* A "customer" is any person, association, or other entity who purchases, attempts to purchase or seeks information regarding possible future purchase of funeral services and/or merchandise, without intention of resale.

(f) *Immediate cremation.* An "immediate cremation" is a disposition of human remains which includes reduction of the remains by a heating process and which does not involve formal viewing or a prior funeral ceremony with the body present.

(g) *Outer interment receptacle.* An "outer interment receptacle" is any container or enclosure which is placed in the grave around the casket to protect the casket and/or to prevent the collapse of the grave including, but not limited to, receptacles commonly known as burial vaults, grave boxes or grave liners.

(h) *Casket.* A "casket" is a rigid container which is designed for the encasement and burial of human remains and which is usually constructed of wood or metal, ornamented, and lined with fabric.

(i) *Suitable container.* A "suitable container" is any receptacle or enclosure other than a casket which is of sufficient strength to be used to hold and transport human remains including, but not limited to, cardboard, pressed-wood or composition containers and canvas or opaque polyethelene pouches.

(j) *Crematory.* "Crematory" refers to an establishment which reduces human remains by a heating process.

(k) *Defacing.* "Defacing" consists of deliberate efforts to make merchandise appear unattractive to customers including, but not limited to, displaying broken, soiled or defective merchandise.

(l) *Accounting year.* "Accounting year" refers to the particular one year period, which may but need not necessarily correspond to the calendar year, utilized by a funeral home in keeping financial records for tax or accounting purposes.

(m) *Adult funeral services.* "Adult funeral services" refers to funeral services which are provided, at retail prices, for adults, and does not include services provided for infants or small children.

(n) *Standard funeral service package.* A "standard funeral service package" is defined to include at least the following: removal of remains to funeral home; preservation, restoration, and dressing of remains; use of funeral home facilities and equipment for viewing and the funeral service; arranging for obituary notices, church services, burial permits, and transcripts of death certificates; arranging and care of flowers; use of hearse; arranging for veteran, social security, fraternal, labor union, and/or life insurance burial benefits, arranging for pallbearers; other services of funeral director and staff; and casket.

(o) *Offered for sale.* "Offered for sale" refers to making available for purchase or suggesting the availability of merchandise or services for purchase by use of any of the following: media advertising; promotional materials, including brochures, handbills or calendars; the display or stocking for sale of merchandise; or expressions, direct or indirect, of a willingness to furnish services and/or merchandise to the public for a retail price.

(p) *Memorial society.* A "memorial society" is a non-public membership association which assists members in obtaining and making arrangements for funerals, cremations, or other methods of disposition.

§ 453.2 Exploitative practices.

In connection with the sale or offering for sale of funeral services and/or merchandise to the public, in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice for any funeral services industry member:

(a) [Embalming without permission] to furnish embalming, other services or merchandise without having first obtained written or oral permission from a family member or other person authorized by law to make funeral arrangements for the deceased. *Provided* that embalming without permission to satisfy requirements of state or local laws shall not be considered a violation of this provision.

(b) [Pick-up and release of corpses] (1) to obtain custody of a deceased human body without having first received written or oral authorization from a family member or other person authorized by law to make funeral arrangements for the deceased. *Provided* that obtaining custody of human remains without authorization from a family member or other person authorized by law to make funeral arrangements to satisfy requirements of state or local laws shall not be considered a violation of this provision.

(2) to refuse to release a deceased human body to a family member or other person authorized by law to arrange disposition of the body, including any funeral director acting on directions of a family member or other authorized person, when requested to do so, whether or not money is owed for services already rendered. *Provided, however,* that this provision shall be subject to any valid state or local laws respecting release or transportation of deceased bodies.

(c) [Casket for cremation] who arranges cremation services, (1) or any crematory to require customers who express interest in immediate cremation of deceased human remains to purchase a casket or to claim directly or by implication that a casket is required;

(2) to fail to make available to any customer expressing an interest in immediate cremation of deceased human remains a suitable container, as defined by this part.

(d) [Profit on cash advances] (1) to charge in excess of the amount advanced, paid or owed to third parties on behalf of customers for any items of service or merchandise described as "cash advances", "accommodations" or words of similar import on the contract, final bill, or other written evidence of agreement or obligation furnished to customers.

(2) to charge customers more than the amount advanced, paid or owed to third parties on behalf of customers for:

Cemetery or crematory charges.
Pallbearers.
Public transportation charges.
Flowers.
Clergy honoraria.
Musicians or singers.
Nurses.
Obituary notices.
Gratuities.

(3) to fail to pass on to customers the benefit of any rebates, commissions or trade or volume discounts received on any items enumerated in paragraph (d)(2). If the net cost to the funeral director for an item cannot be ascertained at the time of a particular sale, determination of the charges to the customer (the net charges paid by the funeral director) may be based on the adjustments, discounts, or rebate figures for the preceding accounting year.

(4) to misrepresent to a customer in any respect the amount advanced, paid or owed to third parties on behalf of the customer for services or merchandise to be furnished to such customer.

§ 453.3 Misrepresentations.

In connection with the sale or offering for sale of funeral services and/or merchandise to the public, in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice for any funeral service industry member:

(a) [Misrepresentation of law, public health necessity, and religious customs] (1) to make any statements or claims, written or oral, which expressly or implicitly contradict, mitigate or detract from the printed disclosures which are required by paragraph (a)(2) or which are false, misleading or unsubstantiated, regarding (i) the legal necessity for embalming, a casket, or an outer interment receptacle; (ii) public health hazards associated with the failure to utilize embalming, a casket, or an outer interment receptacle; or (iii) religious requirements or customs.

(2) to fail to furnish, to each customer who inquires in person about the arrangement, purchase and/or prices of funeral merchandise or services, the following printed or typewritten statement, in clearly legible type:

[Name of funeral home]

"To avoid purchase decisions based on misconceptions about legal or public health requirements, the following statements are provided for your information. Please ask for an explanation of any statement which is not clear.

(i) Embalming is not required by law except in limited circumstances. It is not to be performed without authorization from a legally responsible individual except in those instances where it is required by law.

(ii) A casket is not required for immediate cremation. In lieu of caskets, this funeral home has available containers suitable for cremation for $———.

(iii) Purchase of a casket or of a special form of casket, such as a "sealer casket," is not required by law except in limited circumstances, but may be required by cemetery rule.

(iv) Outer interment receptacles (burial vaults or grave liners) are not required by law except in limited circumstances, but may be required by cemetery rule.

Upon request, your funeral director will provide a brief written or printed explanation of legal requirements, including public health regulations, which necessitate the use of any services or merchandise."

(3) to fail to furnish, upon customer request, a brief written, typewritten or printed explanation of legal requirements, including public health regulations, which necessitate the use of any services or merchandise.

(b) [Preservative value claims] (1) to claim, directly or by implication, that decomposition or decay of a deceased human body can be prevented by the use or purchase of:

(i) embalming; or

(ii) a casket, unsealed or sealed; or

(iii) a burial vault or other outer interment receptacle, unsealed or sealed.

(2) to make false, misleading or unsubstantiated claims, directly or by implication, of watertightness or airtightness for caskets or vaults, whether sealed or unsealed;

(3) to misrepresent the preservative or protective utility of caskets, burial vaults or embalming.

§ 458.4 Merchandise and service selection.

In connection with the sale or offering for sale of funeral services and/or merchandise to the public, in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice for any funeral service industry member:

(a) [Display of least expensive caskets] whose establishment contains one or more casket selection rooms, to fail to display therein the three least expensive caskets offered for sale for use in adult funeral services, in the same general manner as other caskets are displayed. *Provided*, that if fewer than twelve (12) caskets are displayed, only one of the three least expensive caskets must be displayed.

(b) [Availability of other colored caskets] to fail to inform customers, by means of a prominently displayed written notice, that displayed caskets can be obtained in other colors, or to fail to provide caskets in other colors to customers who so request, *provided* that such caskets in other colors can be obtained from regular commercial suppliers upon twelve (12) hours notice.

(c) [Interference with customers' selection of offered items] (1) to represent, directly or indirectly, orally, visually, or in writing, that any funeral merchandise or service is offered for sale when such is not a bona fide offer to sell said product or service;

(2) to make representations, directly or indirectly, orally, visually, or in writnig, purporting to offer any funeral merchandise or service for sale when the purpose of the representation is not to sell the offered merchandise or service but to obtain leads or prospects for the sale of other funeral merchandise and/or services at higher prices;

(3) to discourage the purchase, by customers, of any funeral merchandise or service which is advertised or offered for sale by:

(i) disparaging the quality, appearance or tastefulness of any such merchandise or service which is advertised or offered for sale;

(ii) suggesting that such merchandise or service is not readily available or can only be obtained after an appreciable delay, when such is not the case;

(iii) defacing any merchandise carried for sale; or

(4) to use any policy, sales plan, or method of compensation for salespersons which has the effect, in any manner, of discouraging salespersons from selling, or has the effect of penalizing salespersons for selling, any funeral merchandise or service which is advertised or offered for sale.

(d) [Disparagement of concern for price] to suggest, directly or by implication, to any customer in any manner that the customer's expressed concern about prices, inexpensive services or merchandise or an expressed desire to save money by the customer is improper, inappropriate or indicative of a lack of respect or affection for the deceased.

§ 453.5 Price disclosures.

In connection with the sale or offering for sale of funeral services and/or merchandise to the public, in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice for any funeral service industry member:

(a) [Price information over telephone] to fail to provide by telephone, upon customer request, accurate information regarding the funeral service industry member's retail prices of funeral products and services, including caskets, vaults, basic services and cremation services, if offered.

(b) [Casket price list] (1) to fail to furnish to each customer, before discussion about caskets offered for sale or the customer's selection of a casket, a printed or typewritten list, showing in descending or ascending order of price, the prices of all caskets available for purchase without requiring special ordering by the customer, together with sufficient information about each casket to enable the customer to locate and identify a casket among the others on display. The document shall also bear an effective date for prices listed thereon.

(2) to fail to include, on the printed or written list required by paragraph (b)(1) in clearly legible type, the following heading:

CASKET PRICE LIST FOR—NAME OF FUNERAL HOME

"Listed below, in order, are the prices of the caskets offered by this funeral home together with information to help you locate and identify particular caskets which are displayed. If you are interested in any of the caskets which are included on this list but are not on display, please inquire."

(3) to represent to a customer that a casket on the list is not available, when such is not the case.

(c) [Display of casket prices] (1) to fail to display prominently in or on the caskets on display the price of such caskets by card, sign or other means.

(2) to fail to display prominently prices on any casket photographs shown to customers and on any caskets shown to customers in display rooms maintained by casket manufacturers or wholesalers.

(d) [Vault disclosure and price list] (1) to fail to furnish to customers, at the time they are shown or informed as to the availability of outer interment receptacles, before such a customer has made his or her selection, the following printed or typewritten notice:

"Some cemeteries require that an outer enclosure be placed around the casket in the grave, while others do not. Where such a requirement exists, it can usually be satisfied by either a burial vault or a grave liner, which is usually less expensive than a burial vault. Outer interment receptacles are often sold by cemeteries as well as by funeral homes.

"Before selecting any outer enclosure you may want to determine any applicable cemetery requirements as well as the offerings of your cemetery and funeral home."

(2) to fail to include on the printed statement required by paragraph (d)(1), in clearly legible type, the price for each outer interment receptacle available from the funeral home for purchase by the customer, together with a brief description of each enclosure, and an effective date for the prices specified.

(e) [Price list] (1) to fail to furnish to each customer who inquires in person about the arrangement, purchase, and/or prices of funeral goods or services, prior to any agreement on such arrangement or selection by the customer or to any customer who by telephone or letter requests written price information, a printed or typewritten price list, which the customer may retain, containing the prices (either the retail charge or the price per hour, mile or other unit of computation) for at least each of the following items:

Transfer of remains to funeral home.
Embalming.
Use of facilities for viewing.
Use of facilities for funeral service.
Casket (a notation that a separate casket price list will be provided before any sales presentation for caskets is made).
Hearse.
Limousine.
Services of funeral director and staff.
Outer interment receptacles (if outer interment receptacles are sold, a notation that a separate outer interment receptacle price list will be provided before any sales presentation for such items is made).

Provided, however, that the list may include total or package prices for any standard adult funeral service package under $————. The items covered by any such single quoted price shall be specified, but need not be separately priced. However, if a customer wishes to decline one or more items, the price shall be reduced by at least the amount of savings accruing to the funeral home from the declination.

(2) to fail to include, on the printed price list specified in paragraph (e)(1), directly above the price listings, in clearly legible type, the following:

(i) the name, address, and telephone number of the funeral home;

(ii) an effective date for the prices listed thereon;

(iii) the statement "You are free to select only those items of service and merchandise you desire. You will be charged for only those items you select. In some instances, depending on the circumstances of death and/or the type of service you select, some additional services or merchandise may become necessary. If you are required to pay for certain services or merchandise you have not selected, because they are required by other factors, an explanation shall be provided in writing by the funeral director on the memorandum of funeral services selected which you will receive."

(f) [Memorandum of funeral service selected] (1) to fail to furnish to each customer making funeral arrangements, on a written memorandum of the funeral service selected, a list, in at least the following categories, of the services and merchandise selected by the customer together with a price for each item:

Embalming.
Other preparation of the body.
Use of facilities for viewing.
Use of facilities for funeral service.
Other services of funeral director and staff.
Casket, as selected.
Other specifically itemized merchandise.
Specifically itemized transportation charges.
Specifically itemized charges for any special services required.
Specifically itemized cash advances or expenditures.

Provided, however, that there may be single prices quoted for each standard adult funeral service package whose total price is below $————, if the service and merchandise included for the package price are specified, and if the listed price reflects appropriate adjustments for any items declined by the customer, as set forth in paragraph (e)(1).

(2) to fail to include on the written memorandum, required by paragraph (f)(1), in clearly legible boldface type the following:

(i) the name, address, and telephone number of the funeral home;

(ii) the disclosure required by paragraph (e)(2)(iii);

(iii) the statement "no substitutions of agreed-upon merchandise shall be made, unless agreed to in advance, by both parties;"

(iv) the statement "I have read and understood the above statements. I have also received written information regarding the prices of caskets and other merchandise and services."

(v) immediately below the statements required by paragraphs (f)(2)(iii) and (iv), the signatures of the customer and the funeral service industry member, or an authorized representative, and the date signed.

§ 453.6 Interference with the market.

In connection with the sale or offering for sale of funeral services and/or merchandise to the public, in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, it is an unfair or deceptive act or practice for any funeral service industry member:

(a) [Offering of inexpensive funerals] or any person, partnership, or corporation, directly or indirectly, to prohibit, hinder or restrict, or attempt to prohibit, hinder, or restrict: (1) the offering, or advertising of the availability of, low-cost funerals, immediate cremation or other forms of disposition, or arrangements for funeral services in advance of need by any funeral director, memorial society, or other person, partnership or corporation;

(2) contracts or arrangements between memorial societies and any funeral director or other person, partnership or corporation providing services for the disposition of deceased human bodies.

(b) [Price advertising] or any other person, partnership or corporation, directly or indirectly, to prohibit, hinder or restrict, or attempt to prohibit, hinder or restrict, the disclosure of accurate price information regarding funeral merchandise or services by any funeral director, memorial society, or other person, partnership or corporation offering services for the disposition of deceased human bodies, whether such disclosure is made by means of advertisements in print media or broadcast media, or in any other manner.

(c) [Reliance on price advertising restrictions] to change, restrict, make or fail to make any disclosure of accurate price information about any funeral merchandise or service by print media, broadcast media, telephone, leaflets, mailings, or in any other way, because of or in connection with any law, rule, regulation or code of conduct of any non-federal legislative, executive, regulatory or licensing entity or any other entity or person whatsoever, including but not limited to professional associations.

(d) [Price availability notice] to fail to display prominently, in any advertising or promotional materials in print or broadcast media of funeral merchandise or services, the following notice:

"Funeral home prices vary substantially. For information on our prices for funeral merchandise and services, call: [Telephone number.]"

§ 453.7 Retention of documents.

To assure compliance with the provisions of this part and prevent future use of the unfair and deceptive practices it prohibits, all funeral homes subject to the provisions of this part shall be required to retain and to make available for inspection by Federal Trade Commission officials, upon request, true and accurate copies of the written disclosures or price lists required by § 453.3(a)(2) and § 453.5 (b)(1), (d(1), and (e)(1), and all revisions thereof, for at least three years after the date of their last distribution to customers, and a copy of each selection memorandum signed by a customer, as required by § 453.5(f)(1), for at least three years from the date on which the memorandum was signed.

Statement of fiats-

STATEMENT OF REASON FOR THE PROPOSED RULE

It is the Commission's purpose in issuing this statement to set forth its reason for proposing this rule with sufficient particularity to allow informed comment. The precise format of such statements may vary from rule to rule depending upon the complexity of the issues involved. In this proceeding, we have determined that meaningful comment by the public will be facilitated by presenting (1) a brief statement describing the basic factual and legal premises upon which the Commission has determined to issue the rule, and (2) a series of questions designed to draw to the public's attention matters which the Commission deems particularly pertinent and those upon which comment is especially solicited.

The Commission emphasizes that neither this statement of factual and legal premises nor the questions should be interpreted as designating disputed issues of material fact. Such designations shall be made by the Commission or its duly authorized presiding official pursuant to the Commission's procedures and rules of practice.

STATEMENT

The Commission has reason to believe that:

(a) The funeral transaction has distinctive characteristics which combine to place consumers in a peculiarly vulnerable position. Funeral purchases—one of the largest single consumer expenditures—are made out of necessity, not by choice. Funeral arrangements typically must be made under extreme time pressures by buyers whose bereaved condition may render them unable to protect themselves by careful inquiry or to exercise their normal care and business judgment. Often, buyers have almost no knowledge of funeral procedures, legal requirements or restrictions and available choices and costs. By contrast, the funeral director is in the business of arranging disposition of the dead for profit, and he is familiar with procedures, legal issues, costs, alternatives, and is skilled at transacting business with buyers who are distraught, disoriented and dependent;

(b) Bereaved buyers are susceptible to and have been subjected to a variety of practices which exploit their disadvantaged position or which interfere with personal selection of funeral merchandise and services. Moreover, these practices frequently involve the creation of false expectations in the funeral purchaser concerning funeral requirements and choices or mislead the customer by misrepresenting the necessity or nature of the funeral merchandise and services purchased. Such practices include: obtaining custody of and embalming corpses without permission, refusing to release a decedent's remains upon request of surviving relatives, requiring use of a casket for immediate cremation services, profiting on cash advances, concealing the availability of less expensive caskets or caskets in other colors, and discouraging selection of particular merchandise and services offered for sale. In addition, the consumer's disadvantageous position has been used to impede personal selection of funeral arrangements by funeral service industry members who have disparaged the buyer's economic concerns;

(c) Sections 453.2 and 453.4 of the Pro-

posed Rule are necessary to halt and prevent future use of the foregoing practices, which are unfair or deceptive within the meaning of Section Five of the Federal Trade Commission Act (15 U.S.C. Section 45, as amended).

The Commission is proceeding upon the theory that the practices prohibited by Sections 453.2 and 453.4 of the Proposed Rule are unfair if they cause substantial harm (*i.e.*, their economic and social utility to the public is substantially less than their economic and social disutility) and they result from the inequitable use of the superior bargaining position of the funeral service industry member relative to that of consumer buyers. In so doing, the Commission is mindful that its authority to examine and prohibit unfair practices in or affecting commerce has been analogized to the jurisdiction of an equity court.[1]

The Commission has further reason to believe that:

(d) Many consumers have been injured by misrepresentations concerning: the use, necessity, or preservative utility of embalming, caskets or burial vaults; public health hazards resulting from failure to use embalming, a casket or a burial vault; or religious requirements or customs;

(e) The foregoing practices are deceptive within the meaning of Section Five of the Federal Trade Commission Act (15 U.S.C. Section 45, as amended). Section 453.3 of the proposed rule is necessary to prevent the use of such deceptive practices and to avoid purchase decisions which are premised on misconceptions.

The Commission also has reason to believe that:

(f) The availability of price information for consumers has been severely restricted. A substantial number of funeral homes refuse to divulge price information by telephone or limit the amount of information obtainable at the funeral home concerning the prices of funeral merchandise and services;

(g) A widespread failure to advertise funeral prices has contributed to the lack of price information. Such failure may be attributable not only to individual reluctance to advertise prices but also to historical institutional opposition to price advertising (by industry groups and state regulatory boards) and to state laws and regulations which restrict or prohibit funeral price advertising;

(h) The inadequate availability of price data has prevented price competition from operating in the funeral industry, has severely hampered comparison of the prices and offerings of different funeral homes by consumers and has deprived consumers of material information which is essential to informed purchase decisions. Unless the Commission undertakes to require certain price disclosures and to remove all varieties of private and public restraints, consumers may continue to receive inadequate price information throughout the United States;

(i) Actions by funeral industry members to inhibit economical funeral offerings, preneed arrangements, immediate disposition services, or memorial societies disadvantage consumers by restricting their choice of funeral arrangements and may suppress competition in the industry;

(j) Section 453.5's price disclosure requirements are necessary: (1) to prevent deception regarding funeral prices offerings; (2) to remedy the unfair withholding of information essential for informed consumer purchase decisions; and (3) to prevent future use of various unfair and deceptive merchandising techniques which exploit consumers' lack of information;

Section 453.6 is necessary to cure the unfair nondisclosure of funeral prices, whether or not due to private or official restraints, and to prevent unfair activities which restrict the funeral choices available to consumers and price competition within the funeral industry.

For the purposes of this trade regulation rule proceeding, the Commission is proceeding upon the theory that nondisclosure of funeral prices is unfair if it creates substantial harm (*i.e.*, its economic and social utility to the public is substantially less than its economic and social disutility) and it offends public policy by being basically contrary to clear national policy, as articulated by the federal antitrust statutes, and not vital to achieve important State policy goals. In light of the foregoing, the Commission has reason to believe that the widespread failure by funeral service industry members to disclose to consumers retail price information for funeral merchandise and services, whether or not due to private or official restraints, is unfair within the meaning of Section 5 of the Federal Trade Commission Act (15 U.S.C. Section 45, as amended).

In addition, the Commission has reason to believe that:

(k) The retention of documents required by Section 453.7 of the proposed rule is necessary to facilitate enforcement of the rule and to effectuate its purposes;

(l) The magnitude of the economic and emotional injuries inflicted on large numbers of particularly vulnerable consumers by the abuses identified and the frequency of their use by funeral directors in different parts of the United States are sufficient to warrant issuance of this proposed rule by the Commission.

The Commission has reason to believe the above statements based on information compiled by Commission staff during a comprehensive industry-wide investigation.

In the course of the investigation the Commission staff has received extensive documentary evidence bearing upon the issues and has consulted numerous experts, industry members and consumers. In addition, the staff has conducted independent surveys and investigational hearings; evaluated consumer complaints, pertinent State statutes and judicial rulings; and examined the findings of various industry studies. The Commission has not adopted any findings or conclusions of the staff. All findings in this proceeding shall be based solely on matter in the rulemaking record.

EFFECT OF RULE ON CONTRARY STATE LAWS

Particularly with respect to Sections 453.2 (c), 453.5 and 453.6 of the proposed rule, it is the Commission's intent in issuing this proposed rule to override contrary state or local law. The rule is an interpretation of the Federal Trade Commission Act (15 U.S.C. Section 41, *et. seq.*) and constitutes a declaration of federal law. Under the supremacy clause of the United States Constitution,[2] the rule will become the supreme law of the land on the matters it covers and within the confines of the Commission's jurisdiction, preempting all repugnant state or local laws.[3]

GENERAL LEGAL AUTHORITY

The Commission's legal authority to promulgate a Funeral Industry Practices Trade Regulation Rule derives principally from Sections 5 and 18 of the Federal Trade Commission Act (15 U.S.C. Sections 45 and 57, as amended). Section 5 declares unlawful the use, in or affecting commerce, of unfair or deceptive acts or practices or unfair methods of competition. In *FTC v. Sperry & Hutchison Co.*,[4] the Supreme Court affirmed in broad terms, the Commission's authority to proscribe not only practices which are anticompetitive or deceptive, but also practices which are unfair.[5] The Court analogized the Commission's role, in evaluating unfairness, to that of a court of equity.

Thus legislative and judicial authorities alike convince us that the Federal Trade Commission does not arrogate excessive power to itself if, in measuring a practice against the elusive, but congressionally mandated standard of fairness, it, like a court of equity considers public values beyond simply those enshrined in the letter or encompassed in the spirit of the antitrust laws.[6]

The Commission's authority to define particular practices as unfair or deceptive within the meaning of Section 5 of the Federal Trade Commission Act by promulgating rules has been explicitly recognized by case[7] as well as by the statutory authority of Section 18 of the Act, as amended.[8] Section 18 further affirms the Commission's authority to include, within rules, requirements prescribed for the purpose of preventing future use of unfair or deceptive acts or practices.[9]

QUESTIONS

1. How prevalent are the following funeral industry practices which are addressed by the rule?

Furnishing embalming or other services without permission.

Obtaining remains without authorization.

Refusing to release remains when requested to do so.

Requiring purchase of a casket for cremation, and refusing to make an inexpensive container available.

Misrepresenting to customers and overcharging customers on the amounts for cash advance items.

Misrepresenting legal, public health, or religious requirements.

Misrepresenting the preservative capabilities of embalming, caskets, or outer interment receptacles.

Failing to display inexpensive caskets.

Displaying inexpensive caskets in a manner which is calculated to discourage their selection by customers.

Pressuring customers into purchasing high-priced merchandise and services.

Disparagement of inexpensive merchandise.

Sales plans or commission schemes which penalize salespersons for selling inexpensive funerals while rewarding them for high-priced sales.

Disparaging a consumer's interest in price considerations.

Refusing to provide price information over the telephone.

Arranging the casket selection room so as to confuse customers and lead them to purchase more expensive caskets.

Displaying caskets without prices.

Misleading customers about the necessity for burial vaults and failing to disclose the availability of less expensive grave liners.

Tying together funeral products and services and refusing to quote separate prices on component items or give discounts for declined items.

Restricting the availability of low-cost funerals, pre-need plans, alternative methods of disposition, and memorial society programs.

Limiting the availability of price information through restrictions on price advertising.

The Commission particularly desires analysis and comment based on specific data and experience.

2. Is it necessary for the Commission to specify a maximum price or formula for the cremation container required by § 453.2(c), to prevent funeral directors from charging excessive prices for such alternative containers?

3. To what extent do existing state and local laws permitting the practices otherwise declared unfair or deceptive by § 453.2(a) and § 453.2(b) of the proposed rule (*i.e.*, embalming without permission, obtaining custody of remains without authorization, refusing to release remains to the deceased's family) protect the public health, safety or welfare or serve other legitimate state interests? Should any of these requirements of state or local law be preempted?

Footnotes at end of article.

4. Does § 453.3(d) abridge constitutionally protected speech? If so, by what means can the protective purposes of the provision be attained constitutionally?

5. Are the funeral price disclosure requirements of § 453.5 necessitated by inadequate availability to consumers of price information? If so, is this inadequate availability the result of funeral directors' withholding of price information? Would the price disclosures required by § 453.5 help consumers make better-informed purchase decisions?

6. Will mandatory itemization of prices of funeral merchandise and services, as required by § 453.5(e) of the proposed rule, benefit consumers in their selection of funeral merchandise and services? Will the itemized memorandum of funeral merchandise and services selected, as required by § 453.5(f) of the proposed rule, benefit consumers? Please be specific. Are the categories of items which must be enumerated by § 453.5 (e) and (f) useful and appropriate? If not, what changes should be made?

7. Should the offering of low-cost package funerals be encouraged? Would itemization preclude the offering of low-cost funerals? Would exempting the least expensive funerals from the itemization requirements of § 453.5 (e) and (f) prevent such a result? If so, what is a reasonable dollar cut-off point for exempting such funerals from the itemization requirements of § 453.5 (e) and (f)?

8. Are there additional funeral industry practices which should be addressed by this rule?

9. Should the coverage of this rule be expanded to include unfair or deceptive practices used by funeral merchandise manufacturers, cemeteries or other allied industries? What specific practices should be addressed, and in what way are they unfair or deceptive?

10. What will be the impact of the rule on consumers?

11. What costs, economic or otherwise, to funeral homes, especially those which are small businesses, would result from implementation of the proposed rule, and how could such costs be minimized?

12. To what extent do the circumstances of the funeral transaction place the consumer in a more vulnerable position than in other consumer transactions?

INVITATION TO PROPOSE ISSUES OF FACT FOR CONSIDERATION IN PUBLIC HEARINGS

All interested persons are hereby given notice of opportunity to propose any disputed issues of fact. The Commission or its duly authorized presiding official, shall, after reviewing submissions hereunder, identify any such issues in a Notice which will be published in the Federal Register. Such issues shall be considered in accordance with Section 18(c) of the Federal Trade Commission Act as amended by Public Law 93-637, and rules promulgated thereunder. Proposals shall be accepted until October 28, 1975, by the Special Assistant Director for Rulemaking, Federal Trade Commission, Washington, D.C. 20580. A proposal should be identified as a "Proposal Identifying Issues of Fact—Funeral Industry Practices Rule", and furnished, when feasible and not burdensome, in five copies. The times and places of public hearings will be set forth in a later Notice which will be published in the Federal Register.

INVITATION TO COMMENT ON THE PROPOSED RULE

All interested persons are hereby notified that they may also submit to the Special Assistant Director for Rulemaking, Federal Trade Commission, Washington, D.C. 20580, data, views or arguments on any issue of fact, law, or policy which may have some bearing upon the proposed rule. Written comments, other than proposed issues of fact, will be accepted until forty-five days before commencement of public hearings, but at least until October 28, 1975. To assure prompt consideration of a comment, it should be identified as a "Funeral Industry Practices Rule Comment", and furnished, when feasible and not burdensome, in five copies.

Issued: August 29, 1975.

By direction of the Commission.

VIRGINIA M. HARDING,
Acting Secretary.

FOOTNOTES

[1] F.T.C. v. Sperry Hutchinson Co., 405 U.S. 233, 244 (1972).

[2] U.S. Const., art. VI, § 2.

[3] *See, e.g.*, Perez v. Campbell, 402 U.S. 637 (1971); Free v. Bland, 369 U.S. 663 (1962); Double-Eagle Lubricants v. Texas, 248 F. Supp. 515 (N.D. Tex.), *appeal dismissed*, 384 U.S. 434 (1966); Mobil Oil Corp. v. Attorney General, 280 N.S. 2d 406 (Mass. 1972).

[4] 405 U.S. 233 (1972).

[5] *See also* F.T.C. v. R. F. Keppel & Bro., 291 U.S. 304 (1934).

[6] 405 U.S. at 244 (footnote omitted).

[7] *See* Nat'l Petroleum Refiners Ass'n v. F.T.C., 482 F. 2d 672 (D.C. Cir. 1973), *rev'g* 340 F. Supp. 1343 (D.D.C. 1972)

[8] PL 93-637, § 202 (Jan. 4, 1975).

[9] Section 18(a)(1)(B).

COMPETITION KEEN AMONG UTILITIES FOR TAX KEEPER OF THE YEAR AWARD

Mr. METCALF. Mr. President, the Federal tax burden of the Nation's largest industry hit an all-time low last year. With total utility operating revenues of $42,174,621,271, the 215 major investor-owned electric utilities paid but $528,189,878 in total Federal income taxes. That amounts to but 1.3 percent of their revenue, and compares with the 12.6 percent of their revenue which the utilities earned as net, after-tax profit.

The rate of return on common equity—the return on common stock—for these major investor-owned utilities averaged 10.8 percent. That was the same return on common stock as the IOU's averaged 20 years ago. Then, however, their Federal taxes amounted to 14.7 percent of revenue.

Federal taxation is obviously no longer a consequential burden on utilities. Rather, it is another hidden benefit for them. Their representatives still go before regulatory commissions, with faces straight and long, and ask for double their revenue needs in order to have what they need after paying Federal taxes at the highly theoretical 48 percent corporate tax rate. Commissioners all too often nod soberly, adjust their figurative wigs and approve. By the time the utilities have used the investment tax credits, rapid tax writeoffs and liberal depreciation which indulgent Congresses have provided them, there are little or no Federal taxes to be paid. Then the IOU's pocket the phantom "tax" dollars which they collect from their customers, supposedly for Uncle Sam.

Mr. President, it is because of this abuse of both sound tax and ratemaking policy that on July 29 I introduced S. 2213, the Electric Utility Tax Exemption Act of 1975. It would abolish all Federal taxation of electric utilities. It would prevent further perversion of orderly tax and ratemaking procedures by the Congress, which every few months is bombarded with new and outlandish schemes and proposals on behalf of the utilities by the Ford administration. Consideration of S. 2213 could lead at last toward a more rational tax system and utility regulatory structure.

Mr. President, I recently received from the Federal Power Commission the company-by-company figures and percentages of 1974 revenue, Federal taxes and return on common stock for the 215 major I O U's. These figures, which the FPC received from the utilities themselves, show that the electric utilities are in much better shape than they would have us believe. A number of them are doing extremely well. It is, in fact, most difficult to identify the most fortunate, insofar as high profits and low taxes go, because there is so much competition for that coveted situation, the tax keeper of the year.

In 1973, 50—23 percent—of the 217 major electric utilities, those with annual electric operating revenues of $1 million or more, paid no Federal income taxes. They accumulated tax credits totalling $55,851,916. In 1974, 76—35 percent—of the 215 major electric utilities paid no Federal income taxes. They accumulated tax credits totalling $218,476,848, an increase of 291 percent. Those who wish to review the 1973 company-by-company data will find it on page 30757 of the CONGRESSIONAL RECORD of September 11, 1974.

Here are some of the leading candidates, the States in which they operate and their own figures on their 1974 Federal taxes and net after-tax profit, as a percentage of total utility revenue, and their average return on equity last year—tax credits, as a percentage of revenue, are in parentheses.

State(s)	Utility	U.S. tax (percent of revenue)	Net profit (percent of revenue)	Return on equity (percent)
Arizona, Hawaii, Idaho, Vermont.	Citizens Utilities	7.5	47.3	17.3
Arizona, Louisiana, Missouri, Tennessee.	Arkansas Power & Light	(1.2)	19.1	16.1
Connecticut	Connecticut Light & Power Electric	1.9	19.0	16.8
Do	Hartford Electric Light & Power	1.1	17.9	14.4
Do	United Illuminating	(1.1)	11.9	17.2
Idaho, Nevada, Oregon.	Idaho Power	(6.0)	26.7	12.8
Indiana	Public Service of Indiana	9.0	20.1	14.4
Kansas, Colorado	Central Telephone & Utilities	5.0	45.6	15.8
Kentucky	Kentucky Power	(.4)	17.7	10.5
Louisiana	Louisiana Power & Light	3.0	16.8	14.8
Michigan	Michigan Power	(.4)	15.0	24.1

State(s)	Utility	U.S. tax (percent of revenue)	Net profit (percent of revenue)	Return on equity (percent)
Minnesota, North Dakota, South Dakota.	Otter Tail	1.5	14.3	12.2
Minnesota, South Dakota, North Dakota.	Northern States Power	(.2)	13.3	10.6
Montana, Wyoming	Montana Power	7.3	20.3	14.6
Montana, North Dakota, South Dakota, Wyoming, and Canada.	Montana-Dakota Utilities	2.9	14.0	12.0
Nevada	Nevada Power	(.1)	15.2	11.7
New Jersey	Atlantic City Electric	(.9)	15.3	13.5
New Jersey	Jersey Central Power & Light	1.4	17.2	12.8
New Mexico	New Mexico Electric Service	13.9	19.6	14.6
New York	Long Sault, Inc	23.8	26.7	18.0
Ohio	Cleveland Electric Illuminating	3.4	13.1	15.0
Do	Ohio Edison	.8	15.3	11.9
Do	Ohio Power	(1.7)	17.4	13.4
Do	Toledo Edison	0	16.7	12.1
Oregon, Idaho, Montana, California, Washington, Wyoming.	Pacific Power & Light	(1.7)	24.5	11.3
Oregon	Portland General Electric	(1.4)	22.5	12.3
Pennsylvania	Duquesne Light	1.1	19.7	10.9
Do	Metropolitan Edison	(.5)	20.8	11.4
Do	Pennsylvania Electric	.7	16.2	11.5
Do	Pennsylvania Power	1.0	17.6	12.1
Do	Pennsylvania Power & Light	2.8	18.5	13.5
Tennessee	Kingsport Power	(.5)	7.9	18.2
Texas, Louisiana, Oklahoma, Arkansas.	Southwestern Electric Power	7.0	17.6	16.5
Texas, New Mexico	El Paso Electric	7.9	14.3	17.7
Texas	Texas Electric Service	10.9	20.8	15.1
Do	Texas Power & Light	7.6	21.0	14.4
Do	West Texas Electric Utilities	12.6	18.0	16.2
Utah, Wyoming, Idaho.	Utah Power & Light	(.8)	19.8	9.8
Virginia, North Carolina, West Virginia.	Virginia Electric & Power	(.9)	16.6	9.7
Virginia, Tennessee, West Virginia.	Appalachian Power	(.6)	18.0	17.8
West Virginia	Wheeling Electric	(.1)	8.7	19.6

Mr. President, a quick reading of the utilities' data compiled by the FPC would indicate that Philadelphia Electric Power—which was not one of those companies mentioned above—should receive the Tax Keeper of the Year Award. It paid no Federal taxes. It reported that its net income—$1,352,678—amounted to 418.1 percent of its total operating revenue—$323,560. It is not an operating company, however; it leases plant and property to the Philadelphia Electric Co.

Another Pennsylvania nonoperating company, Susquehanna Power, which leases its plant and property to Susquehanna Electric, reported that its net income—$2,933,466—amounted to 47.6 percent of its revenue—$6,166,148—although it paid taxes amounting to 20.7 percent of revenue. And Ohio Electric, which paid no Federal taxes, netted 45.1 cents out of each revenue dollar, its total revenue being $32,886,538. Ohio Electric is a relatively new creation and subsidiary of Ohio Power, which is a subsidiary of American Electric Power. Ohio Electric generates power and sells for resale only.

The FPC advises me that these large percentages are due to nonoperating sources of income and loss on which I have not yet received details. For this reason, and the further fact that these utilities do not serve retail customers and the amounts involved are relatively small, I believe that Philadelphia Electric Power and Ohio Electric should be excluded from consideration for the Utility Tax Keeper of the Year Award. Students of the esoteric art of utility accounting may, however, wish to inquire into these unusual tax and net figures.

Mr. President, as the utility data which I shall place in the RECORD following these remarks shows, the tax credits being accumulated by some of the leading utility tax keepers are substantial. Iowa Electric Light & Power accumulated tax credits totalling $6,702,000, which was 5.4 percent of its revenue. Idaho Power accumulated tax credits totalling $6,005,400, which was 6 percent of its revenue. Carolina Power & Light accumulated tax credits totalling $23,932,584, which was 5.2 percent of its revenue. None of the subsidiaries of the American Electric Power holding company among the 215 major IOU's paid any Federal taxes. Instead, they accumulated tax credits amounting to $17,404,839, as the following tabulation shows:

Appalachian Power	$2,753,658
Indiana & Michigan Electric	5,251,600
Kentucky Power	258,970
Kingsport Power	94,900
Wheeling Electric	30,637
Ohio Power	9,015,074
Total	17,404,839

These American Electric Power subsidiaries also made profits that must be envied by unregulated, risk industries. While I do not want to minimize the strong competition which that company has from numerous other utilities, American Electric Power's ability to milk the Treasury and bilk the regulators establishes it as the No. 1 seed in the utility tax keeper of the year open.

Mr. President, there is another aspect of these figures which I find of particular interest, and which will also be of interest to regulators and students of regulatory reform. A number of the companies with high profits and low taxes operate in several States. State regulators find it difficult enough to regulate numerous utilities operating wholly within their borders; the job is even more difficult when a utility operates in from two to six States and can play off one commission against another.

Furthermore, many of the companies mentioned above are part of multi-State holding companies. Effective regulation of their subsidiaries is even more difficult. I well remember the eloquent development of that point by the junior Senator from Minnesota (Mr. HUMPHREY) when we were discussing on the Senate floor the attempts of the utility holding companies to move into nonutility activities such as housing.

Citizens Utilities and Central Telephone and Utilities are small holding companies operating in several states. Arkansas Power & Light and Louisiana Power & Light are part of Middle South, a New York-based holding company. Connecticut Light & Power and Hartford Electric are part of Northeast Utilities, a Connecticut-based holding company. Southwestern Electric Power and West Texas Utilities are part of Central and Southwest, a Delaware holding company headquartered in Chicago. Jersey Central Power & Light, Metropolitan Edison and Pennsylvania Electric are part of General Public Utilities, based in New York. Pennsylvania Power is a subsidiary of Ohio Edison. Texas Electric Service and Texas Power and Light are subsidiaries of Texas Utilities. And 7 of the 215 companies are subsidiaries of the largest utility holding company in the country, American Electric Power, which is headquartered in New York. Those companies are Appalachian Power, Indiana & Michigan Electric, Kentucky Power, Kingsport Power, Ohio Power, Ohio Electric, and Wheeling Electric.

Mr. President, several of these giant multi-state utilities, on whom so many tax and regulatory favors have been bestowed, are in the forefront of the effort to frustrate environmental controls and attempts at tax and regulatory reform. The American Electric Power System is again engaged in a massive advertising campaign. It shares with Pacific Power and Light, which operates in six States, a leadership role in fighting effective strip mining legislation. It was the head of P.P. & L. who suggested to Congress that utilities should be allowed to sell tax credits in order to raise tax-free capital. The arrogance of utility officials seems to increase as their empires expand from State to State.

I do not suggest that the remedy here is Federal, or regional, regulation of electric utility retail rates. A better way, I would think, would be to reduce the size of multi-State utility corporations so that they can be effectively regulated by State regulatory commissions. This is an area of regulatory reform which needs attention now, along with S. 2213.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the material I have received from the FPC showing 1974 tax, profit and return on equity data for the 215 major electric utilities.

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

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES, 1974*

Name of company	Total utility operating revenues	Federal income taxes				Federal income taxes, account 409.1, percent of total utility operating revenues (tax credit)	Total Federal income taxes, percent of total utility operating revenues (tax credit)	Net income			
		Account 409.1	Account 409.2	Account 409.3	Total			Before extraordinary items	Percent of total utility operating revenues	After extraordinary items	Percent of total utility operating revenues
010100—Alabama Power Co	490, 292, 850	8, 569, 377—	273, 774	0	8, 295, 603—	(1. 7)	(1. 7)	64, 959, 127	13. 2	64, 959, 127	13. 2
011700—Southern Electric Generating Co	67, 872, 814	664, 224—	216, 704	0	447, 520—	(1. 0)	(. 7)	4, 077, 588	6. 0	4, 077, 588	6. 0
020250—Alaska Electric Light & Power Co	3, 146, 899	93, 500	0	0	93, 500	3. 0	3. 0	229, 454	7. 3	229, 454	7. 3
040350—Arizona Public Service Co	273, 598, 923	1, 087, 558	2, 227, 914—	0	1, 190, 356—	(. 4)	(. 4)	36, 957, 448	13. 5	36, 957, 448	13. 5
040540—Citizens Utilities Co	30, 398, 033	1, 774, 370	492, 675	0	2, 267, 045	5. 8	7. 5	14, 371, 722	47. 3	14, 371, 722	47. 3
041600—Tucson Gas & Electric Co	129, 960, 881	1, 165, 009—	2, 769, 000—	0	3, 874, 000—	(. 9)	(3. 0)	17, 837, 794	13. 8	17, 837, 794	13. 8
050160—Arkansas-Missouri Power Co	33, 948, 276	244, 313—	9, 257—	0	253, 570	(. 7)	(. 7)	1, 121, 170	3. 3	1, 121, 170	3. 3
050220—Arkansas Power & Light Co	309, 517, 639	4, 965, 270—	1, 273, 620	0	3, 691, 650—	(1. 7)	(1. 2)	57, 403, 765	19. 1	57, 403, 765	19. 1
050300—Arklahoma Corp., The	160, 121	4, 636	0	0	4, 636	2. 9	2. 9	27, 716	17. 3	27, 716	17. 3
061090—Pacific Gas & Electric Co	1, 812, 891, 292	45, 051, 000	10, 055, 000—	0	34, 995, 000	2. 5	1. 9	261, 236, 774	14. 4	261, 236, 774	14. 4
061240—San Diego Gas & Electric Co	308, 711, 579	1, 676, 808	1, 711, 851	0	3, 388, 659	. 5	1. 1	37, 855, 863	12. 3	37, 855, 863	12. 3
061490—Southern California Edison Co	1, 483, 866, 019	113, 256, 611	1, 837, 396	0	111, 358, 811	7. 6	7. 5	218, 298, 194	14. 7	218, 298, 194	14. 7
080550—Home Light & Power Co	8, 264, 596	283, 189	0	0	283, 189	3. 5	3. 5	626, 576	7. 6	626, 576	7. 6
080880—Public Service Co. of Colorado	341, 394, 055	4, 951, 310	305, 690	0	5, 278, 000	1. 5	1. 5	39, 231, 689	11. 5	39, 231, 689	11. 5
081120—Western Colorado Power Co., the	6, 078, 046	41, 900	74, 300	0	116, 200	. 7	1. 9	594, 089	9. 8	594, 089	9. 8
090370—Connecticut Light & Power Co	386, 988, 423	1, 054, 103	157, 414—	6, 438, 718	7, 355, 407	. 3	1. 9	69, 143, 599	15. 5	73, 518, 401	19. 0
090450—Connecticut Yankee Atomic Power Co	25, 011, 396	209, 560	168, 600	0	378, 160	. 8	1. 5	3, 112, 929	12. 1	3, 112, 929	12. 4
090760—Hartford Electric Light Co	192, 832, 386	1, 426, 737—	73, 425	3, 437, 556	2, 084, 243	(. 7)	1. 1	27, 385, 369	14. 2	34, 503, 028	17. 9
090900—Northeast Nuclear Energy Co	21, 571, 713	131, 451	0	0	131, 451	. 6	. 6	955, 465	4. 4	955, 465	4. 4
091590—United Illuminating Co	173, 383, 374	4, 474, 600—	492, 800	2, 628, 769	1, 953, 031—	(2. 6)	(1. 1)	18, 753, 591	10. 8	20, 637, 448	11. 9
100150—Delmarva Power & Light Co	205, 337, 193	3, 483, 363	21, 870	0	3, 505, 233	1. 7	1. 7	32, 941, 081	16. 0	32, 941, 081	16. 0
110250—Potomac Electric Power Co	441, 855, 045	12, 749, 000	653, 000	0	13, 402, 000	2. 9	3. 0	61, 236, 477	13. 9	61, 236, 477	13. 9
120290—Florida Power Corp	404, 993, 400	14, 118, 000—	2, 088, 000	0	12, 030, 000—	(3. 5)	(3. 0)	41, 827, 786	10. 3	41, 827, 786	10. 3
120380—Florida Power & Light Co	951, 054, 554	12, 736, 093	9, 522, 837—	0	3, 213, 256	1. 3	. 3	105, 473, 588	11. 1	105, 473, 588	11. 1
120560—Florida Public Utilities Co	14, 840, 721	405, 654	11, 982	0	417, 636	2. 7	2. 8	922, 604	6. 2	922, 604	6. 2
120650—Gulf Power Co	97, 257, 169	2, 951, 953—	100, 890	0	2, 851, 063—	(3. 0)	(2. 9)	5, 537, 740	5. 7	5, 537, 740	5. 7
121190—Tampa Electric Co	183, 395, 867	1, 249, 000—	897, 604—	0	2, 146, 604	(. 7)	(1. 2)	21, 219, 370	11. 6	21, 219, 370	11. 6
130450—Georgia Power Co	789, 945, 561	25, 617, 178—	154, 224	0	25, 462, 954—	(3. 2)	(3. 2)	85, 885, 321	10. 9	85, 885, 321	10. 9
131000—Savannah Electric & Power Co	54, 131, 584	43, 164	1, 500	0	44, 664	. 1	. 1	4, 525, 450	8. 4	4, 525, 450	8. 4
150250—Hawaiian Electric Co	111, 734, 729	1, 903, 255	1, 557	0	1, 904, 812	1. 7	1. 7	16, 933, 631	15. 2	16, 933, 631	15. 2
150280—Hilo Electric Light Co., Ltd	16, 776, 761	402, 486—	0	0	402, 486—	(2. 4)	(2. 4)	1, 741, 353	10. 4	1, 741, 353	10. 4
151000—Maui Electric Co., Ltd	13, 795, 073	98, 606	0	0	98, 606	. 7	. 7	1, 148, 548	8. 4	1, 148, 548	8. 4
160430—Idaho Power Co	100, 427, 622	4, 685, 600—	1, 319, 800—	0	6, 005, 400—	(4. 7)	(6. 0)	26, 795, 047	26. 7	26, 795, 047	26. 7
170290—Central Illinois Light Co	146, 114, 119	3, 768, 900	617, 600	0	4, 386, 500	2. 6	3. 0	15, 692, 456	10. 7	15, 692, 456	10. 7
170320—Central Illinois Pub. Ser. Co	189, 670, 920	5, 986, 400	998, 300—	0	4, 988, 100	3. 2	2. 8	21, 334, 739	11. 2	21, 334, 739	11. 2
170410—Commonwealth Edison Co	1, 447, 351, 441	34, 019, 776	4, 420, 000—	0	29, 599, 776	2. 4	2. 0	180, 044, 911	12. 4	180, 044, 911	12. 4
170590—Electric Energy, Inc	72, 303, 959	535, 112	0	0	535, 112	. 7	. 7	614, 544	. 8	614, 544	. 8
170720—Illinois Power Co	329, 923, 725	15, 831, 000	1, 873, 000—	0	13, 958, 000	4. 8	4. 2	44, 649, 687	13. 5	44, 649, 687	13. 5
171010—Mount Carmel Public Utility Co	3, 913, 030	159, 650	0	0	159, 650	4. 1	4. 1	186, 820	4. 8	186, 820	4. 8
171310—Sherrard Power System	3, 185, 998	49, 133	0	0	49, 133	1. 5	1. 5	122, 199	3. 8	122, 199	3. 8
171340—South Beloit Water, Gas & Electric Co	4, 272, 566	135, 539	472	0	136, 011	3. 2	3. 2	147, 345	3. 4	147, 345	3. 4
180100—Alcoa Generating Corp	33, 861, 853	485, 918	0	0	485, 918	1. 4	1. 4	740, 116	2. 2	740, 116	2. 2
180250—Commonwealth Edison Co. of Indiana	57, 456, 685	3, 819, 300	189, 000	0	4, 008, 300	6. 6	7. 0	3, 463, 883	6. 0	3, 463, 883	6. 0
180450—Indiana-Kentucky Electric Corp	55, 052, 529	0	0	0	0	0	0	0	0	0	0
180570—Indiana & Michigan Electric Co	290, 224, 308	6, 336, 901	1, 085, 301	0	5, 251, 600—	(2. 2)	(1. 8)	35, 773, 632	12. 3	43, 924, 187	15. 1
180630—Indianapolis Power & Light Co	143, 268, 491	6, 480, 000	650, 000—	0	5, 830, 000	4. 5	4. 1	18, 960, 524	13. 2	18, 960, 524	13. 2
180970—Northern Indiana Pub. Ser. Co	448, 715, 097	7, 223, 887	4, 278, 000—	0	2, 945, 887	1. 6	. 7	45, 900, 247	10. 2	45, 900, 247	10. 2
181150—Public Service Co. of Indiana, Inc	260, 861, 681	26, 378, 863	2, 837, 013—	0	23, 541, 850	10. 1	9. 0	52, 436, 455	20. 1	52, 436, 455	20. 1
181270—Southern Indiana Gas & Electric Co	72, 809, 586	5, 707, 640	45, 780	0	5, 753, 420	7. 8	7. 9	10, 031, 582	13. 8	10, 031, 582	13. 8
190820—Interstate Power Co	84, 774, 378	4, 627, 000	570, 000	0	5, 197, 000	5. 5	6. 1	8, 440, 228	10. 0	8, 440, 228	10. 0
190890—Iowa Electric Light & Power Co	124, 029, 232	6, 499, 700—	202, 300—	0	6, 702, 000—	(5. 2)	(5. 4)	6, 554, 775	5. 3	6, 554, 775	5. 3
190900—Iowa-Illinois Gas & Electric Co	164, 217, 881	7, 790, 254	41, 858—	0	7, 748, 396	5. 1	5. 0	13, 836, 064	9. 0	13, 836, 064	9. 0
190930—Iowa Power & Light Co	128, 029, 042	3, 396, 600	49, 600	0	3, 446, 200	2. 7	2. 7	12, 679, 034	9. 9	12, 679, 034	9. 9
190970—Iowa Public Service Co	110, 228, 415	4, 412, 639	102, 256	0	4, 514, 895	4. 0	4. 1	10, 272, 165	9. 3	10, 272, 165	9. 3
191030—Iowa Southern Utilities Co	43, 690, 435	2, 562, 241	336, 691—	0	2, 225, 550	5. 9	5. 1	5, 962, 388	13. 6	5, 962, 388	13. 6
200280—Central Kansas Power Co. Inc	11, 165, 318	384, 351	3, 446	0	387, 797	3. 4	3. 5	720, 006	6. 4	720, 006	6. 4
200320—Central Telephone & Utilities Co	91, 451, 382	6, 193, 200	1, 660, 000—	0	4, 533, 200	6. 8	5. 0	41, 702, 467	45. 6	41, 702, 467	45. 6
201040—Kansas Gas & Electric Co	96, 353, 969	2, 311, 000	325, 000—	0	1, 986, 000	2. 4	2. 1	11, 465, 790	11. 9	11, 465, 790	11. 9
201130—Kansas Power & Light Co., the	136, 741, 117	6, 936, 407	603, 313—	0	6, 333, 094	5. 1	4. 6	13, 978, 503	10. 2	13, 978, 503	10. 2
210850—Kentucky Power Co	63, 102, 396	258, 970—	0	0	258, 970—	(. 4)	(. 4)	8, 727, 531	13. 8	11, 174, 403	17. 7
210910—Kentucky Utilities Co	161, 627, 090	1, 409, 470	206, 587	0	1, 616, 057	. 9	1. 0	13, 259, 715	8. 2	13, 259, 715	8. 2
211270—Louisville Gas & Electric Co	167, 182, 434	5, 704, 000	117, 084	0	5, 821, 084	3. 4	3. 5	17, 720, 468	10. 6	17, 720, 468	10. 6
211900—Union Light, Heat & Power Co., the	51, 330, 379	217, 482	114, 464	0	331, 946	. 4	. 6	1, 848, 010	3. 6	1, 848, 010	3. 6
220240—Central Louisiana Electric Co., Inc	78, 491, 335	2, 466, 404	120, 348	0	2, 586, 752	3. 1	3. 3	11, 234, 404	14. 3	11, 234, 404	14. 3
220690—Gulf States Utilities Co	381, 133, 715	23, 788, 915	4, 344	0	23, 793, 259	6. 2	6. 2	49, 853, 183	13. 1	49, 853, 183	13. 1
220930—Louisiana Power & Light Co	242, 752, 244	5, 951, 764	1, 243, 312	0	7, 195, 076	2. 5	3. 0	40, 835, 650	16. 8	40, 885, 650	16. 8

Footnotes at end of table.

Name of company	Total utility operating revenues	Federal income taxes				Total Federal income taxes, percent of total utility operating revenues (tax credit)	Net income			
		Account 409.1	Account 409.2	Account 409.3	Total		Before extraordinary items	Percent of total utility operating revenues	After extraordinary items	Percent of total utility operating revenues
221340—New Orleans Public Service Inc	146,685,209	39,985—	651,000	0	611,015	0	.4	4,042,704	2.8	4,042,704	2.8
230190—Bangor Hydro-Electric Co	30,545,964	431,656	39,900	0	471,556	1.4	1.5	1,427,103	4.7	1,427,103	4.7
230370—Central Maine Power Co	141,177,360	3,610,534	31,140—	0	3,579,394	2.6	2.5	11,623,883	8.2	11,623,883	8.2
230600—Maine Electric Power Co., Inc	24,205,625	56,240	0	0	56,240	.2	.2	199,456	.8	199,456	.8
230940—Maine Public Service Co	13,032,633	368,696	13,820	207,759	590,275	2.8	4.5	1,603,635	12.3	1,793,197	13.8
230960—Maine Yankee Atomic Power Co	53,543,105	0	0	0	0	0	0	7,825,009	14.6	7,825,009	14.6
233100—Rumford Falls Power Co	1,742,053	335,000	0	0	335,000	19.2	19.2	361,470	20.8	361,470	20.8
240110—Baltimore Gas & Electric Co	608,810,484	20,377,833—	1,709,509	0	18,668,324—	(3.3)	(3.1)	92,146,353	15.1	92,146,353	15.1
240210—Chestertown Electric Light & Power Co	2,085,119	2,609—	0	0	2,609—	(.1)	(.1)	32,239	1.5	32,239	1.5
240280—Conowingo Power Co	11,315,599	192,599	16,977—	0	175,622	1.7	1.6	891,763	7.9	891,763	7.9
240350—Delmarva Power & Light Co. of Maryland	48,769,988	174,374—	0	0	174,374—	(.4)	(.4)	3,642,514	7.5	3,642,514	7.5
241050—Potomac Edison Co., the	126,466,851	3,461,600—	23,700	0	3,437,900—	(2.7)	(2.7)	10,669,893	8.4	10,669,893	8.4
241470—Susquehanna Electric Co., the	8,715,942	0	0	0	0	0	0	0	0	0	0
241540—Susquehanna Power Co., the	6,166,148	1,186,180	90,459	0	1,276,639	19.2	20.7	2,933,466	47.6	2,933,466	47.6
250220—Boston Edison Co	460,743,047	2,934,976	2,934,977—	0	1—	.6	.0	30,347,887	6.6	30,347,887	6.6
250240—Brockton Edison Co	57,360,674	98,892—	15,601	0	83,291—	(.2)	(.1)	3,495,042	6.1	3,495,042	6.1
250250—Cambridge Electric Light Co	31,522,316	106,139—	52,787	0	53,352—	(.3)	(.2)	1,104,925	3.5	1,104,925	3.5
250270—Canal Electric Co	81,062,102	670,738—	33,305	0	637,433—	(.8)	(.8)	2,856,386	3.5	2,856,386	3.5
250440—Fall River Electric Light Co	23,684,792	18,338—	19,447—	0	37,785—	(.1)	(.2)	1,425,454	6.0	1,425,454	6.0
250460—Fitchburg Gas & Electric Light Co	21,270,371	96,588—	2,042	0	94,546—	(.5)	(.4)	921,156	4.3	921,156	4.3
250570—Holyoke Power & Electric Co	21,503,648	700	0	0	700	0	0	40,936	.2	40,936	.2
250590—Holyoke Water Power Co	30,774,066	1,105,932—	11,182—	0	1,117,114—	(3.6)	(3.6)	2,122,412—	6.9	2,122,412—	6.9
250780—Massachusetts Electric Co	391,625,800	5,822,988	244,600—	0	5,578,388	1.5	1.4	17,488,173	4.5	17,488,173	4.5
250850—Montaup Electric Co	98,778,028	629,792	5,983	0	635,775	.6	.6	5,083,601	5.1	5,083,601	5.1
250900—Nantucket Electric Co	2,132,490	113,225	16,675	0	129,900	5.3	6.1	187,811	8.8	187,811	8.8
250920—New Bedford Gas & Edison Light Co	111,212,634	212,756	32,589	0	245,345	.2	.2	2,984,197	2.7	2,984,197	2.7
250960—New England Power Co	372,794,924	7,855,492—	123,000	0	7,732,492—	(2.1)	(2.1)	28,554,891	7.7	28,554,891	7.7
251450—Western Massachusetts Electric Co	119,066,855	194,497	212,046—	1,817,612	1,800,063	.2	1.5	11,677,133	9.8	13,336,846	11.2
251800—Yankee Atomic Electric Co	12,285,448	706,927	320—	0	706,607	5.8	5.8	587,400	4.8	587,400	4.8
260100—Alpena Power Co	6,272,881	578,248	8,473	0	586,721	9.2	9.4	733,049	11.7	733,049	11.7
260210—Consumers Power Co	1,094,950,702	437,255	1,559,880	26,996,242	28,993,377	0	2.6	50,401,500	4.6	85,697,258	7.8
260300—Detroit Edison Co., the	898,458,919	4,507,908	6,541,000	0	11,048,908	.5	1.2	89,251,695	9.9	89,251,695	9.9
260330—Edison Sault Electric Co	7,417,388	492,120	8,800—	0	483,320	6.6	6.5	683,146	9.2	683,146	9.2
260870—Michigan Power Co	32,601,618	123,932—	0	0	123,932—	(.4)	(.4)	3,171,402	9.7	4,878,788	15.0
261310—Upper Peninsula Generating Co	18,031,360	0	0	0	0	0	0	0	0	0	0
261320—Upper Peninsula Power Co	21,805,618	140,273	6,213—	0	134,060	.6	.6	1,421,952	6.5	1,421,952	6.5
262280—Cliffs Electric Service Co	22,807,028	0	717,069	0	717,069	0	3.1	925,520	4.1	925,520	4.1
271030—Minnesota Power & Light Co	88,596,100	3,455,600	78,900	0	3,534,500	3.9	4.0	8,980,371	10.1	8,980,371	10.1
271210—Northern States Power Co	516,826,160	1,699,000—	737,000	0	962,000—	(.3)	(.2)	68,909,098	13.3	68,909,098	13.3
280760—Mississippi Power Co	111,374,137	131,892—	32,02		99,872—	(.1)	(.1)	12,465,855	11.2	12,465,855	11.2
280970—Mississippi Power & Light Co	178,441,006	2,681,102—	429,830	0	2,251,272—	(1.5)	(1.3)	20,454,069	11.5	20,454,069	11.5
290460—Empire District Electric Co., The	36,741,495	1,675,000	0	0	1,675,000	4.6	4.6	3,785,961	10.3	3,785,961	10.3
290700—Kansas City Power & Light Co	172,375,385	7,830,793	592,000	0	8,422,793	4.5	4.9	20,212,652	11.7	20,212,652	11.7
290940—Missouri Edison Co	18,207,283	158,000—	5,000—	0	163,000—	(.9)	(.9)	1,087,576	6.0	1,087,576	6.0
291060—Missouri Power & Light Co	52,005,043	223,200—	15,000—	0	238,200—	(.4)	(.5)	3,531,259	6.8	3,531,259	6.8
291080—Missouri Public Service Co	63,971,130	2,805,214	170,750—	0	2,634,464	4.4	4.1	6,166,721	9.6	6,166,721	9.6
291210—Missouri Utilities Co	28,843,495	303,075—	0	0	303,075—	(1.1)	(1.1)	841,643	2.9	841,543	2.9
291330—St. Joseph Light & Power Co	23,498,984	363,745	56,000—	28,381	336,126	1.5	1.4	2,137,943	9.1	2,085,346	8.9
291500—Union Electric Co	431,436,863	3,959,000	81,000—	0	3,878,000	.9	.9	59,785,674	13.9	59,785,674	13.9
301130—Montana Power Co	117,974,046	7,694,200	927,160	0	8,621,360	6.5	7.3	23,973,879	20.3	23,973,879	20.3
320980—Nevada Power Co	75,262,622	283,000—	195,724	0	87,276—	(.4)	(.1)	11,409,836	15.2	11,409,836	15.2
321460—Sierra Pacific Power Co	70,551,140	1,035,760	514,509—	0	521,251	1.5	.7	10,064,993	14.3	10,064,993	14.3
330260—Concord Electric Co	7,793,753	47,093	23,728	0	70,821	.6	.9	355,198	4.6	355,198	4.6
330350—Connecticut Valley Electric Co., Inc	3,267,228	90,900—	2,600	0	88,300—	(2.8)	(2.7)	135,356	4.1	135,356	4.1
330520—Exter & Hampton Electric Co	8,183,517	171,102	11,458	0	182,560	2.1	2.2	472,668	5.8	472,668	5.8
330640—Granite State Electric Co	11,948,485	142,300—	0	0	142,300—	(1.2)	(1.2)	51,835	.4	51,835	.4
331230—Public Service Co. of New Hampshire	155,930,289	1,342,200—	2,333,124—	0	3,675,324—	(.9)	(2.4)	16,299,826	10.5	16,299,826	10.5
340240—Atlantic City Electric Co	176,611,265	1,601,412—	32,611	0	1,568,801—	(.9)	(.9)	27,010,019	15.3	27,010,019	15.3
340780—Jersey Central Power & Light Co	368,025,170	1,027,340	72,300—	4,249,000	5,204,040	.3	1.4	58,557,550	15.9	63,161,622	17.2
341310—Public Service Electric & Gas Co	1,455,873,244	10,293,210—	1,883,054—	0	12,176,264—	(.7)	(.8)	153,839,635	10.6	153,839,635	10.6
341400—Rockland Electric Co	35,168,364	398,776—	6,400—	0	405,176—	(1.1)	(1.2)	1,139,990	3.2	1,139,990	3.2
351030—New Mexico Electric Service Co	8,339,273	1,064,637	92,953	0	1,157,590	12.8	13.9	1,633,938	19.6	1,633,938	19.6
351570—Public Service Co. of New Mexico	67,367,044	3,217,600	55,842	0	3,161,758	4.8	4.7	10,292,520	15.3	10,292,520	15.3
360350—Central Hudson Gas & Electric Corp	131,489,206	5,128,000—	10,000—	0	5,138,000—	(3.9)	(3.9)	12,049,560	9.2	12,049,560	9.2
360400—Consolidated Edison Co. of New York	2,450,673,161	100,000	0	0	100,000	0	0	208,938,091	8.5	194,504,735	7.9
360870—Long Island Lighting Co	591,776,439	1,169,700	58,300	0	1,228,000	.2	.2	62,017,426	10.5	62,017,426	10.5
360930—Long Sault, Inc	942,910	223,619	352	0	223,971	23.7	23.8	252,186	26.7	252,186	26.7
361000—New York State Electric & Gas Corp	296,004,038	3,091,750	959,100	0	4,050,850	1.0	1.4	38,755,425	13.1	38,755,425	13.1

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES, 1974*—Continued

Name of company	Total utility operating revenues	Federal income taxes				Federal income taxes, account 409.1, percent of total utility operating revenues (tax credit)	Total Federal income taxes, percent of total utility operating revenues (tax credit)	Net income			
		Account 409.1	Account 409.2	Account 409.3	Total			Before extraordinary items	Percent of total utility operating revenues	After extraordinary items	Percent of total utility operating revenues
361050—Niagara Mohawk Power Corp	823,877,942	5,500,000—	0	0	5,500,000—	(.7)	(.7)	86,566,784	10.5	95,913,165	11.6
361150—Orange and Rockland Utilities, Inc	175,739,211	475,446	0	0	475,446	.3	.3	14,143,791	8.0	14,143,791	8.0
361350—Rochester Gas & Electric Corp	234,040,876	3,786,000—	132,000—	0	3,918,000—	(1.6)	(1.7)	20,542,655	8.8	20,542,655	8.8
370360—Carolina Power & Light Co	430,977,024	9,750,659—	14,181,925—	0	23,932,584—	(2.1)	(5.2)	72,270,556	15.7	72,270,556	15.7
370690—Duke Power Co	789,094,103	11,846,377	13,075,233—	0	1,228,856—	1.5	(.2)	68,857,066	8.7	105,095,534	13.3
371170—Nantahala Power & Light Co	7,305,273	286,837	11,184	0	275,653	3.9	3.8	383,173	5.2	383,173	5.2
374000—Yadkin, Inc	12,736,442	524,845	0	0	524,845	4.1	4.1	594,871	4.7	594,871	4.7
380820—Montana-Dakota Utilities Co	72,381,001	1,531,000	573,000	0	2,110,000	2.1	2.9	10,117,382	14.0	10,117,382	14.0
381150—Otter Tail Power Co	47,061,512	1,530,500	892,494—	0	728,006	3.3	1.5	6,714,290	14.3	6,714,290	14.3
390430—Cincinnati Gas & Electric Co	385,397,087	10,918,985	171,693—	0	10,747,292	2.8	2.3	45,509,427	11.8	45,509,427	11.8
390470—Cleveland Electric Illuminating Co	463,936,932	15,611,641	330,955	0	15,951,526	3.4	3.4	60,741,515	13.1	60,741,515	13.1
3.0500—Columbus and Southern Ohio Electric Co	188,589,665	2,183,400—	23,000—	0	2,206,400—	(1.2)	(1.2)	21,055,769	11.2	21,055,769	11.2
390360—Dayton Power & Light Co	302,835,283	980,900—	396,600—	0	1,377,500—	(.3)	(.4)	29,665,840	9.8	29,665,840	9.8
391330—Ohio Edison Co	429,940,048	522,845—	1,627,658	2,130,427	3,235,240	(.1)	.3	63,472,893	14.8	65,780,709	15.3
391370—Ohio Electric Co	32,885,538	146,386—	146,386	0	0	(.4)	0	14,819,709	45.1	14,819,709	45.1
391410—Ohio Power Co	528,369,049	9,205,935—	190,261	0	9,015,074—	(1.7)	(1.7)	81,905,788	15.5	91,679,802	17.4
391470—Ohio Valley Electric Corp	128,939,100	1,170,222	0	0	1,170,222	.9	.9	1,000,667	.8	1,000,667	.8
391690—Toledo Edison Co	147,794,737	147,094	182,944—	0	35,850—	.1	0	24,649,840	16.7	24,649,840	16.7
400970—Oklahoma Gas & Electric Co	226,953,750	12,971,000	431,000	0	13,465,000	5.7	5.9	37,204,784	16.4	37,204,784	16.4
401130—Public Service Co. of Oklahoma	175,647,101	10,011,690	1,102,600	0	11,114,290	5.7	6.3	25,107,323	14.3	25,107,323	14.3
410250—California-Pacific Utilities Co	37,847,820	154,244—	2,687—	0	156,931—	(.4)	(.4)	2,910,970	7.7	2,910,970	7.7
411270—Pacific Power & Light Co	221,351,233	5,696,558	1,387,814	0	3,308,744—	(2.6)	(1.7)	54,128,527	24.5	54,128,527	24.5
411390—Portland General Electric Co	146,001,157	2,202,000	218,000	0	1,984,000—	(1.5)	(1.4)	32,918,143	22.5	32,918,143	22.5
420350—Citizens' Electric Co	1,878,531	75,815	0	0	75,815	4.0	4.0	108,264	5.8	108,264	5.8
420520—Duquesne Light Co	317,123,911	8,773,566	5,377,400—	0	3,396,166	2.8	1.1	59,536,292	18.8	62,628,418	19.7
420850—Hershey Electric Co	7,094,833	193,875	0	0	193,875	2.7	2.7	225,444	3.2	225,444	3.2
421140—Metropolitan Edison Co	234,235,327	558,339—	3,440,000—	2,741,300	1,257,039—	(.2)	(.5)	46,213,498	19.7	48,650,422	20.8
421330—Pennsylvania Electric Co	261,260,931	1,709,596	1,939,000—	2,167,000	1,937,596	.7	.7	40,348,248	15.4	42,274,272	16.2
421350—Pennsylvania Power Co	72,509,490	322,022	96,529	310,926	729,477	.4	1.0	12,475,678	17.2	12,754,779	17.6
421370—Pennsylvania Power & Light Co	472,097,666	12,553,603	4,155,551—	4,830,990	13,229,047	2.7	2.8	83,316,812	17.6	87,478,730	18.5
421440—Philadelphia Electric Co	1,006,910,426	9,606,734	20,863,849—	0	11,257,115—	1.0	(1.1)	129,096,982	12.8	129,096,982	12.8
421480—Philadelphia Electric Power Co	323,560	0	0	0	0	0	0	1,352,678	418.1	1,352,678	418.1
421660—Safe Harbor Water Power Corp	4,058,870	560,788	5,848	0	566,636	13.8	14.0	760,855	18.7	760,855	18.7
421820—UGI Corp	107,827,668	3,175,660	208,358	0	3,384,018	2.9	3.1	7,810,412	7.2	7,810,412	7.2
421870—West Penn Power Co	255,126,519	9,724,100	213,800	0	9,937,900	3.8	3.9	32,672,766	12.8	32,672,766	12.8
440260—Blackstone Valley Electric Co	43,910,845	680,062—	1,549	0	678,513—	(1.5)	(1.5)	1,074,212	2.4	1,074,212	2.4
440660—Narragansett Electric Co	127,845,178	1,956,433	28,700	0	1,995,133	1.5	1.6	7,112,562	5.6	7,112,562	5.6
440710—Newport Electric Corp	13,452,001	16,982	0	0	16,982	.1	.1	414,403	3.1	414,403	3.1
451180—Lockhart Power Co	4,339,767	270,000	0	0	270,000	6.2	6.2	348,823	8.0	348,823	8.0
451320—South Carolina Electric & Gas Co	278,061,628	4,481,600	764,060—	0	3,727,600	1.6	1.3	24,319,657	8.7	25,888,271	9.3
460240—Black Hills Power & Light Co	15,535,441	1,113,600	15,665	0	1,129,265	7.2	7.3	2,174,436	14.0	2,174,436	14.0
461110—Northwestern Public Service Co	33,036,981	760,373	728,673—	0	31,700	2.3	.1	4,442,639	13.4	4,442,639	13.4
470940—Kingsport Power Co	18,287,003	67,940—	26,960—	0	94,900—	(.4)	(.5)	830,173	4.5	1,451,538	7.9
471500—Tapoco, Inc	5,074,292	497,547	505—	0	497,042	9.8	9.8	577,782	11.4	577,782	11.4
480280—Central Power & Light Co	223,594,953	10,744,095	460,000	0	11,204,095	4.8	5.0	27,686,583	12.4	28,985,396	13.0
480340—Community Public Service Co	56,599,002	1,194,534	110,429	0	1,304,963	2.1	2.3	3,964,840	7.0	3,964,840	7.0
480390—Dallas Power & Light Co	180,558,820	8,029,476	0	0	8,029,476	4.4	4.4	23,546,955	13.0	23,546,955	13.0
480450—El Paso Electric Co	63,071,650	4,377,865	319,511—	912,226	4,970,580	6.9	7.9	8,031,342	12.7	9,019,586	14.3
480860—Houston Lighting & Power Co	486,836,779	29,236,223	0	0	29,236,223	6.0	6.0	69,405,919	14.3	69,405,919	14
481200—Southwestern Electric Power Co	145,760,255	10,083,400	74,000	0	10,157,400	6.9	7.0	25,682,389	17.6	25,682,389	.6 17.3
481240—Southwestern Electric Service Co	11,570,845	379,202	0	0	379,202	3.3	3.3	1,061,027	9.2	1,061,027	9.2
481320—Southwestern Public Service Co	140,867,142	13,723,000	304,000	0	14,027,000	9.7	10.0	21,159,133	15.0	27,295,874	19.4
481380—Texas Electric Service Co	234,413,480	25,579,925	0	0	25,579,925	10.9	10.9	48,839,164	20.8	48,839,164	20.8
481550—Texas Power & Light Co	316,067,688	24,152,295	0	0	24,152,295	7.6	7.6	66,292,934	21.0	66,292,934	21.0
481900—West Texas Utilities Co	65,773,177	7,987,000	268,600	0	8,255,600	12.1	12.6	11,855,044	18.0	11,855,044	18.0
491450—Utah Power & Light Co	148,193,096	1,175,186—	16,400	0	1,158,786—	(.8)	(.8)	29,410,187	19.8	29,410,187	19.8
500220—Central Vermont Pub. Ser. Corp	49,170,552	43,100	2,600—	0	40,500	.1	.1	3,424,397	7.0	3,424,397	7.0
500470—Green Mountain Power Corp	30,440,833	125—	0	0	125—	0	0	2,040,889	6.7	2,040,889	6.7
501300—Vermont Electric Power Co., Inc	62,558,847	0	0	0	0	0	0	298,000	.5	298,000	.5
501350—Vermont Yankee Nuclear Power Corp	51,022,038	0	0	0	0	0	0	7,809,164	15.3	7,809,164	15.3
510400—Delmarva Power & Light Co. of Virginia	7,981,646	161,670	282—	0	161,388	2.0	2.0	687,008	8.6	687,008	8.6
511160—Old Dominion Power Co	8,166,274	30,928	2,904—	9	28,024	.4	.3	404,459	5.0	404,459	5.0
511520—Virginia Electric & Power Co	764,012,274	7,678,087—	526,570	0	7,151,517—	(1.0)	(.9)	114,808,742	15.0	127,162,147	16.6
531240—Puget Sound Power & Light Co	142,393,229	7,335,000	318	0	7,335,318	5.2	5.2	21,385,631	15.0	21,385,631	15.0
531630—Washington Water Power Co	110,098,432	5,362,500	16,025—	0	5,346,475	4.9	4.9	13,808,772	12.5	13,808,772	12.5
540120—Appalachian Power Co	425,550,313	2,468,483—	285,175—	0	2,753,658—	(.6)	(.6)	58,932,249	13.8	76,741,290	18.0

* Footnotes at end of table.

Name of company	Total utility operating revenues	Federal income taxes: Account 409.1	Federal income taxes: Account 409.2	Federal income taxes: Account 409.3	Federal income taxes: Total	Federal income taxes, account 409.1, percent of total utility operating revenues (tax credit[1])	Total Federal income taxes, percent of total utility operating revenues (tax credit[1])	Net income: Before extraordinary items	Net income: Percent of total utility operating revenues	Net income: After extraordinary items	Net income: Percent of total utility operating revenues
540950—Monongahela Power Co	130, 501, 282	3, 457, 200	53, 400—	0	3, 403, 800	2.6	2.6	19, 408, 285	14.9	19, 408, 285	14.9
541900—Wheeling Electric Co	28, 267, 617	27, 681—	2, 956—	0	30, 637—	(.1)	(.1)	1, 857, 655	6.6	2, 471, 765	8.7
550330—Consolidated Water Power Co	3, 051, 079	75, 950—	1, 751	0	74, 199—	(2.5)	(2.4)	117, 900—	3.9	117, 900—	3.9
550680—Lake Superior District Power Co	20, 508, 732	286, 700	13, 300	0	300, 000	1.4	1.5	1, 543, 334	7.5	1, 543, 334	7.5
550720—Madison Gas & Electric Co	61, 978, 194	272, 949	22, 600	0	295, 549	.4	.5	6, 458, 285	10.4	6, 458, 285	10.4
550920—Northern States Power Co	79, 765, 544	585, 900—	30, 900	0	555, 000—	(.7)	(.7)	5, 061, 555	6.3	5, 061, 555	6.3
550950—Northwestern Wisconsin Electric Co	1, 661, 623	51, 747	0	0	51, 747	3.1	3.1	86. 352	5.2	86, 352	5.2
551420—Superior Water, Light & Power Co	11, 660, 680	72, 900—	20, 300	0	52, 600—	(.6)	(.5)	50, 944	.4	50, 944	.4
551710—Wisconsin Electric Power Co	301, 155, 313	11, 989, 000	861, 400	0	12, 850, 400	4.0	4.3	46, 921, 148	15.6	46, 921, 148	15.6
551770—Wisconsin Michigan Power Co	66, 135, 026	4, 930, 000	112, 300	0	5, 042, 300	7.5	7.6	9, 175, 915	13.9	9, 175, 915	13.9
551800—Wisconsin Power & Light Co	156, 869, 841	1, 885, 249	91, 832	0	1, 977, 081	1.2	1.3	17, 780, 659	11.3	17, 780, 659	11.3
551820—Wisconsin Public Service Corp	173, 728, 890	3, 370, 000	6, 900—	0	3, 363, 100	1.9	1.9	19, 243, 012	11.1	19, 243, 012	11.1
551850—Wisconsin River Power Co	2, 083, 205	314, 282	108, 819	0	423, 101	15.1	20.3	500, 757	24.0	500, 757	24.0
560130—Cheyenne Light, Fuel & Power Co	12, 435, 789	235, 510	29, 490	0	265, 000	1.9	2.1	603, 116	4.8	603, 116	4.8
569280—Lincoln Service Corp	1, 479, 960	56, 273	0		56, 273	3.8	3.8	110, 477	7.5	110, 477	7.5
Total, (National average)	42, 174, 621, 271	554, 002, 290	84, 109, 318—	58, 296, 906	528, 189, 878	1.3	1.3	5, 124, 489, 320	12.2	5, 297, 451, 713	12.6

[1] Revenues related to other income and extraordinary items are not included in total military operating revenues.

*Preliminary data subject to later verification, revision and approval.
Prepared by: Section of Financial Reports and Statistics—OAF, FPC, July 25, 1975.

CLASSES A AND B PRIVATELY OWNED ELECTRIC UTILITIES—1974[1] (RATE OF RETURN ON COMMON EQUITY)

Company name	Year-end	Average
010100—Alabama Power Co	7.8	8.6
011700—Southern Electric Generating Co	12.4	12.4
020250—Alaska Elec. Lt. & Pwr. Co	8.7	8.8
040350—Arizona Public Service Co	10.2	10.9
040540—Citizens Utilities Co	16.1	17.3
041600—Tucson Gas & Electric Co	10.7	12.4
050160—Arkansas-Missouri Power Co	4.4	4.4
050220—Arkansas Power & Light Co	15.1	16.1
050300—Arklahoma Corporation, The	5.7	5.9
061090—Pacific Gas & Electric Co	10.8	11.4
061240—San Diego Gas & Electric Co	10.8	11.6
061490—Southern California Edison Co	12.7	13.6
080550—Home Light & Power Co	7.9	8.1
080880—Public Service Co. of Colorado	8.9	9.4
081120—Western Colorado Power Co., The	3.9	4.0
090370—Connecticut Light & Power Co	16.1	16.8
090450—Connecticut Yankee Atomic Pwr. Co	6.8	6.7
090760—Hartford Electric Light Co	13.8	14.4
090900—Northeast Nuclear Energy Co	7.7	8.0
091590—United Illuminating Co	16.1	17.2
100150—Delmarva Power & Light Co	10.4	11.3
110250—Potomac Electric Power Co	10.0	10.6
120290—Florida Power Corp	8.1	8.4
120380—Florida Power & Light Co	10.8	11.1
120560—Florida Public Utilities Co	11.6	12.0
120650—Gulf Power Co	3.6	3.6
121190—Tampa Electric Co	10.5	11.1
130450—Georgia Power Co	7.6	8.2
131000—Savannah Electric & Power Co	10.1	10.3
150250—Hawaiian Electric Co	11.4	11.8
150280—Hilo Electric Light Co., Ltd	9.3	9.7
151000—Maui Electric Co., Ltd	9.3	9.8
160430—Idaho Power Co	12.4	12.8
170290—Central Illinois Light Co	9.3	9.8
170320—Central Illinois Pub. Ser. Co	10.6	11.1
170410—Commonwealth Edison Co	10.4	10.6
170590—Electric Energy, Inc	7.3	7.4
170720—Illinois Power Co	10.8	11.3
171010—Mt. Carmel Public Utility Co	6.8	6.9
171310—Sherrard Power System	3.7	3.7
171340—South Beloit Water, Gas & Electric Co	6.0	6.0
180100—Alcoa Generating Corp	3.0	3.2
180250—Commonwealth Edison Co. of Indiana	6.4	6.3
180460—Indiana-Kentucky Electric Corp	0	0
180570—Indiana & Michigan Electric Co	9.0	9.3
180630—Indianapolis Power & Light Co	9.9	9.9
180970—Northern Indiana Pub. Ser. Co	11.1	11.3
181150—Public Service Co. of Indiana, Inc	14.1	14.4
181270—Southern Indiana Gas & Elec. Co	12.9	13.2
190820—Interstate Power Co	11.0	11.3
190890—Iowa Electric Light & Power Co	3.3	3.2
190900—Iowa-Illinois Gas & Electric Co	10.6	10.6
190930—Iowa Power & Light Co	11.8	12.0
190970—Iowa Public Service Co	10.2	10.4
191030—Iowa Southern Utilities Co	13.1	13.5
200280—Central Kansas Power Co, Inc	8.1	8.1
200320—Central Telephone & Utilities Co	14.6	15.8
201040—Kansas Gas & Electric Co	9.3	9.4
201130—Kansas Power & Light Co, The	10.1	10.2
210850—Kentucky Power Co	10.3	10.5
210910—Kentucky Utilities Co	6.8	6.8
211270—Louisville Gas & Electric Co	9.2	9.3
211900—Union Light, Heat & Power Co, The	5.8	5.9
220240—Central Louisiana Electric Co, Inc	13.1	13.3
220690—Gulf States Utilities Co	12.1	12.3
220930—Louisiana Power & Light Co	14.4	14.8
221340—New Orleans Public Service Inc	4.1	4.1
230190—Bangor Hydro-Electric Co	7.6	7.6
230370—Central Maine Power Co	8.7	8.9
230600—Maine Electric Power Co, Inc	12.0	11.7
230940—Maine Public Service Co	12.4	12.7
230960—Maine Yankee Atomic Power Co	10.1	10.1
233100—Rumford Falls Power Co	11.7	9.0
240110—Baltimore Gas & Electric Co	10.6	11.1
240210—Chestertown Elec. Lt. & Pwr. Co	2.8	2.8
240280—Conowingo Power Co	3.7	3.7
240350—Delmarva Power & Lt. Co. of Maryland	6.3	6.7
241050—Potomac Edison Co., The	5.8	6.0
241470—Susquehanna Electric Co., The	.0	.0
241540—Susquehanna Power Co., The	5.5	5.5
250220—Boston Edison Co	8.2	8.2
250240—Brockton Edison Co	11.1	11.3
250250—Cambridge Electric Light Co	5.5	5.8
250270—Canal Electric Co	12.0	12.2
250440—Fall River Electric Light Co	10.9	11.0
250460—Fitchburg Gas & Electric Lt. Co	6.6	7.0
250570—Holyoke Power & Electric Co	5.6	5.8
250590—Holyoke Water Power Co	18.1	16.6
250780—Massachusetts Electric Co	10.2	10.2
250850—Montaup Electric Co	13.0	13.2
250900—Nantucket Electric Co	9.8	10.0
250920—New Bedford Gas & Edison Lt. Co	5.4	5.4
250960—New England Power Co	9.4	10.1
251450—Western Massachusetts Electric Co	8.8	9.2
251800—Yankee Atomic Electric Co	2.9	2.9
260100—Alpena Power Co	11.8	12.4
260210—Consumers Power Co	7.8	8.0
260300—Detroit Edison Co., The	7.3	7.5
260330—Edison Sault Electric Co	14.2	14.6
260870—Michigan Power Co	21.5	24.1
261310—Upper Peninsula Generating Co	0	0
261320—Upper Peninsula Power Co	7.2	7.1
262280—Cliffs Electric Service Co	9.9	10.4
271030—Minnesota Power & Light Co	9.7	9.9
271210—Northern States Power Co	10.1	10.6
280760—Mississippi Power Co	9.7	10.2
280970—Mississippi Power & Light Co	12.8	13.6
290460—Empire District Electric Co., The	10.7	10.8
290700—Kansas City Power & Light Co	9.2	9.3
290940—Missouri Edison Co	6.3	6.4
291060—Missouri Power & Light Co	10.0	10.2
291080—Missouri Public Service Co	10.5	10.8
291210—Missouri Utilities Co	5.0	5.0
291330—St. Joseph Light & Power Co	9.1	9.2
291500—Union Electric Co	8.0	8.4
301130—Montana Power Co	13.1	14.6
320890—Nevada Power Co	11.4	11.7
321460—Sierra Pacific Power Co	11.5	11.8
330260—Concord Electric Co	10.5	10.7
330350—Connecticut Valley Electric Co., Inc	5.1	5.2
330520—Exeter & Hampton Electric Co	11.6	11.7
330640—Granite State Electric Co	.8	.8
331230—Public Service Co. of N.H	10.1	11.3
340240—Atlantic City Electric Co	12.9	13.5
340780—Jersey Central Power & Light Co	12.1	12.8
341310—Public Service Electric & Gas Co	12.7	12.9
341400—Rockland Electric Co	4.4	4.4
351030—New Mexico Electric Service Co	13.8	14.6
351570—Public Service Co. of N.M	9.5	9.7
360350—Central Hudson Gas & Elec. Corp	8.8	9.2
360400—Consolidated Edison Co. of New York	7.5	7.7
360870—Long Island Lighting Co	10.7	11.2
360930—Long Sault, Inc	17.4	18.0
361000—New York State Elec. & Gas Corp	10.9	11.1
361050—Niagara Mohawk Power Corp	11.2	11.6
361150—Orange and Rockland Utilities, Inc	7.8	8.5
361350—Rochester Gas & Electric Corp	8.2	8.3
370360—Carolina Power & Light Co	9.2	9.3
370690—Duke Power Co	8.2	8.8
371170—Nantahala Power & Light Co	2.7	2.7
374000—Yadkin, Inc	5.4	5.1
380800—Montana-Dakota Utilities Co	11.6	12.0
381150—Otter Tail Power Co	11.4	12.2
390430—Cincinnati Gas & Elec. Co	10.7	10.7
390470—Cleveland Elect. Illuminating Co	14.6	15.0
390500—Columbus and Southern Ohio Elec. Co	8.2	8.2
390560—Dayton Power & Light Co	9.6	10.1
391330—Ohio Edison Co	11.3	11.9
391370—Ohio Electric Co	5.6	7.0
391410—Ohio Power Co	12.2	13.4
391470—Ohio Valley Electric Corp	10.0	10.0
391680—Toledo Edison Co	11.0	12.1
400970—Oklahoma Gas & Electric Co	13.2	13.5
401320—Public Service Co. of Oklahoma	12.9	13.2
410250—California-Pacific Utilities Co	8.2	8.3
411270—Pacific Power & Light Co	10.5	11.3
411390—Portland General Electric Co	10.9	12.3
420350—Citizens' Electric Co	6.5	6.6
420520—Duquesne Light Co	10.1	10.9
420850—Hershey Electric Co	6.8	7.1
421140—Metropolitan Edison Co	10.5	11.4
421330—Pennsylvania Electric Co	11.4	11.5
421350—Pennsylvania Power Co	10.7	12.1
421370—Pennsylvania Power & Light Co	12.6	13.5

Company name	Year-end	Average
421440—Philadelphia Electric Co	8.8	8.9
421480—Philadelphia Electric Power Co	4.2	4.6
421660—Safe Harbor Water Power Corp	7.0	7.1
421820—UGI Corp	8.5	8.6
421870—West Penn Power Co	10.7	11.1
440260—Blackstone Valley Electric Co	4.3	4.2
440600—Narragansett Electric Co	8.6	8.6
440710—Newport Electric Corp	8.6	8.6
451180—Lockhart Power Co	8.2	8.0
451320—South Carolina Electric & Gas Co	8.1	8.6
460240—Black Hills Power & Light Co	10.9	11.2
461110—Northwestern Public Service Co	13.5	14.6
470940—Kingsport Power Co	17.2	18.2
471500—Tapoco, Inc	4.3	4.2
480280—Central Power & Light Co	14.0	14.4
480340—Community Public Service Co	11.6	11.8
480390—Dallas Power & Light Co	7.6	8.1
480450—El Paso Electric Co	16.5	17.0
480860—Houston Lighting & Power Co	11.4	11.7
481200—Southwestern Electric Power Co	15.9	16.5
481240—Southwestern Electric Service Co	14.0	14.4
481320—Southwestern Public Service Co	17.4	17.9
481380—Texas Electric Service Co	13.9	15.1
481550—Texas Power & Light Co	13.1	14.4
481900—West Texas Utilities Co	15.7	16.2
491450—Utah Power & Light Co	9.2	9.8
500220—Central Vermont Pub. Ser. Corp	7.3	7.3
500470—Green Mountain Power Corp	13.3	13.9
501300—Vermont Electric Power Co., Inc	7.4	7.4
510350—Vermont Yankee Nuclear Power Corp	9.8	10.0
510400—Delmarva Power & Light Co. of Va	8.4	8.8
511160—Old Dominion Power Co	6.0	6.2
511520—Virginia Electric & Power Co	9.3	9.7
531240—Puget Sound Power & Light Co	10.9	11.6
531630—Washington Water Power Co	10.1	10.2
540120—Appalachian Power Co	17.0	17.8
540950—Monongahela Power Co	11.3	11.9
541900—Wheeling Electric Co	18.3	19.6
550330—Consolidated Water Power Co	1.0	1.0
550680—Lake Superior District Power Co	8.7	8.8
550720—Madison Gas & Electric Co	9.4	10.0
550920—Northern States Power Co	6.7	6.9
550950—Northwestern Wisconsin Electric Co	5.9	5.9
551420—Superior Water, Light & Power Co	.8	.8
551710—Wisconsin Electric Power Co	9.7	10.2
551770—Wisconsin Michigan Power Co	9.7	9.8
551880—Wisconsin Power & Light Co	9.9	9.9
551820—Wisconsin Public Service Corp	10.3	10.9
551850—Wisconsin River Power Co	4.9	4.9
560130—Cheyenne Light, Fuel & Power Co	10.1	10.3
560280—Lincoln Service Corp	5.1	5.3
Total	10.3	10.8

[1] Preliminary data subject to later verification, revision and approval.

THE IMPACT OF REVENUE SHARING

Mr. FANNIN. Mr. President, Dr. Murray Weidenbaum, a distinguished economist and academician, has writen an excellent article entitled the "Potential Impacts of Revenue Sharing." This article points out a number of positive aspects of revenue sharing and raises doubts about the arguments that revenue sharing is unnecessary since State and local deficits which made revenue sharing necessary have been diminished or eliminated.

Professor Weidenbaum suggests that such deficits still exist and that revenue sharing is needed to overcome the current financial disparities that exist in many cities and States. But more importantly, the revenue sharing program serves to enhance local decisionmaking and economic efficiency. In view of the continuing discussion concerning the renewal of the revenue sharing program I ask unanimous consent to have this article printed in the RECORD.

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

POTENTIAL IMPACTS OF REVENUE SHARING

(By Murray L. Weidenbaum)

(Note.—This is one of a series of occasional reprints published by the American Enterprise Institute for Public Policy Research. The series is intended to provide wider circulation within policy making and academic circles for selected papers and speeches by scholars and others associated with the institute. The views herein are those of the authors and do not necessarily reflect the views of the staff, officers or trustees of AEI.)

The October 1972 enactment of a program to share federal revenues with state and local governments was a landmark in the development of the federal system. The *New York Times* labeled the passage of general revenue sharing as "Updated Federalism" and called it "the most fundamental change of this century in fiscal relationships between Federal, state, and local governments."[1] With barely more than two years having passed since the first revenue-sharing payments were made, it obviously is premature to attempt any definitive evaluation of the program. However, one can speculate about the likely results of the program.

A brief summary of the legislation (technically, the State and Local Fiscal Assistance Act of 1972, Public Law 92–512) may be useful. The law authorizes and appropriates funds for quarterly payments totaling $30.2 billion over the calendar years 1972 through 1976. The funds are distributed among the states on the basis of one of two formulas, whichever yields the highest share. The "three factor" formula distributes the funds on the basis of population, tax effort, and per capita income. The "five factor" formula also includes urbanized population and state income tax collections. Because the initial total of the state shares exceeds the available authorizations, all shares are then reduced proportionally. The reason for the intricate computation formula? The compromise permits both the Senate and the House versions to be used.

Within each state, one-third of the funds goes to the state government and two-thirds to local governments. Distribution among local general-purpose units (counties, cities, and towns) is based on the "three factor" formula. The allotments are paid automatically and no extensive application process is required. However, several "strings" have been attached to the use of the money:

1. Local governments must spend their allotments within designated "priority" areas: public safety, environmental protection (including sanitation), public transportation, health, recreation, libraries, social services for the poor and aged, financial administration, and "ordinary and necessary" capital expenditures. This restriction does not apply to state governments.

2. Discrimination on the basis of race, color, national origin, or sex is not permitted in any program financed in whole or in part with revenue-sharing funds.

3. The money may not be used as matching funds to obtain other federal grants-in-aid.

4. Construction workers paid with revenue-sharing money must receive at least the wage prevailing on similar construction activity in the locality.

5. State and local governments must publish plans and publicly account for their use of the revenue-sharing money.

Footnotes at end of article.

REVENUE SHARING AND THE FEDERAL SYSTEM

Revenue sharing can be expected to foster the attainment of its basic objective of increasing the relative importance of the state and local portions of the public sector of the United States at the expense of the federal. In the words of the Advisory Commission on Intergovernmental Relations, the legislation provides "a very definite tilt" in the balance of fiscal federalism, away from centralized policy making and toward matching needs and resources at the state and local levels.[2]

Although it appears difficult to calibrate the shift precisely, direct federal employment, purchases, and other outlays will be less than they likely would have been in the absence of revenue sharing. Conversely, the employment, procurements, and other expenditures by state and local governments will be somewhat larger than they otherwise would have been. The greater relative importance of state and local government will develop in a qualitative as well as quantitative sense. Whereas formerly financial aid programs were shaped first by the Congress as it voted for grants-in-aid and then by federal personnel administering the aid programs, more of such expenditure decisions will now be made by state and local officials.

To a modest extent, revenue sharing will mean that some of the smaller and middle size local governments will obtain a more equitable share of the total amount of federal financial assistance available to state and local governments. Those governments now lacking staffs wise in the ways of federal government "grantsmanship" will receive their revenue-sharing allotments automatically. Many communities with populations between 10,000 and 20,000 report that they have never even applied for federal aid or that the detailed information required in making application for many programs has deterred them. Even some of the larger cities say they have given up applying for relatively small grants because of the paperwork burden.[3]

The city of Fountain Valley, California reported in late 1972 to the Senate Subcommittee on Intergovernmental Relations: "We did not apply for a grant for bicycle trails since the amount which would be received could not be justified by the amount of work in applying." The city of Warren, Michigan lamented that the regional office of one federal agency boasted that it had reduced the administrative cost of processing a $10,000 loan to $10,000![4]

On balance, it can be anticipated that the total flow of federal disbursements to state and local governments will be gerater than they otherwise would have been. Even though revenue sharing may to some extent inhibit increases in grants-in-aid to states and localities, in part revenue sharing will also limit the growth of other federal non-grant programs. The increased amounts of federal non-grant funds funneled into the revenue-sharing program could represent sizable new financial support for states and localities, since previously these funds were not available to these governmental units. Hence, the net effect of general revenue sharing will be to expand state and local revenues.

In 1972, for the second year in a row, there was virtually no growth in the number of federal grants-in-aid. Several factors were at work, including presidential vetoes, the enactment of general revenue sharing, and a generally unfavorable climate for new government spending programs. In dollar terms, federal disbursements for grants-in-aid are merely showing a slowing of what has been

a remarkably rapid growth trend in the last few years. From a total of $35.9 billion in the fiscal year 1972, these outlays rose to $37.4 billion in fiscal 1973 and are projected to reach $45.6 billion in fiscal 1975.[5] There is no certainty that these levels will be reached but the talk of wholesale slashes and cutbacks is *not* supported by the available figures.

Almost paradoxically, the total public sector will not grow as fast as it would have grown without revenue sharing. Indirectly, some revenue-sharing money will be used for reducing state or local taxes or, more likely, for slowing down what has been the very rapid growth in revenue from these tax sources. One recent study estimates that, on the average, the annual flow of $5.5 billion of general revenue sharing will result in increased state and local expenditures of about $2–3 billion; the remainder is likely to be devoted to tax reduction.[6] That conclusion is supported by the Treasury Department's report on the planned use of revenue-sharing money: "Almost half of the $2.96 billion represented in the third entitlement period reports is being spent in such a way as to reduce taxes, prevent an increase in taxes, prevent enactment of new taxes or reduce the amount of tax rate increase."[7] This may be a conservative figure, since many units of government have not yet ventured to predict the effect that the money will have on their total tax effort.

REVENUE SHARING AND ECONOMIC EFFICIENCY

A key technical difference between grants-in-aid and general revenue sharing is that the former works through both the "income" and the "price" effects, while the latter works only through the "income" effects. That means that grants-in-aid provide a double incentive to increase spending by state and local governments. First—and similar to revenue sharing—grants increase the revenues or income of states and localities, thus enabling these governmental units to spend more. But grants-in-aid have a second effect: they lower the price of certain categories of public goods. For example, a fifty-fifty matching grant on a $5 million library means that it only costs the county or city $2.5 million to build the library. At the lower price, the demand is higher. Few can resist the argument that our city will "lose" the federal money if we do not match it. Not only is the local "price" of the aided public goods thus reduced in relation to other public undertakings, but it is reduced in relation to private goods as well. Thus, grants-in-aid tend to encourage a greater amount of purchases of public goods (and hence a larger public sector) by altering the relative prices of public goods vis-a-vis private goods.

Revenue sharing does not have that "price" effect. If a city wants to build a $5 million library, it will have to pay the full $5 million. Even if the $5 million is all taken out of the revenue-sharing fund, there will be full citizen knowledge that the money could have been used for another purpose, perhaps alleviating the need for a tax increase or even allowing a tax decrease. Of course, if a local government uses revenue sharing to reduce taxes, there will be a subsequent but usually modest reduction in the future revenue-sharing funds which the locality receives, since the allocation of revenue sharing is based in part on local tax effort. This factor might modify a local unit's incentive to use revenue-sharing funds to reduce taxes.

Again unlike revenue sharing, grants-in-aid tend to encourage wasteful or low yield undertakings, because of the federal matching money. In this day of concern with cost-benefit analysis, let us assume a program whose benefits to society are less than the costs to society—say benefits of $800 and costs of $1,000, with a benefit-cost ratio of 0.8. Should such a project be undertaken? The realistic answer is that it depends on who gets the benefits and who pays the costs and, of course, on who makes the decisions. If in the hypothetical example, there is a 50 percent matching grant available from a federal agency, the locality may find that the pertinent benefit-cost ratio for the project is comparable to the calculation of private costs and benefits. That is, if the locality will stand to gain the $800 in benefits but only have to pay one-half of the $1,000 costs, the pertinent benefit-cost ratio for local decision makers is not an unfavorable 0.8 but a rather attractive 1.6 ($800 of benefits to $500 of local costs). It is not surprising, then, the local interests continue to push so strongly for federal projects in their area, even quite marginal ones, so long as the national taxpayer will subsidize the programs. Again, revenue sharing is an attractive alternative to that unhappy state of affairs.

THOSE STATE AND LOCAL "SURPLUSES"

Recent discussion of state and local surpluses seems to have been based on a statistical mirage. Opponents of revenue sharing have pointed to the large surpluses of state and local governments that have been reported in the national income accounts as an indication of the ability of states and localities to function without additional federal aid. These accounts, which underlie the gross national product and other aggregate measures of the economy, are designed for and are extremely useful for gauging the economic impact of the various sectors of the economy.

However, they are not intended to be measures of financial condition. Thus, students of government finance utilize instead the annual budget to examine the fiscal status of the federal government. The data which are most comparable to the federal budget are those contained in the reports of the Governments Division of the Bureau of the Census. This body of information is based on the accounting systems of states and localities.

A very different picture emerges from an examination of the Census reports than is generally appreciated. In the first year 1971, rather than the surplus of $2.3 billion shown in the national income figure, Census reported a deficit of $4.7 billion on the part of state and local governments. In the fiscal year 1972 (the latest period for which data are available) the Bureau reported a surplus of $300 million for all state and local governments, compared to the $8.6 billion surplus shown in the national income accounts.[8]

Clearly, a very different picture emerged from an examination of the Census data than generally has been reported. The cumulative deficit of $4.4 billion recorded by states and localities in the two-year period 1 July 1970 to 30 June 1972 is hardly an indication of their having entered any fiscal Valhalla.

When the overall statistics on state and local finance are broken down, it is clear that many of the nation's largest cities are faced with deficits rather than surpluses. As shown in Table 1, seventeen of a representative sample of thirty large cities are running in the red, reporting a net deficit of $679.5 million in their most recent fiscal year. The problem clearly is long-standing: seven of the thirty cities showed cumulative deficits in their general fund balances, making the net deficit for the thirty cities $658.6 million (see Table 2).

Footnotes at end of article.

TABLE 1.—REVENUES VERSUS EXPENDITURES IN 30 LARGE CITIES, 1972

[General fund or equivalent; dollars in millions]

City	Revenues (1)	Expenditures (2)	Excess (or deficiency) of revenues (1)–(2) (3)	Percent excess (or deficiency) (3)/(1) (4)
Milwaukee	$142.5	$130.3	$12.2	8.6
Nashville	44.1	41.5	2.6	5.9
Pittsburgh	92.2	87.0	5.2	5.6
Denver	87.8	83.6	4.2	4.8
Memphis	83.2	79.7	3.5	4.2
Detroit	458.2	440.7	17.5	3.8
Chicago	396.0	382.0	14.0	3.5
Columbus	50.9	49.1	1.8	3.5
San Diego	65.7	63.6	2.1	3.2
Seattle	64.1	62.3	1.8	2.8
San Francisco	505.8	492.4	13.4	2.6
Minneapolis	41.9	40.8	1.1	2.6
New Orleans	67.7	67.7	0	0
San Antonio	48.8	49.2	(.4)	(.8)
Phoenix	68.8	69.8	(1.0)	(1.5)
Boston	312.4	315.6	(3.2)	(1.0)
Dallas	89.2	90.1	(.9)	(1.0)
Cincinnati	55.9	56.4	(.5)	(.9)
Los Angeles	288.5	294.0	(5.5)	(1.9)
Kansas City	59.7	61.0	(1.3)	(2.2)
Baltimore	382.4	390.7	(8.3)	(2.2)
Indianapolis	44.4	45.5	(1.1)	(2.5)
Houston	125.6	129.7	(4.1)	(3.3)
Atlanta	58.5	60.5	(2.0)	(3.4)
St. Louis	120.4	124.9	(4.5)	(3.7)
Jacksonville	58.6	61.1	(2.5)	(4.3)
Buffalo	74.3	79.7	(5.4)	(7.3)
New York	7,115.8	7,772.0	(656.2)	(9.2)
Philadelphia	477.9	526.7	(48.8)	(10.2)
Cleveland	81.8	95.0	(13.2)	(16.1)
Total	11,563.1	12,242.6	(679.5)	(5.9)

Source: Compiled in 1973 by the Advisory Commission on Intergovernmental Relations from most recently published financial reports available for each city, generally in 1972.

TABLE 2. ACCUMULATED SURPLUS OR DEFICIT IN 30 LARGE CITIES, 1972

[General fund or equivalent; dollars in millions]

City	As reported by city	Adjusted cash basis	Cash balance (Deficit) as percent of annual resources
New York City	0	(657.6)	(9.2)
Chicago	2.2	(188.3)	(47.5)
Los Angeles	NA	NA	
Philadelphia	(30.1)	(29.2)	(6.1)
Detroit	(20.5)	(17.2)	(3.7)
Houston	12.6	13.6	10.8
Baltimore	6.5	9.2	2.4
Dallas	4.8	3.8	4.3
Cleveland	(13.6)	(13.6)	(16.6)
Indianapolis	2.0	2.0	4.5
Milwaukee	28.5	17.5	12.3
San Francisco	48.1	79.9	15.8
San Diego	4.8	4.8	7.3
San Antonio	2.4	2.8	5.7
Boston	27.8	42.0	13.4
Memphis	4.0	5.6	6.7
St. Louis	(3.5)	(3.5)	(2.9)
New Orleans	.5	(.8)	(1.2)
Phoenix	2.7	3.0	4.4
Columbus	1.7	1.7	3.3
Seattle	10.0	14.7	22.9
Jacksonville	14.5	15.4	26.3
Pittsburgh	3.4	7.3	7.9
Denver	7.2	7.2	8.2
Kansas City	.6	.7	1.2
Atlanta	5.7	10.1	17.3
Buffalo	2.5	1.6	2.1
Cincinnati	.5	.8	.9
Nashville	2.9	2.8	6.3
Minneapolis	4.4	5.4	12.9
Total	132.6	(658.6)	

Source: Compiled in 1973 by the Advisory Commission on Intergovernmental Relations from most recently published financial reports available for each city, generally in 1972. Adjustments to the data were made by the Commission.

STATE AND LOCAL DECISION MAKING

Perhaps one of the most important impacts of revenue sharing will be the influence on the structure of decision making in state and local government, especially the potential to strengthen the position of elected officials. Under the grant-in-aid system, the program department of the state, city, or county typically looks to its counterpart in the federal bureaucracy for guidance and leadership. Where the federal agency provides the larger share of the funds, such federal influence or control may be substantial.

Thus, in effect, a state roads commission may find itself more beholden to the federal Bureau of Public Roads—from which it receives 90 percent of the cost of interstate highways—than to the governor or state legislature. To a lesser extent, similar relationships exist between state education departments and the U.S. Office of Education, between local health offices and the U.S. Public Health Service, and so forth.

Revenue-sharing funds, in contrast, are allocated by popularly elected officials. It is the legislature that will decide the uses to which the state government's share will be put. Similarly, the city councils and county commissions will exercise the decision-making power over the local shares. Thus, an important shift of power from executive to legislative branches may well occur, paralleling the shift from federal to state-local decision making.

To the extent that more of the decision making and hence action is shifted to the states and their subdivisions, they will be more capable of attracting high-caliber personnel and thus become more effective at carrying out their functions and programs. The greater financial resources should help in both recruitment and retention of good people. For too long, talented people interested in government service have journeyed to Washington, while state or local government was too often dismissed as irrelevant. Revenue sharing will be no panacea, but it should help to improve the situation.

A related impact is the incentive for special-purpose districts—which vary from fire protection to mosquito abatement, and which have continued to proliferate in recent years—to merge into general-purpose units. This incentive is provided by limiting local revenue-sharing payments to counties, cities, towns, and other general-purpose governments. Because the allocation of funds is based in part on tax effort, counties and cities will benefit by incorporating special districts whenever they can. Reducing the number of overlapping jurisdictions would be a significant reform of local government.

Although not precisely intentional, the result of the federal auditing requirement may also strengthen financial and program administration at state and local levels. The general-revenue-sharing law provides that the secretary of the Treasury may accept the audits of revenue-sharing funds performed by state and local governments, if the state or local audit procedures are considered sufficiently reliable.

The Treasury Department has indicated that it will rely on an audit section of some twenty-to-twenty-five people, who will mainly perform spot checks of only a sample of the recipient governments.[9] The comptroller general, an independent official who reports directly to the Congress, is authorized to review the work done by Treasury as well as by state and local governments. The comptroller general has indicated his concern that the funds be spent "efficiently" and contribute to the "effectiveness" of the programs in which they are used.

In June 1972, the General Accounting Office (GAO) published auditing standards for all levels of government. The standards provide that a GAO audit should include reviews of efficiency and economy in the use of resources and of the effectiveness of the results of the activity under review. In reviewing the audits performed by states and localities, emphasis is to be placed on staff competence, independence from political control, and professional proficiency.[10] This may be a tall order for some local governments, and involve delicate questions concerning the allocation of powers within the federal system. Yet, improvements in the fiscal controls of many governmental units are likely to be encouraged as the result of the greater external interest and concern.

CONGRESSIONAL CHANGES

During the long process of congressional deliberation, a number of changes were made in the original revenue-sharing proposals, some of them doing some violence to the basic concept of sharing general revenues without strings. A five-year fixed-dollar amount was substituted for the earlier plan to disburse permanently and automatically a predesignated share of the personal income tax base. During a five-year period, the Congress should have adequate opportunity to review the wisdom of its actions. Because the legislation is both an authorization and appropriation act, it provides considerably more assurance to the recipients than the annually appropriated grant-in-aid.

It does seem, however, that the five-year limitation has restrained localities in making their allocations of funds. Apparently, some communities are reluctant to incorporate the revenue-sharing funds into their operating budgets, concentrating instead on capital projects, because of uncertainty over the continuation of the program beyond 1976. Deil S. Wright has pointed out that this emphasis on capital outlays may not be unwarranted in some communities. Newark, New Jersey, for example, does not have a school building built after the year 1910.[11]

A survey of local officials in the spring of 1973 by the Advisory Commission on Intergovernmental Relations (ACIR) revealed a pattern of response.[12] The following are the answers to the question, "Did uncertainty about the future of revenue sharing have an important bearing on the way your government decided to spend its revenue-sharing funds?

	Budget Officers	*County Officials*	*City Officials*
Yes	21	56	28
No	21	32	31
No decision	1	--	--

The following are the responses that ACIR received to its follow-up question as to whether the uncertainty influenced the local officials to use the money for capital outlays and other nonrecurring expenses:

	Budget Officers	*County Officials*	*City Officials*
Yes	12	52	27
No	6	4	1
No decision	4	--	--

The Treasury Department's report on planned use of the revenue-sharing funds confirms that a very substantial portion of the local share is being applied to capital projects. As shown in Table 3, local governments are using more than half of their current revenue sharing for capital purposes ($991 million versus $909 million).

Perhaps the most unfortunate change from original proposals is the requirement that the local share only be used for designated "priority" areas, which notably exclude welfare and education. The areas "blessed" by the Congress comprise public safety, environmental protection, public transportation, health, recreation, libraries, social services, and capital outlays. That change would appear undesirable on both conceptual and practical grounds. Conceptually, such program "strings" violate the basic notion of putting the responsibility for allocating and spending the funds right on the local governments receiving the money: if the citizens do not like how the revenue-sharing money is being spent, they know exactly who to blame and hold accountable—and defeat, if they wish, at the next election.

At the practical level, limiting the local two-thirds of the revenue-sharing money to specific priority areas, no matter how worthy those areas may be, multiplies the unproductive overhead and paper shuffling that revenue sharing is designed to cut down. Each locality must set up an accounting system to show the inevitable federal auditors that the revenue-sharing money is being spent for parks or sewers or some other designated local activity that the national legislature has ruled to be a priority in every locality. Woe unto the unfortunate local governments that are caught using a penny of the money for what, by default, Congress must consider "low priority"—particularly the financing of public schools.

Footnotes at end of article.

TABLE 3.—LOCAL USE OF REVENUE-SHARING FUNDS IN 1973

[In millions of dollars]

Expenditure category	Counties		Cities		Townships, etc.		Total	
	Operating	Capital	Operating	Capital	Operating	Capital	Operating	Capital
Public safety	83	90	377	87	27	12	487	189
Environmental	18	32	77	72	7	6	102	110
Transportation	53	88	47	105	18	23	118	216
Health	35	43	20	25	3	2	58	70
Recreation	9	28	23	56	4	5	36	89
Libraries	11	--	9	--	2	--	22	--
Social services	24	10	18	3	3	(1)	45	13
Financial administration	25	--	12	--	4	--	41	--
General government	--	154	--	65	--	16	--	235
Education	--	19	--	7	--	2	--	28
Housing and community development	--	12	--	19	--	2	--	33
Economic development	--	3	--	5	--	(1)	--	8
Total	258	479	583	444	68	68	909	991

1 Less than $500,000.

Source: U.S. Department of the Treasury, "General Revenue Sharing—the Third Planned Use Reports" (Washington: U.S. Government Printing Office, 1973).

GEOGRAPHIC DISTRIBUTION

It is also revealing to compare existing grants-in-aid with the state-by-state distribution of revenue-sharing money resulting from congressional decisions and to relate the states' proportions of total revenue-sharing funds with their respective shares of U.S. personal income and population. As can be seen in Table 4, the sixteen states with the highest per capita income (plus the District of Columbia) receive a slightly smaller share of revenue sharing than of program grants (49 percent versus 52 percent). Although the proportion of revenue-sharing funds going to these states is slightly above what one might expect if the funds were distributed strictly on the basis of population, the income distribution factor has a mildly equalizing effect. These high income states with 53.1 percent of total U.S. personal income receive only 49 percent of revenue-sharing funds.

The seventeen states with the lowest per capita income receive about the same share of revenue as of grants-in-aid (20 percent), but above their share based on population. The income redistribution effect is greater here, since these states generate only about 14 percent of total U.S. personal income. The seventeen middle-income states do relatively better under revenue sharing than under the grant-in-aid system (31 percent versus 28 percent). Their percentage of revenue-sharing funds is slightly less than their proportion of population or personal income.

TABLE 4.—STATE INCOMES AND SHARES OF FEDERAL AID IN 1972

State	Per[1] capita income	Share of[1] total income (percent)	Share of[2] grants-in-aid (percent)	Allotted[3] total revenue sharing (percent)	Actual[4] revenue sharing (Aug. 10, 1973) (percent)	Share of[5] total population (percent)	Revenue[6] sharing per person
HIGH INCOME GROUP							
District of Columbia	$6,265	0.5	1.6	.4	.4	.4	$10.56
Connecticut	5,328	1.7	1.3	1.2	1.3	1.5	21.45
New York	5,242	10.3	12.5	11.1	11.1	8.8	32.18
New Jersey	5,232	4.1	3.0	3.1	3.1	3.5	22.19
Delaware	5,188	.3	.3	.3	.3	.3	27.79
Alaska	5,141	.2	.5	.1	.1	.2	20.92
Illinois	5,140	6.2	5.0	5.2	5.1	5.4	24.41
Nevada	5,078	.3	.3	.2	.2	.2	21.06
Hawaii	5,031	.4	.5	.5	.5	.4	34.73
California	4,988	10.9	11.6	10.5	10.7	9.8	27.15
Maryland	4,882	2.1	1.6	2.0	2.0	1.9	26.36
Michigan	4,881	4.7	3.8	4.2	4.2	4.4	24.41
Massachusetts	4,855	3.0	3.1	3.1	3.1	2.8	28.15
Colorado	4,574	1.1	1.2	1.0	1.0	1.1	23.17
Ohio	4,534	5.2	3.4	3.9	4.0	5.2	19.19
Rhode Island	4,483	.5	.5	.4	.4	.5	24.38
Washington	4,472	1.6	1.8	1.6	1.5	1.6	24.40
Total, high income group		53.1	52.0	48.8	49.0	48.0	
MIDDLE INCOME GROUP							
Pennsylvania	4,465	5.7	4.6	5.2	5.2	5.7	22.96
Kansas	4,455	1.2	.8	1.0	1.0	1.1	23.38
Florida	4,378	3.4	2.4	2.8	2.8	3.5	20.10
Indiana	4,366	2.5	1.6	2.0	2.1	2.5	19.71
Nebraska	4,355	.7	.6	.8	.7	.7	28.13
Wyoming	4,330	.2	.4	.2	.2	.2	28.12
Iowa	4,300	1.4	.9	1.4	1.4	1.4	26.71
Virginia	4,298	2.2	1.8	2.0	2.0	2.3	22.08
Minnesota	4,298	1.8	1.8	2.0	2.0	1.9	26.64
Missouri	4,293	2.2	2.0	1.9	1.9	2.3	20.77
Oregon	4,287	1.0	1.1	1.1	1.0	1.0	25.76
Arizona	4,263	.9	.8	.9	1.0	.9	25.76
Wisconsin	4,255	2.0	1.5	2.5	2.5	2.2	29.62
New Hampshire	4,241	.3	.3	.3	.3	.4	19.71
Montana	3,999	.3	.5	.4	.4	.3	28.65
Texas	3,991	4.9	4.7	4.6	4.7	5.6	20.98
Georgia	3,909	2.0	2.4	2.1	2.1	2.3	23.26
Total, middle income group		32.7	28.2	31.2	31.3	34.3	
LOW INCOME GROUP							
North Carolina	3,799	2.1	2.1	2.5	2.6	2.5	25.97
Oklahoma	3,795	1.1	1.4	1.1	1.1	1.3	22.55
Idaho	3,780	.3	.4	.4	.4	.4	26.19
North Dakota	3,738	.3	.4	.4	.4	.3	31.17
Utah	3,728	.4	.6	.6	.6	.5	27.89
South Dakota	3,699	.3	.4	.5	.5	.3	36.97
Vermont	3,686	.2	.3	.3	.3	.2	32.03
Tennessee	3,671	1.6	2.0	1.9	1.9	1.9	24.41
Maine	3,610	.4	.5	.6	.6	.5	30.22
Kentucky	3,609	1.3	1.7	1.6	1.6	1.6	26.46
West Virginia	3,594	.7	1.3	1.0	1.0	.9	29.37
New Mexico	3,564	.4	.8	.6	.6	.5	31.17
Louisiana	3,543	1.4	2.1	2.1	2.3	1.8	30.54
South Carolina	3,477	1.0	1.2	1.5	1.4	1.3	30.54
Alabama	3,420	1.3	1.9	2.2	1.7	1.7	33.08
Arkansas	3,365	.7	1.1	1.0	1.0	.9	27.81
Mississippi	3,137	.7	1.6	1.7	1.7	1.1	40.04
Total, low income group		14.2	19.8	20.0	19.7	17.7	
Grand total		100.0	100.0	100.0	100.0	100.0	[7] 25.48

[1] Calendar year data. Source: U.S. Department of Commerce, Bureau of Economic Analysis, "Commerce News," Washington, D.C., Aug. 27, 1973, tables A and B.
[2] Fiscal year data. Source: U.S. Department of the Treasury, Bureau of Accounts, "Federal Aid to States, Fiscal Year 1972" (Washington: U.S. Government Printing Office, 1973), p. 17.
[3] Calendar year data. Source: "Revenue Sharing Provides $30.1 Billion to States, Localities Over Next 5 years," State Government News, October 1972, p. 3.
[4] Revenues paid to states and local governments as of Aug. 10, 1973. Source: U.S. Department of the Treasury, Office of Revenue Sharing, Department of Treasury News (Washington: U.S. Government Printing Office, Aug. 10, 1973).
[5] Estimates for July 1, 1972. U.S. Department of Commerce, Bureau of the Census, "Current Population Reports: Estimates of the Population of States by Age: July 1, 1971 and July 1, 1972." May 1973, table 1, p. 2.
[6] Allotted revenue sharing for calendar year 1972 divided by population estimate for July 1, 1972 (data from sources in notes 3 and 5).
[7] U.S. average.

A COMPLICATION FOR ANALYSIS

A major complication in analyzing the effects of revenue sharing is the fact that many other changes are occurring in federal programs at the same time. For example, a related aspect of the "New Federalism" is an effort to consolidate many of the specific categorical aids to state and local government into fewer and broader grants, eliminating matching requirements in most cases.

Although the Nixon administration labeled this effort "special revenue sharing," it is separate and distinct from the "general" revenue sharing described here. Many supporters of the basic revenue-sharing concept do not agree with eliminating the individual grants-in-aid, such as model cities and urban renewal, which have been identified with the "Great Society" and earlier Democratic administrations.

The special revenue-sharing proposals would replace seventy categorical programs with four special revenue-sharing funds: urban community development, education, manpower training, and law enforcement. Budget authority for the first full year of operation is estimated at $7 billion. The great bulk of other existing grants-in-aid—which are being funded at an annual rate of about $39 billion—presumably would remain undisturbed.

These matters are part of a larger debate on the question of economy in government. The most dramatic aspect of the new struggle is presidential impoundment of congressional appropriations. Many Presidents have decided not to spend all of the funds that Congress has voted, and there is some statutory authority for exercising such discretion. Nevertheless, the scale of recent impoundments has been quite large, and some of the public statements accompanying them may have been unnecessarily challenging to congressional prerogatives.

Although the impoundments have upset some supporters of the programs affected, this entire action should be viewed as an aspect of fiscal policy, rather than the inevitable consequence of the introduction of a new revenue-sharing program. In this period of substantial inflation, restraint on government spending does seem to be an appropriate response. Inevitably, opinions will differ on which programs should be cut back, but that merely reflects the continuing debate over changing national priorities.

A LOOK AHEAD

The modern public sector which is emerging in advanced nations requires a variety of mechanisms and organizations in order to carry out national policies. Excessive reliance on any single mechanism—whether it be contracts to government-oriented corporations or grants-in-aid to state and local government—often tends to weaken the mechanism or to dilute the effectiveness of public policy. Seen in this light, revenue sharing is a useful addition to the mechanisms which the modern state, particularly a federal one, can utilize in conducting the public business.

Whether revenue sharing is a one-time experiment or a continuing commitment will depend, in very large measure, on how the nation evaluates the effectiveness of the revenue-sharing money in comparison with the other mechanisms available for disbursing federal funds and helping to achieve national objectives. Thus, ultimately, the success of the program will depend on the wisdom of program choices and on the effectiveness of program execution on the part of the state and localities using the money.

Although it can be hoped that the examples will be few and minor, from time to time there are bound to be reports of some stupidity or wastefulness in the use of revenue-sharing money and perhaps even some real "horror stories" of actual graft and corruption. Unfortunately, honesty and good judgment cannot be legislated—as has been so

amply and recently demonstrated at all levels of government and in the private sector.

To be sure, it is encumbent upon state and local officials to avoid what Wright calls "FTC expenditure"—funds going for frivolity, thievery, and chicanery.[13] But it will take more than that to make the revenue-sharing experiment a success. It will be necessary to show the citizenry that the $30 billion of federal tax revenue that will be allocated to state and local governments over the five-year period will, by and large, be more wisely spent than if the sums were merely added to the budgets of federal agencies. This is clearly a challenge to the ability of state, city, and county government throughout the nation, and it is likely to require some positive action.

The state of Texas is an example of one of the areas that is developing a comprehensive approach to the expenditure of revenue-sharing funds. In late 1972 the governor established a Revenue Sharing Council to promote state and local cooperation in the revenue-sharing program. The governor serves as chairman of the Council; the other members are three city officials, three county officials, the lieutenant governor, the speaker of the House of Representatives, and the state comptroller. The Council does not have the authority to allocate the revenue-sharing money. Rather, it is assisting those who do. Early in its operations, the Council requested the state Department of Community Affairs to set in motion a program to assist local governments in providing statistical information to federal agencies as well as in answering the inevitable questions that are likely to arise. The result is a state Office of Revenue Sharing Assistance.

As the executive director of the Texas Advisory Commission on Intergovernmental Relations put it, "We want very much to avoid a stream of Texas officials going to Washington seeking answers, because the more questions [we ask] of Washington, the more written responses they will give, many of which will find their way into the Federal guidelines."[14]

The Texas approach may not necessarily be desirable or workable in other regions. But, in general, the "extra mile" that state and local officials may walk in carrying out the spirit as well as the letter of revenue sharing is likely to be a very good investment. Many members of the Congress held and continue to hold a somewhat agnostic view of the desirability of yielding the responsibility over the disbursement of a portion—albeit a modest one—of federal revenue to another level of government. Hence efforts to reduce the flexibility and discretion available to state and local officials in carrying out the revenue-sharing experiment can be expected from time to time. The legislation itself contains restrictions that do violence to the basic concept, notably the limitation of local expenditures to designated priority areas. And the U.S. Advisory Commission on Intergovernmental Relations anticipates that the appropriations committees will make another effort to convert revenue sharing to an annual basis, thus eliminating the five-year assurance.[15]

Unless state and local governments, their citizens, and their associations take great pains to minimize waste and inefficiency in the revenue-sharing disbursements, more restrictions may be written into the legislation in the future. Despite impressions to the contrary, the Congress has been known to cut back and on occasion even to eliminate federal spending programs that lose public support.

For the next five years, the nation will be witnessing not only the disbursement of $30 billion, but also one of the most important efforts to strengthen the institutions of American society. If there is any lesson to be learned from the past, it is the need for a free and strong nation to have a variety of centers of power, resources, and discretion in the formulation and execution of public policy. Revenue sharing may well turn out to be a vital contributor to the development of that more decentralized structure of the public sector which will enable American society to continue to cope with a great variety of external pressures and domestic stresses. Revenue sharing is, after all, one of the few programs in American history which is overtly designed to help achieve the often neglected portion of the preamble to the Constitution—the part referring to "forming a more perfect Union."

FOOTNOTES

[1] "Updated Federalism," *New York Times*, 17 October 1927, p. 40.

[2] "Advisory Commission on Intergovernmental Relations, *Striking a Better Balance: Federalism in 1972* (Washington: U.S. Government Printing Office, 1973), p. 8.

[3] U.S. Congress, Senate, Committee on Government Operations, Subcommittee on Intergovernmental Relations, *Preliminary Results of November 1972 Survey of Federal Grants* (Washington: U.S. Government Printing Office, 1 March 1973), p. 3.

[4] Ibid.

[5] *Special Analyses, Budget of the United States Government, Fiscal Year 1975* (Washington: U.S. Government Printing Office, 1974), p. 217. In addition, on 1 January 1974, the federal government assumed responsibility for the entire basic benefits to adult public assistance recipients. That action is estimated to have relieved state and local governments of $1.7 billion in financial burdens during the fiscal year 1974.

[6] Edward M. Gramlich and Harvey Galper, "State and Local Fiscal Behavior and Federal Grant Policy," in *Brookings Papers on Economic Activity* (Washington, D.C.: The Brookings Institution, 1973), p. 50.

[7] U.S. Department of the Treasury, *General Revenue Sharing—the First Planned Use Reports* (Washington: U.S. Government Printing Office, 1973), p. 3.

[8] U.S. Bureau of the Census, *Government Finances in 1971–72* (Washington: U.S. Government Printing Office, 1973), p. 20.

[9] James E. Smith, "Federal Revenue Sharing: Implementing the 1972 Act," in Lyndon B. Johnson School of Public Affairs, *The 63rd Texas Legislature Pre-Season Conference* (Austin: University of Texas, 1973), p. 30.

[10] U.S. General Accounting Office, *Standards for Audit of Government Organizations, Programs, Activities and Functions* (Washington: U.S. Government Printing Office, 1972). See also Mel Powell, "General Revenue Sharing: New Resources and New Responsibilities for State and Local Governments," *Appalachia*, February-March 1973, p. 62.

[11] Deil S. Wright, "General Revenue Sharing and Intergovernmental Fiscal Relations," in Lyndon B. Johnson School of Public Affairs, *The 63rd Texas Legislature Pre-Season Conference* (Austin: University of Texas, 1973), p. 60.

[12] Advisory Commission on Intergovernmental Relations, *Revenue Sharing: View From the Field*, Information Bulletin No. 73–3, March 1973, pp. 6–7.

[13] Wright, "General Revenue Sharing and Intergovernmental Fiscal Relations," p. 61.

[14] James F. Ray, "Federal Revenue Sharing: A Stateside View," in Lyndon J. Johnson School of Public Affairs, *The 63rd Texas Legislature Pre-Season Conference* (Austin: University of Texas, 1973), p. 66.

[15] Advisory Commission on Intergovernmental Relations, *Revenue Sharing*, p. 6.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE BILL

Mr. CLARK. Mr. President, the House is considering today an excellent foreign economic assistance bill that will focus American assistance on the most critical problems faced by developing countries: The need to produce sufficient food to feed their growing populations and the need to bring the vast majority who are poor into the development process. I have confidence that the Foreign Relations Committee will report out and the Senate will act favorably on similar legislation.

There has been some speculation that Congress will sharply cut foreign economic assistance because it would be an easy way to cut the budget. Given that this bill will help increase food production in countries which often require massive amounts of food aid, and given that our own economy is increasingly reliant on cooperation with the raw materials-rich developing countries, it would be penny wise and pound foolish to make large cuts in development assistance at this time.

At the U.N. Special Session, I found that the Secretary of State's positive proposals in the areas of trade and agricultural development assistance were enthusiastically received by representatives of the developing countries. We may well be entering an era of cooperation rather than confrontation with the nonalined countries of the world. An essential element in this new cooperation is the genuine U.S. commitment to helping the world's poorest people and solving the problem of world hunger that is represented in this bill.

We can be proud of the increasing sophistication the United States and the donor community at large have shown in economic development assistance. We have learned that "trickle down" approaches do not work. We have learned that it is a waste simply to transfer large amounts of money from American taxpayers to the elites in developing countries. Congress is now committed to spending aid money the way the American people would want it spent—on improving living standards for the vast majority who are poor and developing the poor countries' great agricultural potential.

But passage of this bill will not guarantee the effective use of U.S. foreign assistance. This will require the full commitment of the administration as well as Congress. It will require effective congressional oversight of the foreign assistance program. And it will require a certain reallocation of American aid: Away from countries that are not making a genuine effort to reach their poorest people or to increase their food production and toward those which are making the greatest effort; away from projects which benefit only an elite and toward those that benefit the majority. This is a huge task; but it is one we must accept if the United States is ever to become an effective partner in world economic development.

Mr. President, I ask unanimous consent that today's editorial in the Washington Post, "Food, Development, and Aid" be printed in the RECORD.

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

FOOD, DEVELOPMENT, AND AID

American foreign aid for economic development has been declining in recent years, and the reasons go far beyond mere stinginess. It is not simply a case of the post-Vietnam blues. This country has discovered over the years that it takes more than good intentions to make development aid effective, and it takes more than an indiscriminate outpouring of dollars. The question is how to spend that money in precisely focused ways that will do the most good—and, to be candid, the least harm. Americans have found that high-powered aid programs can do a great deal to raise other countries production levels and incomes. But they can also contribute to wars, destructive migrations and growing destitution among those who can find no place in the new economic order.

Aid is a potent agent of change, and the people who give it have a duty to pay attention to what they are doing. In recent years there has been a tendency here in Washington to give more weight to the failures than to the evidence of progress, and Americans have increasingly backed off uneasily from the whole commitment to aid while they tried to devise surer methods of delivery. It is, in effect, a reflection of the larger debate over poverty in America that has been going on among us for more than a decade.

Congress is now proceeding with vigor and intelligence to give a new form to American aid abroad. The House is scheduled today to take up the International Relations Committee's excellent bill to authorize $1.4 billion for development and food aid this year and $1.5 billion next year. Those figures reverse the recent declining trend, but there is much more to the bill than the numbers.

Congress is responding here to the moral issues laid before the rich nations last year at the world conferences on food and population. Those two conferences demonstrated, between them, the dilemma of aid. Many of the poor countries are desperately hungry, yet to give great quantities of emergency aid in this generation would only increase the terrible burden of need a few years later. Clearly population control is a necessary solution. But it is also a cruelly slow one, and no country can save its people from this year's famine by curbing next years birth rate.

The House bill wisely ties food deliveries to a new system of incentives to the recipient countries to develop their own food production. When the United States sends food to another country, it is sold on local markets for local currency. A great deal depends upon the way in which those local funds are spent. The bill would create a substantial pressure on recipient governments to use them, as the committee puts it, "for activities which directly improve the lives of the poorest of their people." That means, in particular, agriculture and rural development. The committee acknowledges that our food shipments in the past have often permitted the recipient countries to neglect their own potential to help themselves. The present bill offers a genuine remedy.

The bill would also authorize a substantial increase in funds for population planning and health. For the first time, it would require that a minimum of two-thirds of this money go directly into population control. On the general outline of this bill, if not in every detail, the committee and the Ford administration seem to be in agreement.

Americans have understood for some time that they cannot help the rest of the world a great deal merely by sending shiploads of grain each year to whatever unfortunate country might be suffering most desperately from famine at that moment. In this bill, the outline of a much more promising policy emerges. It stands on three legs. There is the immediate shipment of food as relief in crises. But it is tied to investment and technical assistance for that country's own food production in the longer future. That in turn is linked to a rising emphasis on population planning. None of the three will work alone, but all of them together comprise a coherent and constructive design.

Much has been made of the point that, for the first time in many years, the House is taking up economic aid separately from the foreign military and security authorizations. In the past, the common wisdom held that the do-good money could survive only if it were tied in with the military funds. But things have changed. The subjects are fundamentally dissimilar, and there is no reason to embroil economic aid in the coming debate over security commitments in the Middle East, or the long row over arms to Turkey and the Persian Gulf countries.

The International Development and Food Assistance Bill now coming to the floor turns an important corner in American policy. It provides the beginning of a good answer to the legitimate appeals of the world's poor nations. The bill deserves to be passed.

DIEGO GARCIA

Mr. TAFT. Mr. President, yesterday's Washington Post reported on a situation which, if true, must raise serious concern. When the Department of Defense came to the Congress, and to the Armed Services Committee on which I serve, to ask approval to build a major support facility on the Indian Ocean island of Diego Garcia, it assured us that this island had no native population. According to DOD, that was one of the great advantages of Diego Garcia: there was no native population which might be disturbed by our operations.

Now, the Post reports that if there is no native population, there certainly was one, and the reason it is no longer there is that it was compelled to leave to make way for British and American naval facilities.

If this report is true, the spokesmen for the Department of Defense would be guilty either of deception or of ignorance. The forcible removal of an entire population is not the same as finding a place unpopulated to begin with. If DOD and the State Department were aware that the population was removed when they told the Congress the island was unpopulated, then they attempted to keep the Congress in the dark on a key issue.

If on the other hand, they did not know that the population had been removed, then they had not done their homework. It is particularly distasteful to think that the State Department would not have checked into the situation sufficiently to have discovered this fact. The removal, against its will, of the native population could have major and unfortunate foreign policy implications. It immediately opens the United States to charges of neo-colonialsim—a charge the Soviets will not be slow to make. Even if Great Britain is solely responsible for the evacuation, the United States by its participation in the Diego base scheme will share in the blame. Charges of this sort carry great weight among the people of the littoral states of the Indian Ocean, and, if the charges are proven true, the American image will be tarnished.

This unfortunate situation supports the point I argued at the time the Diego Garcia question was debated here. I then warned that the United States should not play a leadership role in the Indian Ocean. I stated that—

> Our policy . . . should be to recognize and encourage European leadership in the Persian Gulf and the Indian Ocean. We should not take it upon ourselves to be the main Western power in this area . . . we do ourselves no service by attempting to take this burden upon our own shoulders alone.

Now, we find we may not only have the burden on our shoulders, but we may also have the egg all over our face. We may take the blame for the whole mess; even if the British did it, they can argue it was because we, not they, wanted to build a major facility on Diego Garcia. Diego Garcia will be an American facility for American ships; therefore, the attack of the littoral peoples will be directed at America, not at Britain, not at France, not at the Western and Japanese interests which we are assuming the burden of protecting.

If Diego Garcia was a joint Western project, with all the nations which depend on Persian Gulf oil participating in it, we would not be the ready and willing target for abuse and charges of neo-colonialism that we now are. If we were doing what is suggested in the Senate debate on Diego, and playing "junior partner" to the Europeans in the Indian Ocean, the onus would be on Britain or Europe, not on us.

I hope this incident will awaken any in DOD, or the State Department who would play the old game of "World power" to the fact that intelligently playing a secondary role can sometimes be wiser policy. European interests and Japanese interests are more at stake than are American interests in this part of the world. Let the Europeans take the lead in defending those interests.

A concrete way to put the burden for the Indian Ocean where it belongs—on the West as a whole, with the Europeans the primary party—would be for the United States to propose what is suggested in my "additional views" in the Armed Services Committee report on Senate Resolution 160: A joint naval squadron in the Indian Ocean. The United States could participate periodically in such a squadron, but the Europeans are fully capable of supplying most of the forces.

I hope that the State Department and DOD will take this suggestion now, and turn primary responsibility for the Indian Ocean over to the Europeans. The current embarrassment over Diego Garcia is, I fear, only the beginning; if we attempt to become a major Indian Ocean power, we could find ourselves in one difficulty after another, if there is one thing the last 10 years should have taught us, it should be to avoid becoming entangled in areas which are more properly the primary responsibility of others.

DUE PROCESS AND VETERANS

Mr. HARTKE. Mr. President, the Veterans' Administration has recently is-

sued new due process procedures in pension cases. They provide for specific procedures for predetermination notice and opportunity for a hearing prior to the VA taking adverse action to reduce, suspend, or terminate a pension case. These new procedures were occasioned by a recent Maryland Federal District Court decision in the case of *Plato* v. *Roudebush* (Civil No. D–74–641).

I believe the Veterans' Administration's new procedures and the opinion of the Federal court would be of interest to my colleagues and ask unanimous consent that they be printed in the RECORD.

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

[DVB Circular 20–75–83, Aug. 11, 1975

DUE PROCESS PROCEDURES IN PENSION CASES

1. *Purpose.* To provide specific procedures for predetermination notice and opportunity for hearing under the due process provisions of VAR 1103 in pension cases.

2. *General Application.* Before taking an adverse action; i.e., reduction, suspension or termination, in a pension case, the payee or his/her fiduciary will be advised of the proposed adjudicative action, the reason therefor and of the right to a hearing prior to effecting such action, when:

(a) The evidence under consideration is subject to more than one interpretation and requires further clarifying development; or

(b) The action is based on third-party statements.

3. *Distinguishing Cases for Application of General Criteria:*

(a) Predetermination notice will not be required when the decision is based solely on reliance on evidence submitted by the claimant; nor when such notice could serve no useful purpose because it could not be communicated to the claimant. In these cases, current procedures for adjustment, suspension or termination continue. Included therein are:

(1) Adjustment or termination of pension based on the claimant's self-reported annual income;

(2) Adjustment of pension required by a claimant's report of change of status of dependents;

(3) Termination of benefits based on a report of death received from a reliable source;

(4) Suspension of benefits based on removal of claimant leaving no forwarding address;

(5) Other similar cases when the criteria set forth in paragraph 2 do not govern.

(b) In these cases, if the claimant files a notice of disagreement *prior to the effective date of change,* the Authorization action will be withheld and predetermination notice procedures will be utilized. If notice of disagreement is received *after the effective date of change,* current procedures for the handling of an NOD will be followed.

4. *Deferral of Authorization Action.* When the predetermination due process procedure is required, authorization action will be deferred until a final determination is made. The case should be closely controlled so that if a hearing or new evidence is not received within the notice period, immediate action at its expiration will avoid or diminish any overpayment. No withholdings or suspensions will be established until the expiration of the notice period or until a final determination is made. The control period for this purpose will be 45 days.

5. *Notice of Due Process Rights.* The claimant will be informed by dictated letter of the proposed denial or change in the award and of the underlying reason(s). The following due process notice provision will be utilized:

"Basic Rights. The action proposed could result in denial, suspension, reduction or termination of benefits. You have certain basic rights you may exercise before the proposed action is taken.

These consist of the right to submit additional evidence to show why the proposed action should not be taken, the right of a hearing and the right to be represented.

You have 30 days from the date of this notice to submit additional evidence or request a hearing; meanwhile, payments will continue at the present rate.

You should be aware that deferring action pending a hearing could result in the creation of an overpayment which must be repaid.

Personal Hearing. If you desire a personal hearing to present evidence or argument on any point of importance in your claim, notify this office and we will arrange a time and place for the hearing. You may bring witnesses if you desire and their testimony will be entered in the record. The VA will furnish the hearing room, provide hearing officials, and prepare the transcript or summary of the proceedings. The VA cannot pay any other expenses of the hearing, since a personal hearing is held only upon your request.

Representation. You may be represented, without charge, by an accredited representative of a veterans organization or other service organization recognized by the Administrator of Veterans Affairs, or you may employ an attorney to assist you with your claim. If you have not designated a representative and desire representation, let us know and we will send you the necessary forms.

6. *Conduct of Hearings.* Hearings will be conducted by personnel who will have jurisdiction over the subsequent decision. Claimant will be afforded the right to question VA employees conducting the hearing and to cross-examine adverse witnesses.

7. *Effective Dates.* The application of predetermination due process procedures may require continuance of payments beyond statutory reduction and termination dates. However, when indicated action is finally taken, statutory reduction and termination dates will be adhered to, even though such adherence results in the creation of overpayments.

8. *Appeal Procedures.* Following the expiration of the period of notice or when a final determination is made, the claimant will be advised of the decision and of his or her procedural rights. This will normally be done in connection with appropriate authorization action.

RUFUS H. WILSON,
Chief Benefits Director.

[In the U.S. District Court for the District of Maryland]

MARION E. PLATO, ET AL., v. RICHARD L. ROUDEBUSH, ETC., CIVIL NO. B–74–641

Filed: May 6, 1975.

Dennis W. Carroll, C. Christopher Brown, and Herbert L. Singleton, Jr., Baltimore, Maryland, for plaintiffs.

Jervis S. Finney, United States Attorney, and Parker B. Smith, Assistant United States Attorney, Baltimore, Maryland, for defendant.

Blair, District Judge.

In this case, Marion Plato and Robert Trail,[1] for themselves and others similarly situated, challenge the notice and hearing procedures used by the Veterans Administration (V.A.) in connection with suspending veterans' pension benefits. The request that a class be certified was earlier granted. The first issues to be faced in this case pertain to whether this court has jurisdiction to hear the plaintiffs' claim. The jurisdictional question has two aspects: (1) did Congress, by enacting 38 U.S.C. § 211(a), prohibit review by a federal court of plaintiffs' constitutional attack on the V.A.'s refusal to provide a pre termination hearing?, and (2) assuming that § 211(a) does not bar this action, does this court have jurisdiction under any statutory grant of jurisdiction to federal district courts? After the jurisdictional issues, this court must contend with the substantive constitutional claims of the named plaintiffs and their class.

THE FACTS

Addressing the class representatives first, the essential facts in this case can be simply stated. Marion Plato, the wife of a World War II veteran, applied for veterans' widows benefits following her husband's death in 1973. *See* 38 U.S.C. § 541. Her application was approved, and she began receiving monthly widows benefits, as of July 1, 1973, in the amount of $87.50. These benefits were increased in January 1974 to $96.00 per month.

At some time during the spring of 1974, the Veterans Administration learned, from a form completed by Mrs. Plato, that in 1962 and while separated from her husband she had given birth to a son by a man other than her husband. On the basis of this fact, the Veterans Administration questioned her status as a "widow" within the meaning of the relevant legislation. *See* 38 U.S.C. §§ 541, 101(3), 103.[2] By letter dated May 28, 1974, the V.A. Regional Office in Baltimore informed Mrs. Plato that her benefits had been suspended effective June 1, 1974 pending further investigation of her eligiblity. She was informed that to obtain further benefits she would have to submit various certified statements by her and by third persons to support any claim by her for further benefits. The letter of notice made no mention of a right to a hearing.

Since May 1974, Mrs. Plato has received no veterans' benefits. Although with the aid of a lawyer she obtained a hearing concerning the facts in dispute on December 20, 1974, a decision was not rendered until February 1975, more than eight months after her benefits were halted.[3] Since she stopped receiving veterans' benefits, Mrs. Plato has been dependent upon public assistance from the Baltimore City Department of Social Services. According to her affidavit, the amount received from that source is insufficient for the support of herself and her son.

Robert H. Trail is a veteran who, through January 1975, was receiving a monthly pension for a non-service-connected disability. According to his affidavit, Mr. Trail was advised in December 1974, by letter from the V.A., that his disability pension would soon be terminated or suspended. The reasons for the termination included the possibilities that he was not married and that he was receiving too large an income from outside sources.[4] After receiving the notice which warned of termination, Mr. Trail requested a hearing on his right to continued benefits. Despite his request, he was not accorded a presuspension or pretermination hearing, and he received no benefits check in February 1975.

Although somewhat better off than Mrs. Plato, like her, Mr. Trail is a low income individual. Without his pension, Mr. Trial and his wife have a combined annual income of approximately $4,464 and, at present, they have $400 in unpaid medical expenses. At the time his benefits were terminated, Mr. Trail was receiving $143 per month, and his attorneys believe that he is now entitled to $106 per month. Following a mid-March hearing, the V.A. fixed Trail's benefits at $34.56 per month based upon the assumption Trail is not legally married. A ruling upon the question of the legality of Trail's marriage, and, thus, whether he is entitled to an additional $72 per month, has been deferred pending the resolution of a civil domestic action in the State of Washington.[5]

The V.A.'s policy regarding procedures for suspensions and terminations is governed

---

Footnotes at end of article.

by 38 C.F.R. § 3.103. Section 3.103(a) makes the general statement of policy:

"*Statement of policy.* Proceedings before the Veterans Administration are ex parte in nature. It is the obligation of the Veterans Administration to assist a claimant in developing the facts pertinent to his claim and to render a decision which grants him every benefit that can be supported in law while protecting the interests of the Government. This principle and the other provisions of this section apply to all claims for benefits and relief and decisions thereon within the purview of this part.

Section 3.103(b) indicates that any evidence, "whether documentary, testimonial, or in other form," which is offered by the claimant, is to be made part of the administrative record.

Section 3.103(c) states "Upon request a claimant is entitled to a hearing at any time on any issue involved in a claim within the purview of this part." That subsection goes on to state how the hearing is to be conducted and financed, and it explains that the purpose of the hearing is to permit the claimant to produce evidence.

Finally, § 3.103(c) provides for Notification of decisions," It states:

"The claimant will be notified of any decision affecting the payment of benefits or granting relief. Notice will include the reason for the decision and the date it will be effectuated as well as the right to a hearing subject to paragraph (c) of this section. The notification will also advise the claimant of his right to initiate an appeal by filing a Notice of Disagreement. . . . Further the notice will advise him of the periods in which an appeal must be initiated and perfected."

From the regulations and the cases of Mrs. Plato and Mr. Trail, the defendant's policies regarding the suspension of benefits appear. In a given case, the V.A. makes its initial decision to suspend or to reduce benefits by a procedure which is "ex parte in nature." See CFR 38 § 3.103(a). Following the making of that decision, the recipient is notified of the fact of the decision, of the reason for the decision, and of "the date it will be effectuated." 38 CFR § 3.103(e). Although the regulations provide for that notice to alert the claimant to the right to a hearing, it appears from the letter of notice to Mrs. Plato that the right to a hearing is not always mentioned.

As to the timing of the hearing, 38 CFR § 3.103(c) provides that "[u]pon request a claimant is entitled to a hearing at any time." However, since the first notice to the pensioner that there is a problem warranting a hearing follows the making of the decision to suspend the pension, the right to a hearing "at any time" means, as a practical matter, the right to a post-suspension hearing. This conclusion is borne out by the cases of the named plaintiffs who, despite prompt requests for hearings, were without benefits for substantial periods of time before obtaining hearings and decisions. Also, in the case of Mrs. Plato, so little advance warning was given that she could not possibly have obtained a hearing prior to the effective date of the suspension—a letter dated May 28, 1974 was the first notice that the check which she expected on June 1, 1974 would not arrive.

Thus, it appears from the regulations and the cases of the named plaintiffs, that the defendant does not accord a pension recipient a right to a meaningful hearing prior to the suspension or reduction of pension benefits.

As stated in this court's Order of February 21, 1975 (with one limiting modification here added), the class consists of all persons whose individual V.A. monthly pension benefits have been or may in the future be administratively reduced, terminated or suspended without first being afforded adequate advance notice and the opportunity for a hearing prior to the change in monthly pension benefits.

38 U.S.C. § 211(a)

To the extent relevant here, § 211(a) of Title 38, provides:

"On and after October 17, 1940, . . . the decisions of the Administrator on any question of law or fact under any law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise."

This section, the defendant argues, precludes any review by a court of the United States of plaintiffs' constitutional claims in this case. That is, the defendant would have this court hold, not only that § 211(a) deprives it of jurisdiction to review the merits of the Administrator's decision, but also that § 211(a) exempts the Administrator's procedural policies from any constitutional review by federal courts. The plaintiffs, on the other hand, while conceding that they are not entitled to review of the merits of their requests for continued benefits, argue that Congress did not intend to insulate the V.A.'s procedures from judicial review for unconstitutionality. For the reasons stated below, this court agrees with the plaintiffs that their narrow constitutional claims are not sheltered from judicial scrutiny. *See Taylor* v. *United States*, 385 F. Supp. 1034, 1036 (N.D.Ill. 1974).

One year ago, in *Johnson* v. *Robison*, 415 U.S. 361 (1974), the Supreme Court held that 38 U.S.C. § 211(a) does not bar federal courts from reviewing the constitutionality of veterans' benefits legislation. *See also Hernandez* v. *Veterans' Administration*, 415 U.S. 391 (1974) (companion case). The Court reached that conclusion before ruling on a challenge to the congressional failure to provide veterans' benefits to conscientious objectors who do alternative service. Although the challenge in *Johnson* v. *Robison* is distinguishable from the one in this case—in that *Johnson* v. *Robison* involved a challenge to the underlying legislation itself—the Supreme Court's extensive analysis of the legislative history and intent behind § 211(a) is significant here. It strongly supports this court's view that plaintiffs' challenge to defendant's refusal to grant a pretermination hearing is not barred by § 211(a).

The Supreme Court's construction of § 211(a) began with the language of the section. *Johnson* v. *Robison*, 415 U.S. 361 367 (1974). The Court wrote:

"Plainly, no explicit provision of § 211(a) bars judicial consideration of appellee's constitutional claims. That section provides that 'the *decisions* of the Administrator on any question of law or fact *under* any law administered by the Veterans' Administration providing benefits for veterans . . . shall be final and conclusive and no . . . court of the United States shall have power or jurisdiction to review any such decision. . . .' . . . The prohibitions would appear to be aimed at review only of those decisions of law or fact that arise in the *administration* by the Veterans' Administration of a *statute* providing benefits for veterans." (The Court's emphasis).

In other words:

"A decision of law or fact 'under' a statute is made by the Administrator in the interpretation or application of a particular provision of the statute to a particular set of facts." (Emphasis added).

Review of the legislative history convinced the Supreme Court that Congress did not intend to bar judicial review of *constitutional* questions. *Johnson v. Robison, supra* at 368. The Court stated:

"Nor does the legislative history accompanying the 1970 amendment of § 211(a) demonstrate a congressional intention to bar judicial review even of constitutional questions."

According to the Court, Congress had "two primary purposes" in enacting and preserving the no review clause:

"(1) to insure that veterans' benefits claims will not burden the courts and the Veterans' Administration with expensive and time-consuming litigation, and (2) to insure that the technical and complex determinations and applications of Veterans' Administration policy connected with veterans' benefits decisions will be adequately and uniformly made."

Id. at 370. And, with regard to § 211(a)'s most recent amendment, the Court determined that "[t]he legislative history of the 1970 amendment indicates nothing more than a congressional intent to preserve these two primary purposes." *Id.* at 371. The thrust of the 1970 amendment, it noted, was clearly designed to strike down a line of decisions in the District of Columbia Circuit which had permitted judicial review of the *merits* of certain individual veterans' claims.

The Court concluded that "neither the text nor the scant legislative history of § 211(a) provides the 'clear and convincing' evidence of congressional intent required by this Court before a statute will be construed to restrict access to judicial review." *Id.* at 373–74. *Cf. Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 410 (1971); *Abbott Laboratories v. Gardner*, 387 U.S. 136, 141 (1967).

In this case, plaintiffs do not challenge the underlying benefits legislation, as was done in *Johnson v. Robison*. But, neither do they seek review of any "*decisions* of the Administrator on any question of law or fact *under* any law . . . providing benefits for veterans and their dependents or survivors. . . ." That is, plaintiffs do not challenge an "interpretation or application of a particular provision of the statute to a particular set of facts." *See Johnson v. Robison*, 415 U.S. at 367. Rather, plaintiffs seek constitutional review of a generally applicable procedural policy. Such review is not barred by the language of § 211(a) which is directed at review of individualized decisions and at the development of a consistent body of interpretations of veterans' benefits legislation.

Furthermore, in undertaking to review the V.A.'s practice of suspending or terminating benefits without according the claimant a prior hearing, this court will collide with neither of Congress' primary legislative purposes. Determination of the single due process issue raised here will not "lead to an inevitable increase in litigation with consequent burdens upon the courts and the Veterans' Administration." *Johnson v. Robison*, 415 U.S. at 371. The single constitutional question raised here is strictly one of law and it is on a matter of procedure common to all of the members of the class. No rash of litigation will be spawned by this court's reviewing as limited, albeit as important, a question as is presented here.

Nor will this court's review of this fundamental constitutional issue of procedural due process "involve the courts in day-to-day determination and interpretation of Veterans' Administration policy." *Johnson v. Robison*, 415 U.S. at 372. This court has not been asked to review the Administrator's determination of facts, nor to review his interpretation of the substance of any statute providing for veterans' benefits, nor to second-guess his application of law to facts. Those matters have been committeed to the Administrator's judgment; and his expertise in such matters is neither contested nor threatened here. *Cf. Wickline v. Brooks*, 446 F.2d 1391 (4th Cir. 1971), *cert. denied*, 405

U.S. 981 (1972); *Sager v. Johnson*, 342 F. Supp. 351 (D.Md. 1972). Instead, this court has been asked to decide "constitutional questions beyond the scope of the authority of the Veterans Administration." *See Taylor v. United States*, 385 F. Supp. 1034, 1036 (N.D. Ill. 1974).

In sum, the narrow scope of review exercised in this case does not intrude upon the Administrator's broad authority to decide the merits of individual claims and to develop substantive policies under veterans' benefits legislation. Further, neither the language of the no-review clause nor the legislative history supports the defendant's assertions that plaintiffs' constitutional challenge to the defendant's procedural policies is beyond the jurisdiction of the federal courts. Certainly, there is not "the 'clear and convincing' evidence of congressional intent required . . . before a statute will be construed to restrict access to judicial review." *See Johnson v. Robison*, 415 U.S. 361, 373–74 (1974); *Citizens to Preserve Overton Park v. Volpe*, 401 U.S. 402, 410 (1971); *Abbott Laboratories v. Gardner*, 387 U.S. 136, 141 (1967).

MANDAMUS JURISDICTION—28 U.S.C. § 1361

While § 211(a) does not deprive this court of jurisdiction over plaintiffs' action, there remains the question of whether any statute grants this court jurisdiction over this suit. It is firmly established that a district court has only such jurisdiction as Congress has allowed by legislation. *See McGraw v. Farrow*, 472 F.2d 952, 955 (4th Cir. 1973).

Plaintiffs' complaint alleges two bases for jurisdiction: 28 U.S.C. § 1361 and 5 U.S.C. §§ 701 *et seq.* Because this court finds that jurisdiction is established under 28 U.S.C. § 1361, there is no need to determine whether the Administrative Procedure Act, 5 U.S.C. §§ 701 *et seq.*, is an independent grant of jurisdiction.[6]

Mandamus jurisdiction under 28 U.S.C. § 1361 has been shrouded in some doubt and confusion since it was enacted in 1962,[7] and, to date, the Supreme Court has still not ruled on the scope of that jurisdictional grant. However, a synthesis of the cases supports a finding that this court has jurisdiction to determine whether the defendant is constitutionally required to afford the plaintiffs a factual hearing prior to terminating veterans' benefits.

Since § 1361 grants jurisdiction to issue writs of mandamus against a federal officer, the existence of jurisdiction depends upon whether the plaintiffs' requested relief is "in the nature of mandamus" and upon whether the allegations in the complaint would support the issuance of the writ. As the scope of jurisdiction is coextensive with the availability of the writ of mandamus, it is appropriate first to discuss the operation of mandamus.

According to the traditional formulation, mandamus is available to compel the performance of a "ministerial duty" but "not to direct the exercise of judgment or discretion in a particular way." *Wilbur v. United States*, 281 U.S. 206, 218–19 (1930. *See Panama Canal Co. v. Grace Line, Inc.*, 356 U.S. 309, 318–19 (1958); *Work v. United States ex. rel. Rives*, 267 U.S. 175, 177–78 (1925); 52 Am.Jur.2d, *Mandamus* § 80 (1970). That is, mandamus is "a remedy long restricted . . ., in the main, to situations where ministerial duties of a nondiscretionary nature are involved." *Panama Canal Co. v. Grace Line, Inc., supra* at 318. In turn, it is said that "[a] duty or act is ministerial . . . when there is no room for the exercise of discretion . . . the performance being required by direct and positive command of the law." 52 Am. Jur.2d *Manadamus* § 280, at 403. (1970) Finally, under traditional formulations, mandamus is available only "where the duty in a particular situation is so plainly prescribed as to be free from doubt and equivalent to a positive command. . . ." *Wilbur v. United States*, 281 U.S. 206, 218 (1930). *See McGaw v. Farrow*, 472 F.2d 952, 956 (4th Cir. 1973).[8]

However the standards are phrased, the critical issue underlying the writ of mandamus is whether the defendant has a duty to do a particular act, or, if he has discretion to choose among different courses of action, whether he has acted within that range of discretion. This proposition was stated by the Supreme Court in a widely quoted passage defining the scope of mandamus:

"Mandamus issues to compel an officer to perform a purely ministerial duty. It can not be used to compel or control a duty in the discharge of which by law he is given discretion. The duty may be discretionary within limits. He can not transgress those limits, and if he does so, he may be controlled by injunction or mandamus to keep within them."

Work v. *United States ex rel. Rives*, 267 U.S. 175, 177 (1925). The Supreme Court continued,

"The power of the court to intervene, if at all, thus depends upon what statutory discretion he has. Under some statutes, the discretion extends to a final construction by the officer of the statute he is executing. No court in such a case can control by mandamus his interpretation, even if it may think it erroneous. The cases range, therefore, from such wide discretion as that just described to cases where the duty is purely ministerial, where the officer can do only one thing, which on refusal he may be compelled to do. They begin on one side with *Kendall* v. *United States*, 12 Peters, 524. . . . On the other side, is *Decatur* v. *Paulding, Secretary of the Navy*, 14 Peters, 497. . . . Between these two early and leading authorities, illustrating the extremes, are decisions in which the discretion is greater than in the *Kendall Case* and less than in the *Decatur Case*, and its extent and the scope of judicial action in limiting it depend upon a proper interpretation of the particular statute and the congressional purpose."

Id. at 177–78.

As the quoted passage indicates, judicial review of an administrator's statutory interpretation may be very limited, since interpretation of the statute (and development of its policies) may itself be committed to agency judgment. In this vein, the Supreme Court stated in *Panama Canal Co.* v. *Grace Line, Inc.*:

"[W]here the duty to act turns on matters of doubtful or highly debatable inference from large or loose statutory terms, the very construction of the statute is a distinct and profound exercise of discretion."

Supra at 318. And in that same case the Court concluded:

"That does not necessarily mean that the construction of the Act, pressed on us and on Congress by petitioner, is the correct one. It does, however, indicate that the question is so wide open and at large as to be left at this stage to agency discretion. The matter should be far less cloudy, much more clear for courts to intrude."

Id. at 319. In other words, in such instances, the administrator gets the benefit of the doubt even in the interpretation of the statute.

Mandamus review based upon a constitutional challenge to administrative action[9] is slightly different from review of a challenge based upon statutory interpretation. Whereas in the interpretation of a statute, a court may properly accede to the administrator's views so long as they are not in conflict with the clear language and meaning of the act, in the sphere of constitutional interpretation, the judiciary is the "ultimate interpreter of the Constitution," and must explicate the terms of that document. *See United States v. Nixon*, 418 U.S. 683, 703–05 (1974); *Powell v. McCormack*, 395 U.S. 486, 514, 548–49 (1969); *Marbury v. Madison*, 1 Cranch 137 (1803):

"Deciding whether a matter has in any measure been committed by the Constitution to another branch of government, or whether the action of that branch exceeds whatever authority has been committed, is itself a delicate exercise in constitutional interpretation, and is a responsibility of this Court as ultimate interpreter of the Constitution."

Baker v. Carr, 369 U.S. 186, 211 (1962). Thus, although decisions between competing interpretations of *statutory* language may be committed to agency discretion—placing such decisions beyond direction by mandamus—constitutional interpretation remains primarily within the purview of the judiciary. Courts must decide for themselves what the Constitution means and that power cannot be "shared with the Executive." *See United States v. Nixon, supra* at 704. Accordingly, unlike with statutory review, a court is not limited to deciding whether the administrator's interpretation of constitutional provisions is arguable or rationally tenable. While respect must be accorded to the views of administrators, in constitutional matters, courts must exercise their independent judgment.

As constitutional interpretation is not committed to agency discretion, some of the popular maxims concerning limitations upon the use of mandamus to control of statutory interpretation (and administrative policy development) do not strictly apply to the exercise of judicial control over constitutional interpretation. Thus, the fact that constitutional language is not always "clear and certain" nor "so plainly prescribed as to be free from doubt" does not detract from the authority of the judiciary to interpret that document. In other words, unlike with statutory interpretation, the judiciary's authority to enforce *its* interpretation of the Constitution by mandamus is not diminished, nor an agency's increased, by the fact that the legal issue is close or difficult or susceptible to doubt. *Cf. Langevin v. Chenango Court, Inc.*, 447 F. 2d 296 (2d Cir. 1971) (mandamus jurisdiction over "close" constitutional question). Of course, where the Constitution requires no particular result, selection between the constitutional options is left to the judgment of the administrator. But deciding whether the Constitution requires a particular result (or prohibits another) is manifestly a judicial function.[10]

Thus, the defendant's suggestion that this court lacks jurisdiction under 28 U.S.C. § 1361 because the issue here presented is committed to the defendant's discretion is untenable. This court cannot blindly yield to the V.A.'s interpretation of the Fifth Amendment. This court has jurisdiction under 28 U.S.C. § 1361 to proceed to the issue raised by the plaintiffs.[11]

The Right to a Presuspension Hearing

During the last six years, a spate of major cases have dealt with an individual's right to a hearing before the government may withdraw or take away a significant property interest. In the leading case, *Goldberg v. Kelly*, 397 U.S. 254 (1970), the Supreme Court held that before a state agency may terminate welfare payments to an individual it must accord that person a hearing designed, at a minimum, "to produce an initial determination of the welfare department's grounds for discontinuance of payments in order to protect a recipient against erroneous termination of his benefits." *Id.* at 267. On the same day that *Goldberg* was decided, the Supreme Court announced that old-age assistance beneficiaries had a right to a pretermination hearing, as well. *Wheeler v. Montgomery*, 397 U.S. 280 (1970). Since those two decisions, the Supreme Court has required pretermination hearings in several other areas of individual interests. Hearings have been required before a student may be suspended from school, *Goss v. Lopez*, —— U.S. ——, 43 U.S.L.W. 4181 (January 22,

Footnotes at end of article.

1975); before a tenured teacher may be fired from a state university, *Perry v. Sinderman*, 408 U.S. 593 (1972); *see Board of Regents v. Roth*, 408 U.S. 564 (1972); before property may be seized under a prejudgment writ of replevin, *Fuentes v. Shevin*, 407 U.S. 67 (1972); *see North Georgia Finishing, Inc. v. Di-Chem, Inc.*, —— U.S. ——, 43 U.S.L.W. 4102 (January 22, 1975); and before a driver's license may be suspended, *Bell v. Burson*, 402 U.S. 535 (1971). *Cf. Morrissey v. Brewer*, 408 U.S. 471 (1972) (right to parole revocation hearing *promptly* after re-arrest).

In addition, lower courts have recognized a right to a pretermination hearing to protect citizens from possible arbitrary deprivations of numerous other entitlements. The Fourth Circuit, for example, has held that a recipient of disability benefits is entitled to an oral hearing before such benefits may be withdrawn. *Eldridge v. Weinberger*, 493 F.2d 1230 (4th Cir. 1974), *cert. granted*, —— U.S. ——, 43 U.S.L.W. 3338 (Jan 13, 1975). *Accord Williams v. Weinberger*, 494 F.2d 1191 (5th Cir. 1974). And, the same Court of Appeals has held that a tenant in public housing is entitled to the safeguards of a hearing prior to eviction. *Caulder v. Durham Housing Authority*, 433 F.2d 998 (4th Cir. 1970), *cert. denied*, 401 U.S. 1003 (1971). *See Escalera v. New York City Housing Authority*, 425 F.2d 853 (2d Cir.), *cert. denied*, 400 U.S. 853 (1970). Also, in this district, Judge Harvey recently upheld the right to a pretermination hearing of a recipient of benefits under the Supplemental Security Income program. *Brown v. Weinberger*, Civ. No. H-74-479 (D.-Md., Oct. 15, 1974).

Despite the broad range of situations in which individuals have been held to be entitled to a hearing prior to some governmental action against them, prior hearings are not always mandated. *See, e.g., Goss v. Lopez*, —— U.S. ——, 43 U.S.L.W. 4181 (Jan. 22, 1975) (hearing for students suspended from school may, in emergencies be held promptly after suspension); *Arnett v. Kennedy*, 416 U.S. 134 (1974) (government employee); *Board of Regents v. Roth*, 408 U.S. 564 (1972) (untenured faculty member with one year appointment has no protected property interest); *Christhilf v. Annapolis Emergency Hosp. Ass'n, Inc.*, 496 F.2d 174 (4th Cir. 1974) (whether doctor is entitled to hearing before termination of hospital privileges depends upon circumstances). *Cf. Richardson v. Perales*, 402 U.S. 389 (1971).

From the numerous recent cases which deal with claimed rights, under the Due Process Clause, to notice and a hearing prior to governmental action vis-a-vis the plaintiffs, a two-stage analysis appears. First, a court must determine whether the plaintiff has at stake an interest in "life, liberty, or property" within the meaning of the Due Process Clause. If no such interest is at stake, then due process is not guaranteed by that constitutional provision. *See Board of Regents v. Roth*, 408 U.S. 564 (1972) (no interest in property). Second, assuming "that due process applies, the question remains what process is due." *Morrissey v. Brewer*, 408 U.S. 471, 481 (1972). Here, a court must balance the individual's interest in a pretermination hearing against the society's interest in the government's proceeding without such a hearing. *See Goss v. Lopez*, —— U.S. ——, 43 U.S.L.W. 4181, 4185-87 (Jan. 22, 1975); *Goldberg v. Kelly*, 397 U.S. 254 (1970).

Applying the case law to the allegations in this case, it is clear that the plaintiff's interest in receiving continued benefits under laws administered by the Veterans Administration is an interest in "property" within the meaning of the Due Process Clause. *See Goldberg v. Kelly*, 397 U.S. 254 (1970); *Wheeler v. Montgomery*, 397 U.S. 280 (1970). The modern definition of "property" for the purposes of due process does not turn on whether the particular interest is denominated a "right" or a "privilege." *Bell v. Burson*, 402 U.S. 535, 539 (1971). The concept of a protected property interest was explained by the Supreme Court in *Perry v. Sinderman:*

"'[P]roperty' interests subject to procedural due process protection are not limited to a few rigid, technical forms. Rather, 'property' denotes a broad range of interests that are secured by 'existing rules or understandings.' . . . A person's interest in a benefit is a 'property' interest for due process purposes if there are such rules or mutually explicit understandings that support his claim of entitlement to the benefit and that he may invoke at a hearing."

408 U.S. 593, 601 (1972). In short, "[r]elevant constitutional restrains apply as much to the withdrawal of public assistance benefits as to [other protected entitlements]." *Goldberg v. Kelly, supra* at 262.

Having established that plaintiff's entitlement to benefits is protected by the Due Process Clause of the Fifth Amendment, the issue becomes what process is due? *Goss v. Lopez*, —— U.S. ——, 43 U.S.L.W. 4181, 4185 (Jan. 22, 1975). This "depends upon whether the recipient's interest in avoiding that loss outweighs the governmental interest" in summary suspension of benefits. *See Goldberg v. Kelly, supra* at 263.

Here, the plaintiffs have a substantial interest in continuing to receive pension benefits pending determination of their entitlement to such benefits. By the provisions of the law, 38 U.S.C. §§ 541-43, benefits paid to widows, to children of deceased veterans, and to veterans with non-service-connected disabilities are geared to the claimant's level of income, and anyone with even a moderate independent income is excluded. In the case of widows who have no children by the veteran, no pension is paid if the widow's annual income exceeds $3,000; and the size of the monthly benefits for widows who have annual incomes of less than $3000 is inversely related to the amount of their outside income. 38 U.S.C. §§ 541(b), 503. If the widow has one child by the veteran, she may receive benefits only if her income is less than $4200, and, again, the size of the benefit is inversely related to her income, 38 U.S.C. §§ 541(c), 503. *See also* 38 U.S.C. § 543. If there is no widow entitled to receive benefits, children of a deceased veteran can receive pension benefits in their own right ($49 per month for the first child and $20 for each other child, with the total pension divided equally), but a child can get no benefits if he has an annual income (excluding earned income) of $2400. 38 U.S.C. § 542. *See also* 38 U.S.C. § 543. Similarly a veteran with non-service-connected disabilities may collect a pension if his annual income falls into the following ranges: $3000 for unmarried veterans and $4200 for married veterans. 38 U.S.C. §§ 521, 503.[12]

Insofar as plaintiff-pensioners are necessarily persons with low independent incomes—if they have any income at all—it is plain that by any erroneous termination of benefits, they would be "condemned to suffer grievous loss." *See Goldberg v. Kelly*, 397 U.S. 254, 263 (1970). They are certainly not in possession of such "independent resources" that they can comfortably await a delayed determination of their claims. They are in an economic position which is essentially similar to the classes of plaintiffs in *Goldberg* (welfare recipients), *Wheeler v. Montgomery*, 397 U.S. 280 (1970) (old-age benefits recipients), *Caulder v. Durham Housing Authority*, 433 F.2d 998 (4th Cir. 1970), *cert. denied*, 401 U.S. 1003 (1971) (residents in public housing), and *Eldridge v. Weinberger*, 493 F.2d 1230 (4th Cir. 1974), *cert. granted*, —— U.S. ——, 43 U.S.L.W. 3388 (Jan. 13, 1975) (claimants of disability benefits). In addition, by their precarious economic positions, they are made more vulnerable to grievous harm by reason of error than were the plaintiffs in *Perry v. Sinderman*, 408 U.S. 593 (1972) (termination faculty employment), *Fuentes v. Shevin*, 407 U.S. 67 (1972) (seizure of property), and *Bell v. Burson*, 402 U.S. 535 (1971) (suspension of driver's license). *See also Goss v. Lopez*, —— U.S. ——, 43 U.S.L.W. 4181 (Jan. 22, 1975).

In the balance, on the defendant's side of the scales, is administrative convenience and the expense of paying benefits to one not entitled to them during the period prior to a hearing and decision. These considerations are precisely the same as those which the Supreme Court, in *Goldberg*, rejected as insufficient to outweigh the interests of that case's welfare-plaintiffs. *See Eldridge v. Weinberger*, 361 F. Supp. 520, 525-27 (W.D.Va. 1973), *aff'd*, 493 F.2d 1230 (4th Cir. 1974), *cert. granted*, —— U.S. ——, 43 U.S.L.W. 3338 (Jan. 13, 1975). The Supreme Court's comments in that case are equally applicable here:

"We agree with the District Court . . . that these governmental interests are not overriding in the welfare context. The requirement of a prior hearing doubtless involves some greater expense, and the benefits paid to ineligible recipients pending decision at the hearing probably cannot be recouped, since these recipients are likely to be judgmentproof. But the State is not without weapons to minimize these increased costs. Much of the drain on fiscal and administrative resources can be reduced by developing procedures for prompt pre-termination hearings and by skillful use of personnel and facilities."

Goldberg v. Kelly, 397 U.S. 254, 266 (1970). That Court's further conclusion in *Goldberg* is equally applicable in the veterans' pension setting:

"Thus, the interest of the eligible recipient is uninterrupted receipt of public assistance, coupled with the State's interest that his payments not be erroneously terminated, clearly outweighs the State's competing concern to prevent any increase in its fiscal and administrative burdens."

Id.

Of course, in the termination of pension benefits the government has no tenable "emergency" requirements such as would justify dispensing with a prior hearing. *Cf. Goss v. Lopez, — U.S. —*, 43 U.S.L.W. 4181, 4186 (Jan. 22, 1975).

While sensitive to the administrative problems of the Veterans Administration, the additional burden of a presuspension hearing in the pension context should not be overemphasized. The presuspension hearing need not be a full, trial-type hearing. *Goldberg v. Kelly*, 397 U.S. 254, 266 (1970). A presuspension hearing need only possess "minimum procedural safeguards, adapted to the particular characteristics of [pension] recipients, and to the limited nature of the controversies to be resolved." *Id.* at 267. *Cf. Richardson v. Perales*, 402 U.S. 389 (1971). These minimal requirements were described by the Fourth Circuit in *Caulder v. Durham Housing Authority*:

"Succinctly stated, *Goldberg* requires (1) timely and adequate notice detailing the reasons for a proposed termination, (2) an opportunity on the part of the [claimant] to confront and cross-examine adverse witnesses, (3) the right of a [claimant] to be represented by counsel, provided by him to delineate the issues, present the factual contentions in an orderly manner, conduct cross-examination and generally to safeguard his interests, (4) a decision, based on evidence adduced at the hearing, in which the reasons for decision and the evidence relied on are set forth, and (5) an impartial decision maker."

433 F.2d 998, 1004 (4th Cir. 1970), *cert. denied*, 401 U.S. 1003 (1971).

Footnotes at end of article.

CONCLUSION

For the foregoing reasons, the court is of the opinion that

1. The motion of Robert H. Trail for leave to intervene as a named plaintiff should be granted;

2. The motion of the defendant to dismiss should be denied;

3. This court's Order of February 21, 1975 certifying the class of plaintiffs should be modified to define the class as consisting of all persons whose individual Veterans Administration monthly pension benefits have been or may in the future be administratively reduced, terminated, or suspended without first being afforded adequate advance notice and the opportunity for a hearing prior to the change in monthly pension benefits;

4. The plaintiffs' motion for summary judgment to the extent of their request for a judgment declaring their right to adequate notice and a hearing prior to the suspension, termination, or reduction of their pension benefits should be granted;

5. The plaintiffs' motion for summary judgment to the extent of their request for a permanent injunction, in the form of a writ of mandamus, requiring the defendant to afford all members of the class adequate notice and a hearing prior to the suspension, termination, or reduction of their individual pension benefits, in accordance with due process of law should be granted;

6. The plaintiffs' motion for summary judgment to the extent of their request for an injunction, in the form of a writ of mandamus, requiring the defendant to pay to the members of the class all monies withheld, prior to the date of judgment herein, in violation of due process of law should be denied.

Counsel for the plaintiffs are directed to prepare and to present to this court within twenty (20) days a proposed order for declaratory judgment and mandamus in accordance with the terms of this opinion.

It is so ordered.

C. STANLEY BLAIR,
U.S. District Judge.

FOOTNOTES

[1] Robert Trail's motion to intervene as named party plaintiff is granted. A hearing was held on his status and his claim in March 1975, and counsel for the defendant conceded that Trail is a pension recipient whose benefits were suspended without a prior hearing.

[2] It is conceded by the defendant that the mere fact that Mrs. Plato had a child by a man other than her husband, during a period of separation from her husband, does not automatically preclude her from receiving widows' benefits. Factual issues concerning the cause of any separation of the wife from the veteran during their marriage, and the nature of the relationship between the widow and any men other than her husband would have to be resolved before her entitlement could be determined. *See* 38 U.S.C. §§ 101(3), 103.

[3] Although she has now received a post-termination hearing and an unfavorable ruling, Mrs. Plato remains a proper class representative. The class which she represents was certified and defined prior to the Veterans Administration's ruling on her entitlement to benefits, the class continues to have a live controversy against the Veterans Administration, and the matter is one which is capable of repetition yet evading review. *See* Board of School Comm'rs of the City of Indianapolis v. Jacobs, — U.S. ——, 43 U.S.L.W. 4238 (February 18, 1975); Gerstein v. Pugh, — U.S. ——, 43 U.S.L.W. 4230, n. 11 at 4232 (February 18, 1975); Sosna v. Iowa, — U.S. ——, 43 U.S.L.W. 4125, 4127–29 (January 14, 1975); Lewis v. Sandler, 498 F.2d 395, 397–98 (4th Cir. 1974).

[4] According to 38 U.S.C. § 521(c), a married veteran with a nonservice-connected disability is entitled to a monthly pension if his annual income from other sources does not exceed $4200. (*See* 38 U.S.C. §§ 503, 521 (f)(1) for computation of annual income). Mr. Trail states in his affidavit that, in light of his annual income from other sources, he is entitled to a monthly pension of $106. (He admits that the $143 per month which he was receiving is too high). Regardless of the merits of his claim, a bona fide issue of fact and law existed, and it is sufficient to support his demand for a presuspension hearing.

[5] Mr. Trail's position as a proper class representative is even more secure than Mrs. Plato's. *See* nn. 1, 3, *supra*. Although he has now received a post-termination hearing, the ruling on his claim was favorable in part, and he continues as a pension recipient. Thus, he still faces the prospect of his benefits being suspended or further reduced, at some future time, without a prior hearing. Also, the defendant cannot claim that the post-termination hearing and ruling mooted Trail's petition since it was the defendant's request for an extension of time to file an answer to Trail's motion which delayed this decision until after the defendant's ruling on Trail's pension claim.

[6] Although the Administrative Procedure Act is frequently cited by litigants as a source of jurisdiction, neither the Supreme Court nor the Fourth Circuit has clearly ruled on that assertion. *But see* Etheridge v. Schlesinger, 362 F. Supp. 198, 21 (E.D. Va., 1973); 3 Davis, *Administrative Law Treatise* § 23.02 (1970 Supp.).

[7] Mandamus and Venue Act of 1962, Pub. L. 87–748, § 1(a), 76 Stat. 744 (Oct. 5, 1962). *See generally* Byse and Fiocca, "Section 1361 of the Mandamus and Venue Act of 1962 and 'Nonstatutory' Judicial Review of Federal Administrative Action," 81 *Harv. L. Rev.* 308 (1967).

[8] Being of the view that "the ministerial-discretionary dichotomy is not very helpful," courts have attempted on occasion to reformulate the standards for mandamus. *See* Burnett 1. Tolson, 474 F.2d 877, 880–82 (4th Cir. 1973); Carter 1. Seamans, 411 F.2d 767, 773 (5th Cir. 1969). In the two cited cases, for example, the courts indicated that three coexisting factors are necessary to support a writ of manadamus:

(1) a clear right in the plaintiff to the relief sought;

(2) a clear duty on the part of the defendant to do the act in question; and (3) no other adequate remedy available.

[9] Although occasional expressions are heard to the contrary, *see, e.g.*, Fifth Avenue Peace Parade Committee v. Hoover, 327 F. Supp. 238 (S.D.N.Y 1971), *aff'd on other grounds*, 480 F.2d 326 (2d Cir. 1973), it is well settled among the circuits that mandamus jurisdiction is appropriate for reviewing constitutional questions *See* Burnett v. Tolson, 474 F.2d 877 (4th Cir. 1973); Mead v. Parker, 464 F.2d 1108 (9th Cir. 1972); Langevin v. Chenango Court, Inc., 447 F.2d 296 (2d Cir. 1971); National Assn. of Gov't Employees v. White, 418 F.2d 1126 (D.C. Cir. 1969).

[10] The distinction between mandamus in the area of statutory construction and in the field of constitutional interpretation is a limited one. Each requires the reviewing court to determine, from the language and history of the document which is the basis for the challenge, whether the administrator has discretion to choose between different courses of action. In other words, each requires a construction of the Constitutional or of the statute, at least to that extent. But while the *form* of analysis is essentially similar in the two settings, the difference lies in where the court's search for a duty should stop. With a statute, vague language may call a halt to a court's defining an administrative duty (and therefore to its issuing mandamus). But unclear constitutional language alone does not bring mandamus analysis to a halt. The court must nevertheless go deeper to seek the meaning of the document.

[11] In other cases, mandamus jurisdiction, 28 U.S.C. § 1361, has served as a basis for challenges to deficiencies in administrative notice and hearing practices. *See, e.g.*, Martinez v. Richardson, 472 F.2d 1121 (9th Cir. 1973); Langevin v. Chenango Court, Inc., 447 F.2d 296 (2d Cir. 1971); Smith v. Resor, 406 F.2d 141 (2d Cir. 1969); Brown v. Weinberger, Civ. No. H–74–479 (D.Md., Oct. 15, 1974); Rameaka v. Kelly, 342 F. Supp. 303 (D.R.I. 1972).

[12] The outside income limitations described in this paragraph are those which were put into effect on January 1, 1975. *See* Veterans and Survivors Pension and Adjustment Act of 1974, Pub. L. 93–527, §§ 2–4, 10 (Dec. 21, 1974), 88 Stat. 1702. Prior to this year, the outside income limitations were lower.

THE CUSTOMER: BEST REGULATOR

Mr. BARTLETT. Mr. President, I was recently referred to an editorial from Industry Week by Walter J. Campbell which, in my view, expresses the opinion of many Americans—the customer is the best regulator of price—not Government.

The last paragraph is especially noteworthy:

A relatively free marketplace for goods and services that will enable the customer to pay for what he wants—and reject what he does not like—is and always will be the most effective regulator.

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:

THE CUSTOMER: BEST REGULATOR

WHISPERING PINES, N.C.

We have in our community a homebuilder beloved by his customers—even three or five years after he has built their houses. He's competent. He's honest. His supervisors are on the ball, and subcontractors and suppliers don't even try to get away with anything but the best. Architects from other sections of the country congratulate their clients for having Curt Bettini as their builder. We think that is unusual in the homebuilding business.

He's busy when other builders aren't.

His customers' reactions have an effect on those other builders. When their work looks shoddy by comparison, the buyers are quick to let the builders know.

All of which reinforces our conviction that the customer is the best regulator of the quality of goods and services we have ever seen.

Compared with government regulation, the customer wins by a wide margin, and customer regulation doesn't cost a cent.

Of course, customer regulation could win over government regulation by default. We have been trying to think of some things that have been improved by government regulation. It isn't easy to find them.

Certainly, automobiles have not been improved by myriad federal regulations in recent years. By the time engineers and builders satisfy all of the federal requirements, they don't have the time or energy to build in the quality they otherwise could.

The mailperson today brought us four copies of The New York Times, none of them recent, and a letter, properly addressed and zipcoded, that was mailed from Cleveland

11 days ago. We wish that Ma Bell or the United Parcel Service could deliver our mail.

And, we shudder when we think of what has happened over the years to the over-regulated railroads.

Sure, some regulation is needed. But not nearly so much as we are getting—and for which we are paying an exorbitant price.

A relatively free marketplace for goods and services that will enable the customer to pay for what he wants—and reject what he does not like—is and always will be the most effective regulator.

WALTER J. CAMPBELL,
Consulting Editor.

THE FOOD STAMP ISSUE

Mr. McGOVERN. Mr. President, the food stamp program has come under increasing criticism in recent months. Advertisements have promised: "Taxpayers Making up to $16,000 a Year Now Eligible." Secretary Simon has claimed that the program is a "haven for chiselers and rip-off artists."

Recently, food stamps seem to have become a political issue at a time when it is important that the program be reviewed as a policy question on the basis of facts. None of its suporters in the Senate think that those without need should be eligible for food stamps. None of us want the program to become unmanageable in size or cost. So we would have been particularly disturbed if the assertions of the advertisers, Secretary Simon, and others were true. But these misleading charges have made food stamps, which are vital to survival of millions who are unemployed or elderly, appear to be wasteful and runaway expanse, which they are not.

On June 30, the Department of Agriculture in response to Senate Resolution 58 sent the Senate a study of the food stamp program. The study included participation figures by income levels which show that 77 percent of the food stamp recipients have incomes below $5,000 a year—after taxes; 92 percent are below $7,000; nearly all earn less than $10,000.

Not all of the information in the report, however, was released by the White House. Important projections of participation and cost were deleted, along with material on the benefits of the program to agriculture and the general economy.

When I requested that these sections be submitted to the Senate, I was told in a letter for Deputy Assistant Secretary John Damgard that because they were in effect in bits and pieces on the floor of some Agriculture Department office, they would be "impossible to reconstruct." Then subsequent to my "unofficial" release of the document, the Department of Agriculture transmitted them to the President of the Senate, saying that in "some quarters" a "claim" had been made that "not all the information had been provided to the Senate." Apparently that claim was correct, and I assume that by "some quarters" they mean me.

I believe this previously surpressed information can make a valuable contribution to the debate about the future of the food stamp program.

It indicates that the number of persons eligible for the program is likely to decline through 1980 "based upon most likely projections of food prices and income." It concludes that the cost of the program is likely to remain the same or to decline slightly, in 1975 dollars. It attributes the expansion of the program over the last year directly to the recession and rising unemployment levels. It demonstrates that food stamp benefits provide substantial economic stimulation for other sectors of the national economy in the form of additional jobs, more secure farm income, increased commercial sales, and higher tax revenues.

Mr. President, no one in the Senate wants food stamps to be abused, either by those few who receive food stamps unjustifiably, or those officials who may attack the program unjustifiably.

I ask unanimous consent that the chapters, my statement releasing them, and related correspondence be printed in the RECORD.

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

JULY 8, 1975.

Hon. RICHARD L. FELTNER,
Assistant Secretary for Marketing and Consumer Services, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: I was pleased to receive a copy of the Food Stamp Report pursuant to Senate Resolution 58. I believe it contains information which will be helpful in clearing up some of the misconceptions about the program.

I understand, however, that three sections, or chapters, which were prepared for inclusion in this report were deleted prior to publication. These sections cover: (1) anticipated food stamp participation levels; (2) nutritional and economic benefits derived from the food stamp program, and (3) alternative program options.

These sections are within the scope of Senate Resolution 58 and are extremely important to a better understanding of the food stamp program. I would appreciate a copy of these sections as soon as possible.

Thank you very much.

With every good wish, I am

Sincerely,

GEORGE MCGOVERN,
Chairman.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 17, 1975.

Hon. GEORGE MCGOVERN,
Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 8, 1975, and for your comments concerning our study of the Food Stamp Program pursuant to S. Res. 58.

As with any effort the magnitude of the Food Stamp study, various contributors to the several sections submitted their ideas for possible incorporation. A task force within the Food and Nutrition Service selected those submissions which, after editing, seemed to them to make a substantial contribution to the whole.

That draft was purely for discussion purposes; some new material was added and some aspects were deleted as various officials of this Department and other areas of the Administration reviewed the study to make certain that it represented the most comprehensive document which could be presented to the Congress.

Since there have existed at one time or another quite a large variety of drafts, or portions of drafts, it would be impossible to reconstruct any particular chapters which may not have appeared in the final product, such as you have requested by your letter of July 8th.

We are prepared, however, to respond to any specific request you may have regarding our recommendations and the basis for making them. Or, should you require more historical data than is presented in the study, please let us know.

Sincerely,

JOHN M. DAMGARD,
Deputy Assistant Secretary.

MCGOVERN RELEASES SUPPRESSED CHAPTERS OF USDA FOOD STAMP REPORT

(By Senator GEORGE MCGOVERN)

Today I am releasing the sections of the United States Department of Agriculture Food Stamp Report to the Senate which were suppressed by the Office of Management and Budget. These sections decisively refute current scare charges about food stamp trends. But the Ford Administration apparently does not want the truth to be told about food stamps. Instead the White House is moving to appease right-wing anger over Helsinki, detente, and Rockefeller by weakening the Food Stamp Program.

In pursuit of that political strategy, the Ford Administration has recycled discredited Nixon tactics.

First, the Ford Administration has adopted the Nixon tactic of censoring statistics and the analysis of professional experts in the civil service.

The suppressed portion of the U.S.D.A. Food Stamp Report shows:

That the number of persons eligible for the program is likely to decline through 1980, or at the outside limit to increase only marginally.

That the cost of the program in 1975 dollars is likely to remain approximately the same.

That the program's direct benefits to recipients also provide substantial economic stimulation to other sectors of the national economy in the form of job creation, farm income, commercial sales, and tax revenues in excess of administrative costs.

These findings flatly contradict unsupported and alarmist predictions underlying punitive measures such as the Buckley bill. That bill would deprive eight to ten million genuinely needy Americans of food stamps because they have little more than a subpoverty income or fail an assets test which would disqualify most unemployed workers. The Buckley bill was drafted by Ronald Reagan's former State Welfare Director. Reagan himself has written a newspaper column attacking food stamps. Last Sunday, in a national television interview, the Secretary of Agriculture virtually endorsed the Buckley bill; in his July 25 food stamp message to the Congress, Mr. Ford strongly hinted that he favors this or a similar bill; and on August 1, the Wall Street Journal reported that food stamp cutbacks will be the Administration's first major domestic initiative this Fall.

It does not seem to matter that the facts do not justify drastic cutbacks. The Ford Administration knows the facts, but does not want the public to know. The White House does not want the facts to interfere with a political decision to support the reactionary policies of the Buckley bill. On the basis of the facts, these policies would be defeated. So political operatives have tried to make the truth inoperative—by withholding the objective findings of competent, nonpolitical economists.

Second, the Ford Administration has adopted the Nixon tactic of misleading Congress. Last week, during testimony before the Select Committee on Nutrition and Human Needs, Senator Percy asked Assistant Secretary of Agriculture Richard Feltner: "Are we in fact approaching the time when a third or a half of the American people—that would be 75 million to 110 million people—may be eligible for food stamps?" Feltner replied: "Yes, I think we are going in that di-

rection." Mr. Feltner either has an incredibly feeble memory or deliberately misled the Committee—since the suppressed sections of the U.S.D.A. Report, which was prepared in his own division of the Agriculture Department, forecast a likely total of 33.3 million eligible persons, and a maximum of 44.8 million, in 1980.

Mr. Feltner did not even hint at the possibility of contrary data compiled by U.S.D.A. He did not cite any other data to support his assertion, though I understand that U.S.D.A. economists have now been ordered to juggle the figures quickly in order to establish some basis for Feltner's statement. The game plan seems to be that if the facts cannot be withheld, they can be rewritten to suit political convenience. It is the Nixon tactic of twisting the facts to a preconceived conclusion.

To succeed at this statistical juggling the Administration will have to predict the failure of its own economic policies. Thus the Administration could inflate the projected number of persons eligible for food stamps—by predicting recurrent or prolonged recession, with millions of additional Americans out of work. Or projected costs could be inflated—by predicting runaway food price increases over the next five years. It will be interesting to see if the Ford Administration and its operatives will make such predictions for the purpose of rescuing an otherwise disproven case against food stamps. They can decide to admit in their next food stamp report that they accept permanent high unemployment and even higher inflation and expect a resulting explosion of food stamp costs and enrollments. I think the American people would find that admission a reason to change not food stamps but Presidents.

The Administration has attempted to deceive the Congress and the people not only about the content, but also about the existence of suppressed parts of the Food Stamp Report. In response to a letter which I wrote as Chairman of the Nutrition Committee to the Department of Agriculture, Deputy Assistant Secretary John Damgard denied that there were any intact deleted sections of the report. Mr. Damgard stated: ". . . it would be impossible to reconstruct any particular chapters which may not have appeared in the final product . . ." Clearly the attached reproductions of the missing chapters do not represent the achievement of the impossible. Indeed I am informed that in the face of mounting pressure from Congress and the media, the Agriculture Department was ready to release the missing sections last week—until another political decision was made to keep hiding the facts.

Third, the Ford Administration has adopted the Nixon tactic of playing politics with the needs of unemployed workers. The President has pursued a policy of high unemployment, which is one of the major reasons for the rise of food stamp rolls. First, they took their jobs away; now they are trying to take their food away. This is the most unfair, insensitive kind of political pay-off to an ideological faction of the Republican Party.

I am proud of the Food Stamp Program. It has alleviated malnutrition and prevented starvation. It has strengthened the agricultural economy and food marketing. Of course, I want to prevent any abuses which might occur; and when Congress reconvenes in September, I will introduce legislation to achieve responsible and equitable food stamp reform. But I will fight any administration strategy of food stamp wrecking, any attempt to barter the hunger of the poor and the unemployed for right-wing support of Mr. Ford's campaign.

I am appalled that under an Administration born of Nixon's downfall the Nixon tactics have been applied anew—that the facts of food stamps have been suppressed, that the Congress has been misled, that the economic well-being of millions of Americans has been consigned to the political auction block. I hope that now the cover-up of food stamp facts and the trumped-up charges against the food stamp program will end, so Congress and the Administration can cooperate in establishing a fairer, more efficient, more effective food stamp policy.

SUMMARY OF PROGRAM EVALUATION

The Food Stamp Act of 1964 specified dual objectives for the Program: One was related to improving nutritional levels of low income persons and the second was concerned with effective use of abundant food supplies to expand the demand for farm products. In recent years, the importance of providing food assistance to low income people has increased relative to food demand expansion. A later implicit objective of the Program to increase participation, contributes to the accomplishment of the 2 principal objectives. Emphasis on participation itself stresses the importance of the transfer of resources from the general population to the poor.

The program has been at least moderately successful in meeting its objectives. Costs of program operation appear to be in the range of 10 percent of total budget. The Program gets high marks for meeting the evaluation criteria usually applied to transfer programs: National eligibility based on need, vertical equity with those at higher income levels, horizontal equity with persons at the same income levels, reasonable work incentives, and benefit levels associated with specific requirements.

The Program shares a common problem with other food and other Federal transfer programs in providing overlapping benefits. Participants are eligible for free school lunches and sometimes breakfasts. In addition, until December 1974 over one-half of the recipients received public assistance. One-third of the food stamp participants also participate in 3 or more other Federal assistance programs.

Family food program participation essentially stabilized between 1972 and 1974 at the 15 million level of participation. Most of the expansion in food stamps during that period resulted from project areas transferring from the Food Distribution Program. This fiscal year, the Program is resuming internal expansion as a result of the deepening recession and rising unemployment levels, and the addition of Puerto Rico to the Program. Puerto Rico participation in the Program currently is about double the previous level of participation in the Food Distribution Program.

Most likely projections point to a leveling of participation at 20–21 million in late FY 1975. Some edging upward is expected into FY 1977 as outreach efforts are intensified. But a decline to about 19 million participants is likely by 1980 as unemployment declines. Economic recovery should result in a return to more normal levels of unemployment, and incomes again are expected to rise more rapidly than food prices.

Increases in budget costs of the Food Stamp Program over recent years have reflected price escalators built into stamp issuance levels, as well as participants switching from food distribution. FY 1975 costs are projected at approximately $5 billion. Most likely projections of stamp issuance to 1980 show Federal costs exceeding $6 billion through FY 1978 but dropping below this range as participation declines.

The Program is designed to provide the greatest benefits to the poorest of those eligible. Data for 1973 suggest that two-thirds of the entire population with family incomes below $2,500 were being served by the Program. Some of the remaining households in this low-income group would not be eligible because of asset limitations and small household size.

In December 1974, 17.3 million persons were participating in the Program. This level amounted to 59 percent of the 29 million persons estimated eligible to participate. Over the period of a year, many more people become eligible and many more participate in the Program. An estimated 41 million different people likely become eligible over the course of a 12-month period, and about 29 million of them likely participate, or about 72 percent of those eligible.

Projections suggest that income eligibility levels will rise significantly between now and 1980, because they are a function of food prices. However, Departmental projections suggest that average income levels will rise about twice as fast as food prices over the next 5 years. If this relationship holds for the low income sector, the number of eligible persons will decline by around 20 percent by 1980.

Benefits under the Program are difficult to measure. As a system to deliver food purchasing power to recipients, the Program appears reasonably efficient. Between 50 and 65 cents of each bonus dollar likely translates into additional food expenditures at retail. This rate is at least double the gain that would be expected from unrestricted cash transfer payments. The amount of this food spending that results in higher ingestion of vital nutrients is less easy to measure. Improved nutritional status and better health of recipients is even more difficult to document.

Studies suggest that the Program is more efficient than direct food distribution in raising nutritional levels of recipients. These studies document that at least under some situations, Program participants have an improved diet in comparison with nonparticipants in the same income group.

In addition, there are significantly tangible benefits of the Program to farmers and to the food marketing industry. Income and employment levels of the general economy are significantly raised as the result of increased economic activity attributable to the Program.

CHAPTER 5. PROJECTION OF PARTICIPATION AND COSTS, FY 1975-80

This chapter develops Food Stamp Program (FSP) projections for the next 5 years. Numerous variables discussed here and elsewhere in the report suggest a multitude of factors that affect food stamp participation and related costs. Obviously, all such variables cannot be accounted for in any projection. It is hoped that by specifying the major variables involved, the general trend over the next five years will be identified.

Projection of income and number of persons eligible

Projections of the number of FSP eligibles are based on 1973 population-income characteristics published by the Bureau of Census.[1] These characteristics were "aged" over the projection period assuming that the recent relatively low net population growth rate of from 0.8 to 1.0 percent per annum continues throughout the period and that per capita disposable income exhibits an historic growth rate of about 11 percent per year throughout the period. It is assumed that per capita disposable income will increase a total of 60 percent over 1975 levels by 1980 (figure 3).

Threshold income levels for determining

---

[1] Bureau of Census, U.S. Department of Commerce, *Current Population Reports, Consumer Income,* "Money Income in 1973 of Families and Persons in the United States", Series P–60, No. 97, January 1975.

FSP eligibility during the period are projected under two sets of assumptions. Following an increase in food prices in FY 1975 of 10.2 percent over that of the previous year, it is assumed under Alternative I that the food price increases will drop to the more typical pattern of the late 1960's; prices would stabilize in the range of three to five percent annual growth rate from 1976 to 1980. These projections follow basically those developed by the Economic Research Service, USDA, as being the most likely. Tables 19 and 20 show the projected values of food stamp issuance and threshold income levels of eligibility under this set of assumptions.

Some observers may feel that the above projections of food price increases may be too conservative. In an attempt to establish an outside limit of reasonableness in Program eligibility levels, a second set of projections of food prices were developed. Alternative II assumes that food prices would increase over the next 5 years at the same annual growth rate as per capita disposable income. This rate resulted in significantly higher stamp issuance levels and threshold income levels during the latter part of the projection period (figure 4).

The number of persons eligible to participate in the FSP during each year of the projection period was estimated under each of the 2 alternatives. Table 21 summarizes the projections. They are based on fiscal year midpoints of December of FY 1975 and 1976 and March of the subsequent fiscal years. They include adjustments similar to those described in Chapter 4 that account for SSI ineligibles (at current levels), unemployment projections, and the number of eligible participants living in Puerto Rico and the Outlying Territories. In addition, as described in Chapter 4, the number eligible in a given month as well as the number eligible over a 12-month period are projected under each assumption.

TABLE 19.— PROJECTED LEVELS OF FOOD STAMP ISSUANCE, FISCAL YEARS 1975-80

Fiscal year and date of initiation	Monthly household stamp issuance, by household size							
	1	2	3	4	5	6	7	8
Fiscal year 1975: Jan. 1, 1975	$16	$84	$122	$154	$182	$210	$238	$266
Fiscal year 1976:								
July 1, 1975	48	90	128	162	192	218	256	292
Jan. 1, 1976	50	94	132	168	200	226	266	302
Transition period July 1, 1976	50	94	143	170	202	228	270	306
Fiscal year 1977:								
Jan. 1, 1977	52	98	138	176	210	236	280	316
July 1, 1977	52	100	140	178	212	238	284	320
Fiscal year 1978:								
Jan. 1, 1978	$54	$102	$144	$182	$216	$244	$290	$328
July 1, 1978	54	102	144	182	216	244	290	328
Fiscal year 1979:								
Jan. 1, 1979	56	104	148	186	220	250	296	335
July 1, 1979	56	105	150	188	222	252	300	338
Fiscal year 1980:								
Jan. 1, 1980	58	110	156	196	232	262	312	352
July 1, 1980	58	110	156	196	232	262	312	352

TABLE 20.—PROJECTED THRESHOLD INCOMES FOR FSP PARTICIPATION ELIGIBILITY, FISCAL YEARS 1976-80

Fiscal year and date of change	Household monthly threshold income, by household size							
	1	2	3	4	5	6	7	8
Fiscal year 1975:								
Jan. 1, 1975	$194	$280	$406	$513	$606	$700	$793	$886
Fiscal year 1976:								
July 1, 1975	215	300	427	540	640	727	853	973
Jan. 1, 1976	215	314	440	560	667	754	887	1,007
Transition period:								
July 1, 1976	231	314	447	567	674	760	900	1,020
Fiscal year 1977:								
Jan. 1, 1977	231	327	460	587	700	787	934	1,054
July 1, 1977	231	334	467	594	707	794	947	1,067
Fiscal year 1978:								
Jan. 1, 1978	$243	$340	$480	$607	$720	$814	$967	$1,094
July 1, 1978	243	340	480	607	720	814	967	1,094
Fiscal year 1979:								
Jan. 1, 1979	255	347	494	620	734	834	987	1,114
July 1, 1979	255	354	500	627	740	840	1,000	1,127
Fiscal year 1980:								
Jan. 1, 1980	271	367	520	654	774	874	1,040	1,174
July 1, 1980	271	367	520	654	774	874	1,040	1,174

Source: Projections by FNS, USDA.

TABLE 21.—PROJECTED NUMBER OF PERSONS ELIGIBLE TO PARTICIPATE IN THE FSP UNDER ALTERNATIVES I AND II, FISCAL YEARS 1975-80

[In millions]

Fiscal year	Alternative I		Alternative II	
	Number eligible in a single month	Number eligible over a 12-mo period	Number eligible in a single month	Number eligible over a 12-mo period
1975	29.2	40.6	29.2	40.6
1976	30.8	42.2	29.6	40.5
1977	30.4	41.7	32.0	44.0
1978	27.6	38.0	31.9	44.0
1979	25.7	35.5	32.9	45.5
1980	24.1	33.3	32.2	44.8

As might be expected, with food prices increasing at a much slower rate than income during the later part of the projection period, the projected number of eligibles drops sharply from 1978 to 1980 under Alternative I. Of course, the maximum eligible population exhibits a similar growth pattern to that exhibited by the projected number.

Under Alternative II (i.e., food prices increasing at the same rate as per capita income), the projected number of eligibles remains relatively constant throughout the period, ranging from approximately 32 to 33 million persons during the average month.

Projections of FSP participation and costs

The number of people participating in the FSP is a function of the eligible population. However, the two are not synonymous. Studies have shown that, despite a person's awareness of the program and eligibility, many other factors enter into his decision to participate, as discussed in Chapter 2. This study will rely upon an analysis of historical data in projecting participation to 1980. However, projecting FSP participation and costs are hazardous for several reasons. These include:

1. The Program has been in a growth pattern throughout its relatively short lifespan. Much of this growth has resulted from areas transfering from the Food Distribution Program. Some has also resulted from internal growth. The importance of the 2 sources are difficult to sort out mathematically.

2. Legislative changes have been dramatic and frequent. Certain of the changes have been quite fundamental and structural in their impacts upon the Program.

3. Increasing attention to outreach efforts add to the difficulty of projecting changes in the number of persons eligible for the Program that likely will participate. Recent experience suggests that an increasing percentage of eligibles is participating this year.

The projections of FSP participation are based essentially upon the same assumptions as those used to project the number of persons eligible for the Program. These assumptions are outlined as follows:

1. Unemployment will peak in the fourth quarter of FY 1975 at 9.5 percent and trend downward slowly to 4.5 percent by the end of FY 1980.

2. Prices for food at home (CPI) will average 7 percent higher in FY 1976 than in FY 1975 but thereafter the increases will drop to the range of 3 to 4 percent per year until 1980 for Alternative I. For Alternative II food prices will rise at the same rate as income.

3. Disposable income will grow about 12 percent in FY 1976 and will continue increasing near the rate until FY 1980. Further, it is assumed that income of Program participants will grow at the same rate as the balance of the population.

4. Population will grow at the relatively slow rate of the Bureau of the Census, Series E projection.

5. Internal growth of the Food Stamp Program will continue at the average rate of total Family Food Program growth between the third quarter of FY 1970 and the first quarter of FY 1975.

6. No significant legislative changes in the Program will be made before 1980.

To project Program participation, total family food assistance participation was disaggregated into public assistance and nonpublic assistance recipients. Each category was then projected independently of one another and summed together to form the final projection. Quarterly regressions models were developed that related the change in nonpublic assistance participation to changes in aggregate unemployment rates and the relationship between Program threshold to estimated average income of recipients. Participation in the public assistance category was related to the number of SSI and AFDC recipients, which is projected to remain stable over the period.

FSP participation is projected to stay in the range between 19 and 21 million persons until FY 1930. Under both Alternatives I and II, FSP participation will nearly stabilize in FY 1976, but edge upward through FY 1977. After that, larger increases in incomes relative to food prices and declining unemployment result in a decline in participation under Alternative I. But a continued slight

increase in participation would be expected under Alternative II because of continued sharp increases in threshold eligibility levels.

Cost projections are the combination of projecting the average bonus level and multiplying times the projection of participation.

The average bonus value is related to:

1. Value of food stamp allotment; and
2. Distribution of recipients by eligible income categories.
3. Changes in household size.

Through historical data analysis, it was found that the "real" average monthly stamp bonus is a function of the ratio of the threshold eligibility level to average per capita income of recipients. Changes in the eligibility threshold are a function of the value of the food stamp issuance level which in turn is a function of retail food prices.

Based on these relationships, average bonus per person is projected to decline after FY 1977 under Alternative I when food prices would not be rising nearly as fast as incomes (Table 22). But under Alternative II, bonus levels would continue rising throughout the period, and reach $38 per persons per month by 1980.

Total Federal cost of the Food Stamp Program under Alternative I would actually decline slightly after reaching a high point of approximately $6.3 billion in fiscal 1977. If, however, food prices should increase at the same rate as income (Alternative II) then food stamp expenditures will continue increasing throughout the decade and reach approximately $10 billion in 1980 (Table 22).

TABLE 22.—PROJECTIONS OF FSP PARTICIPATION AND COSTS, FISCAL YEAR 1975-80

	Alternative I [1]				Alternative II [2]			
Fiscal year	Average bonus per person per month	Average participation (million)	Bonus cost (billion)	Total program cost (billion)	Average bonus per person per month	Average participation (million)	Bonus cost (billion)	Total program cost (billion)
1975	$21.55	17.5	$4.5	$5.0	$21.55	17.5	$4.5	$5.0
1976	23.09	20.6	5.7	6.2	25.02	20.6	6.2	6.7
Tran	23.69	20.6	1.5	1.6	26.29	20.6	1.6	1.7
1977	23.31	20.9	5.8	6.3	27.84	20.6	6.9	7.4
1978	$21.67	20.9	$5.4	6.0	$31.43	20.8	$7.9	$8.4
1979	20.89	20.1	5.0	5.5	34.18	21.0	8.6	9.2
1980	20.29	19.1	4.7	5.3	38.00	21.3	9.6	10.2

[1] Alternative I based upon most likely projections of food prices and income.
[2] Alternative II based upon assumption that food prices would increase at the same rate as per capital income.

Source: Projection models of participation based upon changes in unemployment and the relationship of program threshold to average per capita income of recipients.

NUTRITIONAL BENEFITS OF FOOD STAMP PROGRAM

Nutritional assessment of need

During the past eight years, two major national nutrition surveys have been conducted to assess the nutritional well-being of Americans. The Ten-State Nutrition Survey was conducted in 1968–1970 in response to a congressional directive that the Department of Health, Education, and Welfare (DHEW) determine the magnitude and location of malnutrition and related health problems in this country. This task was undertaken by the Health Services and Mental Health Administration of the Center for Disease Control, DHEW. The Ten-State Nutrition Survey placed emphasis on obtaining information from the low-income segment of the population since malnutrition was expected to be more prevalent in this population segment.

The second national nutrition survey, the Health and Nutrition Examination Survey (HANES), was initiated in 1971 by the National Center for Health Statistics, DHEW, in order to establish a continuing national nutrition surveillance system. The purpose of this system was to determine, on the basis of a representative sample, the nutritional status for the entire U.S. population and to monitor changes in status over time. This sample, which included over 10,000 persons, was designed to be representative of the U.S. civilian, non-institutionalized population in a broad range of ages, from 1–74 years. Provision was made, however, for subsamples permitting more detailed analysis of data for certain groups at high nutritional risk, including low-income groups.

An additional study of dietary adequacy in the United States was conducted by the Department's Agricultural Research Service (ARS) as a part of their 1965 Household Food Consumption Survey. The results, seen in Figure 7, indicate that dietary adequacy, measured by the percentage of diets meeting the Recommended Dietary Allowances (RDA) for seven nutrients studied, was related to family income. At successively higher levels of income, a greater percentage of households had diets that met the RDA. Another measure of relative quality of diets is the number of nutrients that were below the allowances. As seen in Figure 8, the percentages of diets with only one nutrient below the RDA were only slightly different by income, yet those with two and three or more nutrients below the RDA were twice as large at the lowest income level as at the highest income level. Calcium, Vitamin A, ascorbic acid were the nutrients most often below allowances.

Adequacy of issuance level in providing a nutritionally adequate diet

Food stamp allotments are dependent upon household size and income. These allotments are based on the Economy Food Plan which is designed to provide a nutritionally adequate diet.[2] [3] The foods which make up the plan reflect the general eating patterns of low income households as determined through previous household food consumption surveys, modified to provide a nutritionally adequate diet. Nutritional adequacy is based upon the Recommended Dietary Allowances (RDA)[4] set by the National Academy of Sciences-National Research Council (NAS/NRC) in 1968 for all nutrients for which there are adequate reliable composition data. These nutrients include: energy, protein, calcium, iron, Vitamin A, thiamin, riboflavin, and ascorbic acid.

The Recommended Dietary Allowances are considered generous for judging the nutritional adequacy of diets. The Food and Nutrition Board of the NAS/NRC states: "Excepting calories, the allowances are designed to afford a margin above average physiological requirements."[5] Therefore, any food plan which provides the Recommended Dietary Allowances would also contain a built-in margin of safety above average requirements for nutrients. A family using food valued at the level of the Economy Food Plan will have a nutritionally adequate diet if foods of the kinds and quantities specified in the plan are selected.

Although the Economy Food Plan was reviewed in 1968 and found to meet 1968 RDA's, the last revision was made in 1964. Food consumption data from a Nationwide food consumption survey conducted by the U.S. Department of Agriculture in 1955 were used in developing the plan.

Plans for development of food stamp food plan

The Food and Nutrition Service is cooperating with Agricultural Research Service to develop a new food plan for use in determining the level of food stamp allotments. The plan will also be used as a basis for guidance materials for program participants and others who wish to economize on food. This plan will specify the amounts of foods that families might buy, or produce, to provide nutritious diets for family members for a week.

The new Food Stamp Food Plan will be based on more current nutritional and food consumption information than was available when the Economy Food Plan was last revised. Foods in the new Food Stamp Food Plan are to be chosen so that the plan meets the requirements of the newest (1974) revision of the RDA[6] for all nutrients for which adequate reliable food composition data are available for determining the nutrient content of the plan. Recommended amounts of some nutrients have been changed and allowances for additional nutrients have been designated in the 1974 revision of the RDA. Vitamin B_6, Vitamin B_{12}, and magnesium will be considered in the development of these plans for the first time.

Households in the latest Nationwide food consumption survey, 1965–1966, that used food valued at or slightly above the cost of the economy plan are to be used as the starting point for determining the kinds and amounts of foods to include in the plan. Food patterns of these households are believed to represent a way of eating that would be preferred by program participants. For example, readymade bread will be included for the first time, rather than the ingredients for making bread which were previously listed.

Nutritive values of some foods have also changed since 1964 revisions of the food plans. For example, many ready-to-eat cereals are now fortified with one-fourth or more of the RDA for many nutrients. New information on the nutrient content of many foods has also become available in the last 10 years. Such information is helpful in calculating the nutritional value of today's diet

[2] U.S. Department of Agriculture, Agricultural Research Service: *Ideas for Leaders Working With Economy-Minded Families.* USDA Publication No. PA-937, 1973.

[3] U.S. Department of Agriculture, Agricultural Research Service: *Family Food Plans, Revised 1964,* USDA Publication No. CA-62-19, 1969.

[4] National Academy of Sciences: *Recommended Dietary Allowances.* Washington, D.C.: National Academy of Sciences/National Research Council, Seventh Edition, 1968.

[5] National Academy of Sciences: *Recommended Dietary Allowances.* Washington, D.C.: National Academy of Sciences/National Research Council, Seventh Edition, 1968, p. ii.

[6] National Academy of Sciences: *Recommended Dietary Allowances.* Washington, D.C.: National Academy of Sciences/National Research Council, Eighth Edition, 1974.

and will be used in developing the Food Stamp Food Plan.

Nutritional assessment of food stamp program benefits in relation to needs

Three studies have been conducted by the Department to determine the nutritional benefits of the Food Stamp Program to program participants. The first of these studies was conducted in 1969–1971, in rural areas of Pennsylvania by J. P. Madden and M. D. Yoder of the Pennsylvania State University.[7] The primary focus of this study was to determine if the adequacy of low-income families' dietary intake improved through participation in one of the Department's family food assistance programs. Results indicated a nutritional benefit due to participation in the Food Stamp Program when at least two weeks had elapsed since a family had received their major income for the month. The most significant nutritional improvements were found in iron and thiamin intakes. The increased consumption of iron was most important since iron intakes were found to be inadequate (below two-thirds of the Recommended Dietary Allowances) in more than one-fourth of the 1,100 families interviewed. Similar improvements were found for protein, phosphorus, riboflavin, and niacin; however, these increases were judged not to be as important, since intakes already met adequate levels.

In 1973, the Economic Research Service, USDA, reported on a study to analyze the characteristics of low-income families participating in the Department's Expanded Food and Nutrition Education Program (Extension Service) in relation to families who did or did not also participate in USDA's food assistance programs.[8] Food consumption practices and the dietary adequacy of participants were also assessed. From a sample of over 10,500 families, results indicated that homemakers receiving food stamps had better diets than homemakers in the food distribution program and those eligible for, but not participating in, a food assistance program. Since per person food expenditures of participants and nonparticipants were similar but incomes were lower, the better diets of food stamp participants were judged to reflect benefits derived from the Food Stamp Program. (Table 31).

A recent study completed by Sylvia Lane of the University of California at Davis contrasted food consumption and nutritional achievements of participants of food assistance programs with that of nonparticipants and participation before and after implementation of the Food Stamp Program. Results indicate that diets of participants of the Food Stamp Program interviewed in this study, appear to be nutritionally superior to those of comparable nonparticipating low-income households.

[7] Madden, J. P., and M. D. Yoder: *Program Evaluation: Food Stamps and Commodity Distribution in Rural Areas of Central Pennsylvania.* Final report from the Pennsylvania State University, Department of Agricultural Economics and Rural Sociology, 1971.

[8] Feaster, J. G., and G. B. Perkins: *Families in the Expanded Food and Nutrition Education Program: Comparison of Food Stamp and Food Distribution Program Participants and Nonparticipants.* USDA Agricultural Economic Report No. 246, 1973.

TABLE 31.—FOOD CONSUMPTION PRACTICES OF HOMEMAKERS AND FAMILY CHARACTERISTICS AT TIME OF ENROLLMENT IN EXPANDED FOOD AND NUTRITION EDUCATION PROGRAMS, BY FOOD PROGRAM STATUS, 1969

Characteristic of family or homemaker	Food assistance program		Not participating in the food stamp program, but eligible	Eligible for food program	Average or total
	Food stamp program	Food distribution program			
Monthly family income and food expenditures:					
Income	198	161	166	320	221
Per capita	36	32	32	73	46
Food expenditures	76	59	69	93	76
Per capita	14	12	14	21	16
Income spent for food (percent)	38	37	42	29	34
Family size (number)	5.5	5.50	5.1	4.4	4.8
Families reporting (number)	1,270	2,031	2,306	2,494	[1] 9,424

[1] Includes those families whose food program status was not determined.

Participation in the Food Stamp Program resulted in diets which were nutritionally superior to those of comparable nonparticipating low-income households for some nutrients. Nutrients which showed the most improvement for food stamp participants were calories, calcium, thiamin, and riboflavin. These results were further illustrated when ethnic and urban areas were analyzed separately. Afro-American food stamp participant and nonparticipant households had characteristically lower mean nutritional levels for calcium and riboflavin, reflecting relatively low milk intakes. The lowest iron values were found for white urban food stamp participants and Afro-American rural farm nonparticipants. The most adequate nutrient levels were for protein and niacin.

In a paper summarizing the study presented at the American Agricultural Economics Association's annual meeting in August of 1974, Professor Lane stated that participation in the Food Stamp Program was associated with an increase in food consumption.[9] Statistical analysis showed the improvement in nutritional benefits to be greater for participants in the Food Stamp Program than for those in the Food Distribution Program.

The 3 studies cited were generally positive in finding some nutritional benefits associated with Food Stamp Program participation. The Program appeared to be superior to the Food Distribution Program in this regard. But these studies did not allow comparisons with an income supplement, and they were quite limited in scope.

Clearly, there is a need for broader scale, more definitive program evaluation to assess the impacts of the Program upon food purchasing and consumption patterns and nutritional levels of recipients. The Department is proposing to conduct a Nationwide consumer panel to obtain such information. Longitudinal data appears to be necessary to adequately answer the questions posed. This procedure would allow comparisons of household behavior before and after participation in the Program, and before and after major changes are made in benefit levels or program regulations.

CHAPTER 7—BENEFITS TO AGRICULTURE [10]

Currently, food stamps account for about 5 percent of total U.S. expenditures for food at home. Bonus food stamps paid for by the government are equivalent in amount to 3 percent of home food expenditures. Fifty to 65 percent of the free or bonus stamps are estimated to result in expanded demand for food. In the absence of the Food Stamp Program, total U.S. expenditures for home foods would be reduced by roughly 1.5 to 2.0 percent. Although demand expansion for food generated by food stamps constitutes a small portion of the total home outlet for foods, removal of this market force would have direct impacts felt from the farm to the retail food store—in addition to the indirect economic multiplier effects of the Program reported elsewhere in this report.

Lack of more complete information on food quantities purchased and price interrelationships among foods in common usage by low-income families limit evaluation of Program effects on specific farm commodities. Information available on the demand expansion for foods resulting from food stamps and earlier food consumption patterns, however, provide general indicators regarding benefits derived by agriculture and the food industry from the Food Stamp Program.

Demand expansion for food

During the 3 months, October through December 1974, total U.S. expenditures for foods used at home stood at the $135.8 billion level, and food stamps were issued at an annual rate approaching $6.7 billion. The total issuance of food stamps in this period was equivalent to 4.9 percent of total expenditures for home foods. With recent increases in participation and bonus levels, the total issuance of food stamps in January 1975 rose to an annual rate of nearly $7.75 billion. Currently, food stamps may be used in purchasing from 5 to 5.5 percent of all foods used in the Nation's homes.

Bonus food stamps paid for by the Federal Government now account for over 60 percent of all food stamps used, with less than 40 percent being purchased by recipients. In January 1975, bonus stamps were distributed at the annual rate of over $4.7 billion—up from $4.0 billion during the last quarter in 1974. Bonus food stamps are now being issued in amounts equivalent to 3 percent or more of total expenditures for home foods.

Participants spend an estimated 24 percent of their net income to receive food stamps in amounts adequate to provide them with a nutritionally adequate diet under the USDA Economy Food Plan. Family food stamp purchases commit these funds to continued food buying. Families normally spending the same or less for food than they pay for stamps will use all of their bonus stamps in increasing food expenditures. Families usually spending more for food than they pay for stamps, however, have an option to use bonus stamps instead of family dollars

[9] Lane, S.: *Food-Aid Program Effects on Food Expenditures and Levels of Nutritional Achievement of Low-Income Households.* Paper presented at American Agricultural Economics Association Annual Meeting, College Station, Texas, August 1974.

[10] This section was prepared by the Economic Research Service.

in buying a portion of their food supply. When substitution occurs, bonus stamps liberate family dollars for expenditure at their discretion for food or nonfood items. In such instances, bonus stamp dollars are equivalent to cash income supplement—although all the food stamps themselves are spent for food.

Economic Research Service estimates indicate that from 50 to 65 percent or more of all bonus food stamps may be spent for food which would not have been purchased in the absence of the program, with the balance having a cash income effect. As of January 1975, demand expansion for food generated from bonus stamps may have ranged between $2.4 billion to more than $3 billion (annual rate).

Most of the demand expansion for food derived from food stamps likely serves to support existing markets for food rather than generating new demand in competition for existing scarce food supplies. Food stamps have helped maintain food expenditures of the continuing poor at the same level through adjustments in issuance rates to compensate for higher food prices. For recent transferees from the Food Distribution Program, part of the food stamps they receive represents a replacement for donated foods. Families joining the program because of unemployment or financial reverses are enabled to minimize reductions in food expenditures at levels above those which might have been reached in the absence of the program. Some new demand expansion for food may have been created recently, however, through newcomers to the Food Stamp Program with low normal expenditure levels for food and very poor persons formerly receiving donated foods who now are receiving food stamps of greater value than the donated commodities previously obtained.

Demand expansion for food created by bonus food stamps is generated primarily among households in the lower and middle range of income eligibility. Such families receive the largest amounts of bonus stamps, at each household size level. They are most likely to have normal food expenditures at low levels, where all or a portion of the bonus stamps would be committed to expanding food expenditures. Families normally spending at more adequate levels, who are found with greater frequency in the upper range of income eligibility, would have opportunity and tend to translate benefits into income supplements.

Expanded retail demand for food

Food expenditures by households in successive levels in the low and lower-middle income groups provide indicators regarding the disposition of the additional food dollars resulting from the Food Stamp Program. Findings from the 1965 Household Food Consumption Survey confirm that lower-income families tend to spend more dollars for food as their income rises. The proportions of each food dollar allocated among the major food groups remained relatively unchanged. There were substantial changes, however, within the several groups. In the meat (or protein) group, for example approximately 80 percent of additional dollars were spent for red meats, mostly beef.

Rapid increases in prices for many staple foods, such as bread and cereal products, beans, sugar, fats and oil products may have resulted in shifts in allocations of low-income food dollars since 1965. The earlier pattern, however, is indicative of how additional food expenditures from food stamps may be allocated when current food supply pressures are alleviated. Estimates of expanded retail demand for food from bonus stamps, or alternatively stated, reductions in retail food expenditures which might be anticipated in the absence of the program are subject to the above limitations.

Table 32 shows that the meat group of foods likely is the major beneficiary of the $7.7 billion current annual rate of food stamp spending. About $2.9 billion additional spending of stamps would go for these foods over the period of a year. After allowing for the normal purchases of these foods, net additional demand would be expected to total somewhere in the range of $.9 to $1.1 billion.

TABLE 32.—ESTIMATED ANNUAL ALLOCATION BY FOOD GROUPS OF PURCHASES MADE WITH FOOD STAMPS AND EXPANDED RETAIL DEMAND FROM FREE FOOD STAMPS AT ISSUANCE LEVELS IN JANUARY 1975

[In millions of dollars]

Food group	Share of food dollar	Total purchases with food stamps	Expanded retail demand from bonus food stamps [1]	
			Low	High
Meat group (meat, poultry, fish, eggs, beans and peas, nuts, and mixtures—primarily of meat)	$0.38	$2,940	$912	$1,140
Milk group (milk, cream, cheese, ice cream and other frozen desserts)	.13	1,010	312	390
Vegetable and fruit group	.20	1,550	480	600
Bread-cereal group	.12	930	288	360
Other food (fats, oils, sweets and all other)	.17	1,310	408	510
Total	1.00	7,740	2,400	3,000

[1] Data relate to net additional program expenditures after allowance for spending in the absence of the program.

Red meats, a part of the meat group, accounts for about 30 cents out of each additional food dollar. At this rate, demand expansion for red meat resulting from food stamps may be in the range of $720 million to $900 million.

In 1965, beef accounted for most of the expanded expenditures for red meats, amounting to roughly 19 to 23 cents out of each additional food dollar, and pork most of the balance.

If these relationships continue, bonus food stamps may now expand demand for beef in amounts ranging from a low of over $450 million to nearly $700 million. Expenditures for pork products may have been increased by $200 to $270 million.

The above increases in retail food expenditures estimated to result from bonus food stamps include both increased consumption and "upgrading" of foods purchased, in undetermined amounts. Food benefits from stamps, however, accrue primarily to families with low incomes and very low levels of normal food expenditures—persons anticipated to have the greatest needs for improved diets.

Increased demand at farm level

During fourth quarter 1974, the farmer's share of the retail food dollar was 42 cents. If expanded retail food expenditures from bonus stamps reflect a representative product mix, farm income may be augmented currently by the Food Stamp Program at the annual rate of $1 billion to $1.25 billion.

Indicators of the allocation of the above expansion in farm income, by product category, were derived by relating the estimated food demand created by bonus stamps (table 33) with USDA estmiates of the farmer's share of retail food dollars for similar product categories during fourth quarter 1974 (table 33). Estimates of aggregate demand expansion developed by this method indicate that farmers are receiving about 42 cents out of each additional retail food dollar generated by the program.

Results indicate that nearly 80 percent of farm income flows into the animal products and fruit and vegetable sectors. Producers of cereal and other field crops, many of which are covered by agricultural stabilization programs, received a minority share of the supplemental farm income generated by bonus food stamps.

TABLE 33.—FARMERS SHARE OF RETAIL FOOD DOLLAR AND ESTIMATED FARM INCOME FROM EXPANDED DEMAND FOR FOOD, BY CATEGORY, FROM BONUS FOOD STAMPS AT ISSUANCE LEVEL IN JANUARY 1975

[Dollar amounts in millions]

Food category	Farmer's share of retail dollar [1] (percent)	Estimated farm value of expanded food purchases from bonus food stamps	
		Low	High
Meat group:			
Meats, total	55.5	$405	$505
All other (poultry used as proxy)	57.3	105	130
Milk group dairy	46.3	145	190
Vegetable and fruit group:			
Fresh fruits	29.9		
Fresh vegetables	33.8		
Processed fruits and vegetables	20.0		
Proxy measure [2]	24.5	120	150
Bread-cereal group: All ingredients	25.8	75	95
Other foods groups:			
Fats and oils	47.7		
Miscellaneous	27.1		
Proxy measure [3]	37.4	150	190
Total		1,000	1,250

[1] USDA Market Basket 1974–IV quarter.
[2] Triple weight given processed fruits and vegetables and single weights each for fresh fruits and vegetables.
[3] Equal weights for fats and oils and miscellaneous foods.

Benefits to retailers and other marketing firms

An estimated 58 percent of the supplemental retail demand for food generated by food stamps is retained by the food marketing system. As of January 1975, $1.4 billion to $1.75 billion (annual rate) appears to be moving into the revenues of marketing firms as a result of program operations.

Retail food stores are a primary claimant to revenues derived from demand expansion for food as a result of the Food Stamp Program. An indicator of the gross income involved was derived from USDA estimates of gross in-store retailing margins of supermarkets during 1973—excluding warehouse and delivery costs and headquarters expense. The gross margin reported was 17.2 percent of total store sales—of which nearly 9 percent were direct and indirect labor costs, and 1.1 percent profit before taxes. Additional sales volume associated with Food Stamp Program operations currently may be increasing gross revenues of retail food stores at an annual rate of roughly $415 million to $515 million.

Program associated increases in gross revenues of wholesalers, processors, warehousemen, transporters and other marketing agencies, excepting retailers should approach, in total, amounts received by farmers. Under assumptions previously cited, returns to marketers other than retailers should approximate $980 million to $1.25 billion.

Impacts on agricultural policy

Operating at the cross roads of agricultural, food and nutrition, and welfare policy, the development and evolution of the Food Stamp Program reflects interrelationships in these diverse policy areas. In considering program impacts on agricultural policy, however, attention is focused on today's Food Stamp Program rather than what has come before.

Expanding demand for agricultural products by the elimination of hunger and dietary inadequacies among the poor has been a longstanding agricultural goal. Low

income families Nationwide now have the opportunity to purchase a nutritionally adequate diet at the Economy Food Plan level at a reasonable cost.

Low-income families are no longer a large-scale outlet for foods acquired by the Federal Government under price stabilization and surplus removal programs. During periods when many foods are high priced and in short supply, the advantages of the food stamp approach to food assistance have been demonstrated. Individual recipients of food stamps make their own buying choices that presumably maximize satisfactions from the foods available at the prices offered. Under a Government distribution system, operating similarly under a full-nutrition concept, many foods not in short supply would need to be purchased in order to obtain combinations of foods which would provide the basis for a nutritionally adequate diet. Volume purchases of specific food items are difficult to acquire in tight markets and major supply adjustments would result within specified relatively narrow product lines—with resultant price impacts on the total market. In such instances, smaller purchases from a wide range of generally comparable goods would tend to have less market impact than volume purchasing concentrated upon a few items.

Another alternative to food stamps is some form of cash assistance. The Food Stamp Program has been found to be twice as effective, or more, than comparable amounts of cash income supplements in expanding expenditures for food among low-income families.

CHAPTER 8—SECONDARY BENEFITS TO THE ECONOMY

Impacts upon total business output

Popular articles treating the Food Stamp Program often emphasize the direct changes in program participants' income due to their receipt of bonus stamps. Interest also has focused upon the food expenditures by stamp recipients. These "direct effects" are important as previous sections have shown. However, much of the payments made by participant households usually do not long remain in the pockets of the persons who sold them goods and services. Goods must be replaced and services maintained to sell to their next customers. Also, persons who supplied the goods and services to retailers must buy replacements from sectors which produced them, and these sectors in turn must buy raw materials and labor to produce the replacement items. Total income, of course, depends upon production; and a part of final demand is determined within an inter-industry framework. The level of output generated can best be determined through use of an input-output model, even though the assumptions underlying its use can be restrictive.

Study results

Two studies of the impacts of the Program on individual counties have been completed, and a broader study for the State of Texas and the United States as a whole is now underway by the Economic Research Service.

(1) In one of 3 individual counties studied in 1970, Haywood County, Tennessee, it was found that 6,400 recipients received a total of about $1.1 million in food stamp bonus during 1970.[11] Total stamp sales of about $1.7 million accounted for nearly one-third of total food sales in the county. Local program costs amounted to about $35,000—about $16,000 of which was borne locally—and about seven additional employees handled the food stamp certification and issuance.

The $1.1 million in food stamp bonus increased value of the county's total business about $1.5 million, or about 43 times the local program costs of $35,000, based upon input-output analysis. The $16,000 cost borne by the local government was only 1 percent of the $1.5 million increase in total output. This rate was small compared with the 4 percent retail sales taxes in the county. The increase of seven welfare employees brought a total employment increase of about 60 persons in the county, after allowing for secondary impacts of increased food sales and other secondary benefits.

The multipliers derived in this study measured only direct benefits accruing to the respective counties. Being rural areas, trade outside the county results in much lower secondary-benefits than would be true for larger areas.

(2) A study of 2 counties in California in 1972 was conducted using completely different methodology.[12] The researchers found the aggregative impacts on the economies of the 2 counties to be minimal, on the basis of interviews with the food trade. The Program had been operating there for several years and people could not relate to prior experience without the Program. The study concentrated upon local costs of administration—which they found to be quite different in the 2 counties—and impacts upon consumer purchasing patterns, which is reported elsewhere in this report. The Program was found to not adversely affect food store operations with respect to inventory and pricing policies. Stores in the 2 counties studied typically made no cost allocations to the Program, but costs were estimated to total less than one-half of 1 percent per dollar of stamp sales. The researchers pointed out that even though food stamp volume was relatively small in relation to total food store sales, profits from this additional business could be quite significant from a marginal standpoint.

(3) The study related to the State of Texas utilizing the input-output techniques covered calendar year 1972 when the State was only partially on the Program. A total of $63.9 million in bonus stamps was distributed that year.

In total, participant household expenditures of the $63.9 million of bonus stamps resulted in $232 million of new business which generated an estimated 5,031 new jobs for the Texas economy in that year. To this must be added $30 million in imports which came from other parts of the United States that contributed to the economic benefit of Texas. This additional business was estimated at $111 million after allowing for multiplier effects, which was assumed to be the same as the 3.64 multiplier found for Texas.

Interestingly, the results of this study—which show implied impacts on a sector-by-sector basis—indicate that increased business induced by the Food Stamp Program is spread far and wide beyond the food and agriculture business. As a result, nonparticipating households (the balance of the economy) come close to benefiting about as much from the Program indirectly ($49 million) as Program participants benefit directly ($64 million).

The Food Stamp Program as operated in Texas in 1972 resulted in additional tax collections estimated at $16.5 million, of which $4 million was received by State and local governments and $12.5 million Federal.

Table 34 shows the relationship between administrative costs and taxes collected in 1972 as a result of the Program in Texas. It shows that total costs to Texas, estimated at $1.8 million, made up only 45 percent of the taxes received by the State and local areas. USDA program matching costs of $.9 million were only 7 percent of the Federal taxes generated by the Program's operation in Texas that year; no estimate was made of the Federal operating expenses that could be attributed to the Texas operation.

TABLE 34—ADMINISTRATIVE COSTS RELATED TO ADDITIONAL TAX RECEIPTS, CALENDAR YEAR 1972

[Dollar amounts in millions]

Government	Administrative costs	Additional tax receipts as result of Texas food stamp program	Administrative costs as proportion of added tax received (percent)
Texas	$1.8	$4.0	45
Federal	[1].9	12.5	7
Total	2.7	16.5	16

[1] USDA share of Texas administrative costs only; Federal administrative costs are not included

CHAPTER 10—ALTERNATIVE PROGRAM OPTIONS

Many observers have recommended that the Program be modified to eliminate the purchase requirement. Only this program alternative will be considered in this section. This change could take either of 2 forms, and would have differing results. (1) The current level of stamp issuance could be maintained and the Federal Government simply absorb the current cost of the purchase requirement, or (2) the level of stamp issuance could be reduced to consist only of the current bonus level.

Maintain current level of issuance

Only by maintaining the current level of stamp issuance could the Program continue to have any measurable food or nutritional impact. By continuing current issuance, households under the Program could continue to purchase a nutritionally adequate diet. The major impacts of such a modification are as follows:

1. Greatly increased Federal transfer payments. Preliminary data for January 1975 show the total purchase requirement to be $252 million, or an annual rate of $3.0 billion. This would be the net additional cost with no changes in participation.

2. Greatly increased participation. The purchase requirement currently is the governing mechanism that targets the net program benefits to the poorest of those eligible. As indicated in an earlier Section, participation as a percentage of the population drops off sharply as income rises, even within the range of eligibility. No precise estimate of this response is possible, but it would be significant.

3. Vertical inequity would be sharply increased and work incentives decreased. Most of the net additional $3 billion in Federal benefits would be concentrated at the upper levels of the eligible population. Benefits would drop abruptly at the threshold level from $154 per month for a family of 4 to zero with the addition of $1 income at that point.

4. Reduced efficiency of nutritional benefits. The addition of $3 billion to the $4.7 annual rate of bonus at January 1975 levels would not increase the $7.7 billion rate of stamps issued, and consequently there would be no requirement for additional food to be purchased by recipients. The $3 billion would represent a cash supplement. Of course, it is possible that some of this $3 billion would be spent for food, but the amount would be quite small.

Reduce stamp issuance to current bonus levels

Quite different results would be expected from a lowering of stamp issuance to the

[11] M. Matsumoto, *Impact of the Food Stamp Program on Three Local Economies—An Input-Output Analysis*, Economic Research Service, ERS-503, May 1972.

[12] Logan, S. and D. B. Deloach, *The Food Stamp Program: Del Norte and Humbolt Counties, California*, California Agricultural Experiment Station, Bulletin 860, March 1973.

current level of the bonus value. The major impacts expected are as follows:

1. The objectives of the Program would need to be rewritten, deleting the requirement of providing opportunity for recipients to purchase a nutritionally adequate diet. The program would revert to a supplemental program that would provide little incentive for participants to increase food purchases. For example at the threshold level of eligibility, recipients would receive only $24 in stamps for a 4-person household, nearly all of which would free up dollar spending for other things.

2. Program costs would remain unchanged except as influenced by participation.

3. Participation likely would rise, but not to the extent of the first alternative. People now at the upper levels of eligibility would be more willing to participate if they did not need to commit such a large amount of money to food at one or two times during the month.

4. The Program would become in essence a cash supplement program. Since the food and nutritional objectives would have been removed, the Congress would be better advised to save the costs of printing, distributing and monitoring stamps and simply provide substitute cash supplements of some type.

AUGUST 22, 1975.

HON. NELSON A. ROCKEFELLER,
President of the Senate, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On June 30, we submitted the study of the Food Stamp Program that this Department conducted in response to the request expressed in Senate Resolution No. 58.

Recently a claim has been made, in some quarters, that not all the information we had assembled had been provided to the Senate. It is correct that not all of the information originally assembled in our draft report was submitted in the final report, because we recognized that our report was very lengthy and we wanted to provide exactly what was requested in the Resolution.

However, we want to reaffirm our complete cooperation with the Congress in its examination of the Food Stamp Program. We are therefore providing herewith copies of that draft material. It includes evaluation material on the Food Stamp Program, some projections of participation in the Program and future costs, and discussion of nutrition benefits and of the benefits that the Program provides to agriculture and to the general economy.

Sincerely,

RICHARD L. FELTNER,
Assistant Secretary.

RESPA AND THE NEED FOR REGULATORY REFORM

Mr. HRUSKA. Mr. President, I am alarmed at the impact of the Real Estate Settlement Procedures Act—RESPA—and the regulations thereto which went into effect last June 20.

Last year when RESPA was before the Senate, I supported the attempt to take away from the Department of Housing and Urban Development the authority to regulate settlement costs. That was our only opportunity for a record vote on RESPA, and those of us who recognized the terrible consequences that could flow to lenders and borrowers alike were not numerous enough.

Today, others of this body are raising their voices to declare the need for legislation to modify or repeal this unwise legislation. I am particularly pleased that the distinguished chairman of the Banking, Housing and Urban Affairs Committee is scheduling hearings in the immediate future on this problem. I share the chairman's conclusion that RESPA is "one piece of legislation that turned out to be something of a disaster." I congratulate him on his perception.

Lenders throughout our country are deluged with the paperwork required by the RESPA regulations and as a result otherwise deserving loans are being unreasonably slowed. Loans that were routinely made in 3 days or less now must take 21 days. Loan officers must spend an hour or more on a loan closing that before RESPA only took 10 minutes. Far from saving the borrower money as was the intent of RESPA, these delays and burdensome procedures increase costs which must be passed on to the consumer.

These regulations are a good example of the need for regulatory reform advocated by President Ford. It is apparent that the newness of regulations or agencies should not excuse them from close scrutiny as to their wisdom and usefulness.

I am particularly concerned that small banks and lenders may find these procedures so difficult that they will go out of the real estate business altogether. At a time when we are all striving to improve the economic conditions in our country, such losses can seriously hamper our efforts, especially in the construction industry.

Mr. President, I have received a letter from Mr. William A. Fitzgerald, president of Commercial Federal Savings & Loan Association in Omaha, Nebr., which highlights his experience with RESPA. I ask unanimous consent that it be printed in the RECORD, together with an article from the American Banker.

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

COMMERCIAL FEDERAL
SAVINGS AND LOAN ASSOCIATION,
Omaha, Nebr., August 14, 1975.

HON. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HRUSKA: The past 6 weeks has really been frustrating. This started on June 20 when the new REAL ESTATE SETTLEMENT PROCEDURES ACT became law. We, at Commercial Federal, had worked long and hard prior to this date trying to get all the facts and information we could on the proper procedures necessary to handle the RESPA reporting act.

Would you believe in June, and mainly prior to June 20, we at Commercial Federal closed over 480 loans which is rather normal for the month of June. In July, which is normally a larger month in closings, we are able to close 280 loans. This is all due to the fact that with the new RESPA reporting the tremendous amount of unnecessary paper work just bogged us down. Would you believe that we have 4 additional full time employees who are well trained in our business now working in our loan set up department and it looks as though this will be necessary to have that many additional employees permanently in that department just to handle the RESPA reporting.

We are now backlogged with over 6 weeks of loans to be closed. Many of these should have definitely been closed in the month of July and we will not be able to complete this in August because of this reporting.

I have attached an article out of the American Banker which just highlights some of the problems throughout the financial industry dealing with RESPA and Real Estate Lending. It seems a pity again that we have this national legislation requiring all of this unnecessary paper work which really in the long run, I'm sure, will cost the borrower more money in closing costs.

This added cost of handling the RESPA forms, I'm sure, will just be chalked up as additional inflation and cost to the borrowers in the future.

Sincerely yours,

WILLIAM A. FITZGERALD.

BANK, S & L COMPLAINTS ABOUT NEW REAL ESTATE SETTLEMENT LAW PRESSING CONGRESS FOR CHANGE

(By James Rubenstein)

WHITE SULPHUR SPRINGS, W. VA.—Congressmen are hearing complaints from their financial constituents concerning the Real Estate Settlement Procedures Act that went into effect June 20 and the impact of the protest may be to greatly modify the legislation when Congress reconvenes.

One Kentucky bank has taken its objections not only to lawmakers, but to customers as well with a full-page newspaper advertisement attacking the legislation as a "bureaucrat's dream" and warning that additional paperwork created by the law is delaying loan transactions.

Other bankers attending the executive bankers conference of the Ohio Bankers Association at the Greenbrier Hotel here maintain that closing costs may go up as a result of the additional time spent by loan officers in handling mortgage transactions.

But the strong reaction to the law, already registered by commercial banks and savings and loan associations with congressmen has triggered a proposal to repeal RESPA. Gerald M. Lowrie, executive director of the government relations council of the American Bankers Association, said.

"I think Congress will come back after the August recess to do something about RESPA," Mr. Lowrie forecast, adding that lawmakers are considering new legislation as a result of the complaints they are receiving, particularly from small banks.

RESPA requires disclosure of settlement costs to both buyers and sellers just after a loan commitment is made to the lender, and again when the loan is closed.

Supporters of the law maintain that disclosure provision will lower settlement costs by eliminating the possibility of kickbacks and unearned fees in mortgage processing.

But banks argue that the act attempts to address nonexistent ills.

Mr. Lowrie showed the Ohio bankers a full-page ad published by the $11.6 million-deposit Providence State Bank, Ky., as an example of what a bank was doing to relay to the public what the bank considers to be the harmful effects of RESPA.

The ad appearing in a local paper in the western Kentucky community reads:

"Dear customer:

"We're sorry but your Federal government has outdone itself in a new red-tape requirement on real estate loans. This deluge of new paperwork arrived last week and we may be months training someone to fill out the forms to get the mess interpreted. We used to make these loans routinely in three days or less. Now your government says take 21 days.

"We're sorry to be the one who breaks the bad news to you regarding Public Law 93-533. It's a bureaucrat's dream and should make someone very proud to be its author.

"Sincerely,

"Providence State Bank."

The ad copy was overlaid on a montage of RESPA forms.

James C. Zimmerman, president of the Providence bank, explained that the ad was placed "because of what has become the oppressive actions of the Federal bureaucracy." He pointed to "the pileup of regulation upon regulation which banks must face."

He said RESPA has forced loan officers to spend an hour on a real estate transaction which previously required 10 minutes. A bank, he said, is required to fill out as many as seven pages of fine print relating to the myriad of data on mortgage transactions.

Kenneth A. Randall, chairman and chief executive officer of the $2.5 billion-asset United Virginia Bankshares, Inc., Richmond, and a speaker on the program, also attacked RESPA, describing it as Orwellian in nature. He said small banks are finding it so difficult to conform that they are going out of the real estate business.

United Virginia Bankshares is anchored by the $342.9 million-deposit United Virginia Bank, Richmond.

One Ohio banker here, R. E. Whiteside, president of the $29.5 million-deposit Huntington Bank of Washington Court House, said he was thinking of getting together with other banks in his area and sending a packet of RESPA forms to each of their congressmen, "to give them an idea of what we banks are up against."

THE INTER-PARLIAMENTARY UNION CONFERENCE ON THE SINAI ACCORD

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks I made recently to a meeting of the Inter-Parliamentary Union Conference on the recently concluded Sinai accord.

There being no objection, the remarks were order to be printed in the RECORD, as follows:

SINAI ACCORD

A prime objective of our activities as parliamentarians must be to encourage governments to settle their disputes through peaceful means and to utilize more intensely the procedures outlined in the United Nations Charter. We must get our governments to recognize their own self interest in making a just system of conflict resolution succeed in the world of practical politics.

We should be resolute in our determination to bring a wider peace to all areas of the world.

After the October War of 1973 in the Middle East, it was essential to find a way for the parties to that conflict to deal with each other; a process of negotiation had to begin before the substantive issues could be addressed. The United States found itself in a unique position to assist in getting the process of reconciliation started.

We are deeply gratified that another significant milestone has been reached in the form of another Egypt-Israel disengagement. The vision and courage of the leaders of these two great countries, assisted by Secretary of State Kissinger, must be warmly applauded and supported. For my part, I will support the action necessary in the Congress to implement the new agreements.

One of the concepts behind the step-by-step process in the Middle East is that the parties will experience directly the gradually accumulating benefits of specific steps towards a peaceful solution, and will be encouraged to take additional steps. I believe this kind of action is the kind that will have a practical tangible impact in the capitals of the Middle East.

What we do at this Interparliamentary Conference should also have a beneficial impact in the Capitals, and not merely add words and ineffective resolutions to the vast amount already on hand. Our conclusions should encourage both sides to continue the search for a just, equitable, and overall peace in the Middle East.

We are all familiar with the issues involved.

We all know the positions adopted by the parties. They do not need repetition.

Let me instead pose some fundamental questions, affirmative answers to which could have a positive impact in Middle East Capitals:

1. Can all members of this conference, but particularly our Arab and Israeli friends, affirm that a just and genuine peace throughout the Middle East is far preferable to any No-Peace/No-War situation?

2. Could our Arab friends here acknowledge openly and unambiguously that Israel is a fact, that it will continue to exist, and that it should be the policy of Arab governments behind secure and recognized international boundaries based generally on the lines in 1967?

3. Will the observers with us from the Palestinian National Council this week do likewise?

4. At the same time, will our Israeli colleagues agree that Arab territory occupied since the Six-Day War should be returned to the Arabs as a part of a package under which all other aspects of Israel's economic, military, and political security are assured.

5. Would our Israeli colleagues go one step further, to agree that once affirmative results are achieved in this direction it should be Israeli government policy to participate along with other interested parties in discussions designed to provide a national identity of a mutually-agreeable nature of the Palestinian people?

6. Will the Arab governments end immediately the boycott of firms doing business in Israel, as a gesture towards peace and a contribution to the well-being of the entire Middle East area?

7. Will both sides agree here—explicitly—that one of the goals of current discussions to work unreservedly towards affirmative answers to these basic questions?

Direct and unconditional answers to these questions are not easy. But the governments and parliamentarians concerned must continue to work patiently and untiringly on behalf of additional steps, beyond those recently achieved, which contribute towards an overall reconciliation and to the confidence of all concerned in the inevitability of achieving such a peace. We must help to mute the rhetoric, the pressure tactics, the calls for ideological solidarity against an alleged enemy. We cannot equate "solution" with "capitulation" for one side or the other.

Now that the process is established, we should get down to basics, taking due account of the long standing obstacles to accommodation, but not allowing these obstacles to further paralyze progress.

As my esteemed colleague, Ed Derwinski said at our conference last year, "Surely, man's imagination is broad enough to devise a formula by which one side can recover territory and the other side can gain security and recognition by all its neighbors of its legitimacy as a nation . . . surely the practical benefits of peace in the area are well worth the compromises required." Can we begin today to say in harmony—"Peace Now".

WHEN PROFITS FALL, JOBS GO TOO

Mr. BARTLETT. Mr. President, with the anticipation of legislation proposing a windfall profits tax, I feel that this is an apropriate time to submit for the RECORD an editorial that was printed in the Daily Oklahoman entitled "When Profits Fall, Jobs Go Too."

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:

WHEN PROFITS FALL, JOBS GO TOO

(By Ferdie J. Deering)

With oil price controls on the way out, Congress is working to impose profit control on oil companies. Nobody expects this to solve our petroleum supply problems, but it reflects the Washington mania for controls and a lack of understanding of business principles by Congress.

The oil industry has experienced a steep slide in earnings this year, and Congress proposes to "soak up" so-called windfall profits and return them to consumers by some plan not yet made known. All but two of 15 major oil companies reporting had profit declines in the second quarter of this year.

A few weeks ago the Federal Trade Commission reported that average net profits for more than 12,000 American corporations dropped nearly one-third during the first quarter of 1975. A tabulation by U.S. News & World Report shows that 530 out of 1,118 companies had profit declines in the second quarter. Another source forecasts that corporate profits as a whole will be down 20 per cent for 1975 from last year's levels.

Nearly everybody has a stake in this downward trend. American business is done primarily by corporations and when profits fall, they spend less for expansion to create new jobs. Full employment depends upon profitable businesses and industries.

Millions of workers are shareholders, and the trend is increasing for them to participate in ownership of the companies which employ them. Whether workers own stock or not, they should be interested in profitable operations. Their jobs depend upon the company staying in business.

Corporations are a principal source of tax revenue. The federal government receives from one-fifth to nearly one-half of whatever profits a corporation makes before dividends are paid to shareholders. Then shareholders must pay individual income taxes on their dividends, graduated up to 70 per cent. Corporations pay state and local taxes, too.

Then, why all of this criticism and drive to keep corporations from making a profit?

The public may not understand the importance of profits any better than Congress. Opinion Research Corp. asked 1,209 adults to estimate manufacturers' after-tax profits. Their composite estimate was 33 per cent, more than six times the actual.

In another survey made up by Dr. George Gallup for Oklahoma Christian College, students around the country guessed the typical profit of a large corporation on its total business to be 45 per cent. They thought 25 per cent would be fair. Most businessmen would agree, if they could make that much!

Many union leaders and workers look at profits from another angle. To them, jobs come first. Get people to work and profits will take care of themselves, they argue, overlooking the fact that employers invest in plants, equipment, materials, merchandise and labor in hope of making a profit on them.

One of the most militant labor leaders, the late Samuel L. Gompers, said: "The worst crime against working people is a company which fails to operate at a profit."

TYRANNICIDE: PERILOUS POLITICS

Mr. ABOUREZK. Mr. President, in the course of investigating the missteps of the CIA, we have come across incidents

of allegedly planned political assassinations. Dubbed "tyrannicides," these efforts worked under the assumption that it is in the best interests of this country to dispose of the leaders we feel are harmful or undesirable.

Unfortunately, some have felt that, in certain cases, tyrannicide is justifiable. This, in my mind, raises certain doubts as to the morality of our foreign policy implementation.

But, aside from the morality, there is the question of true national interests. Tyrannicide is merely an attack at the surface of that which annoys us, or that which we disagree with. It is an attack at the tip of the iceberg, so to speak. What we must realize is that it does nothing to quell, satiate, or change the factors which brought about such a situation.

Second, there is the question of where we draw the limits.

Recently, I read an editorial in the Yankton, S. Dak., Press and Dakotan which quite accurately addressed these concerns. I think it is worthy of my colleagues' attention.

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:

TYRANNICIDE: PERILOUS POLITICS

As the rumors and suspicions and allegation that the Central Intelligence Agency, with the knowledge of American presidents, plotted or perpetrated the assassination of certain foreign heads of state, a number of commentators have questioned whether this kind of secret, "gunpoint diplomacy" is necessarily and always evil.

Calling it not murder by tyrannicide columnist John P. Roche asks: "Would it have been unconstitutional, immoral and generally dreadful if some American intelligence agent had put a 30-caliber slug into Hitler's skull, in, say, 1937?"

On the face of it, it might appear that the 20th century would have been a far happier one had someone dispatched Herr Hitler when he first raised Nazism's ugly head. The same could be said about Torquemada and the 15th century, or Genghis Khan and the 12th century.

The argument collapses, however, as soon as we consider the death of a leader like Abraham Lincoln. Yet his assassin fervently believed that he was ridding the world of a tyrant. The student who assassinated the Archduke of Austria in 1914 and precipitated the First World War no doubt thought of his act as heroic.

Of course, neither of these "tyrannicides," nor others which have dramatically altered history, was the official act of an organized government. They were the work of fanatic individuals. Nevertheless, it would be perilous if we came to believe that even in the case of Hitler we can set up a standard of morality for governments separate from that demanded of individuals in society.

Yes, it can be argued that it would have been a good thing if someone had killed Hitler in 1937. Perhaps Stalin, too. But what about Mussolini? And Franco? Once embarked on such a course, where would we stop?

The assassination of Fidel Castro in 1962 or 1963 would not have changed the factors that brought him into power in the first place, any more than the assassination of President Diem of South Vietnam was of benefit to that tragic land. And as for Adolph Hitler, there were other, nonmurderous means of dealing with him in 1937, if world statesmen had had the guts to stand up to him.

One feature distinguishing the American political experiment from all others before it was that it provided a peaceful means for changing rulers. If we ever reach the point where we practice a different morality in our dealings with foreign nations than we practice at home, if we adopt "tyrannicide" as a valid, even if only a last resort, method of furthering national policy, we will have assassinated all that is best in ourselves.

WITHDRAWAL OF A COSPONSOR

S. 1

Mr. BAYH. Mr. President, I ask unanimous consent that my name be removed as a cosponsor of S. 1, a bill to codify, revise, and reform title 18 of the United States Code; to make appropriate amendments to the Federal Rules of Criminal Procedure; to make conforming amendments to criminal provisions of other titles of the United States Code; and for other purposes, and that all subsequent printing of S. 1 reflect this request.

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

Mr. BAYH. I further request unanimous consent to print in the RECORD a statement I made during the recent recess detailing the reasons for my decision to remove my name as a cosponsor of S. 1.

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

STATEMENT OF SENATOR BIRCH BAYH ON THE CRIMINAL CODE

I originally joined as a co-sponsor of S-1 because I was convinced that codification of federal criminal law was needed and because I believed that as a co-sponsor I would be in a better position to see to it that those sections of the draft bill with which I took exception were modified. In my statement of co-sponsorship, I made it quite clear that I could not accept some sections of the draft bill and would seek to amend it.

I have now become convinced that I misjudged the role I could play that would be most effective in strengthening those basic civil liberties which I have stood for throughout my public career.

During the preliminary discussions on this massive bill which runs to 735 pages, this strategy appeared to be working with some success. A dozen changes in the bill were agreed to by the Subcommittee and the Department of Jutice. But the more people I talked with around the country about this bill, the more I became convinced that my initial judgment that I could play the most effective role by working from the inside as a co-sponsor was wrong. For several reasons, S-1 has come to be viewed by many people as a symbol of repression.

In its present form, the bill does have features which are repressive. This country has just witnessed an effort by the most powerful officials in the land to violate the basic rights of individual Americans. I fear that this temptation will not pass with Watergate. As the great Justice Louis D. Brandeis once observed, "The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well meaning but without understanding." Those civil liberties and civil rights we cherish can be lost today or tomorrow a law at a time or a phrase at a time through the action of men of good intention who lack understanding.

Throughout my public life I have fought to protect the rights of individual Americans. At this moment in our history when I believe we must rededicate ourselves to the preservation of those basic rights which have kept America and Americans free, I cannot associate myself with a measure which has become a symbol of repression to so many.

While I will ask that my name be removed from the current draft bill, I fully intend to press my efforts to see to it that the bill is modified to take account of those sections which I have indicated I cannot support. I continue to believe that codification is a highly desirable goal, and I will work toward that end, but if my amendments are not agreed to, I will do everything I can to see to it that the bill is defeated.

I would like to outline for you in some detail—first, why I believe codification is desirable, second, the changes in the bill that we have already achieved and, third, the amendments which I will propose.

WHY IS CODIFICATION NEEDED?

The nearly two hundred years of American legal history have seen us evolve from a nation bound by the judicially developed common law of Great Britain to one in which criminal sanctions, if they are to be imposed, must be specifically enacted by the people's representatives in federal and state legislative bodies.

In the federal system, however, this legislative process has been one of reaction and accretion. A particular problem is observed and is regarded as serious enough to merit criminal sanctions and then a statute is enacted which addresses itself, often very narrowly, to the precise problem presented. As a result of this unsystematic process of evolution, serious gaps in the coverage of our laws exist. At the same time many of our present criminal statutes suffer from unnecessary overlap. The punishments provided are often inconsistent or outmoded. A number of statutes dealing with identical kinds of conduct, yet worded differently, are interpreted in varying and frequently conflicting fashions.

Instead of a criminal code, we have developed something akin to what might be termed "Collected Federal Criminal Statutes." But even that term is somewhat misleading for it cannot be properly said that the federal criminal laws are collected in any one conveniently accessible place. Criminal offenses exist in virtually all of the fifty titles of the United States Code. One who wished to discover whether a certain type of conduct was the object of a federal offense would have to rely on the index to those fifty titles and his own skill as a researcher in order to act with total certainty. While ignorance of the law ought not to constitute a general defense, it also ought not to be encouraged by the manner in which the laws are preserved. Yet, the present disorganized scattering of criminal offenses does precisely that.

Our present criminal statutes are scattered throughout the 50 volumes of the United States Code; they suffer from unnecessary overlap; statutes dealing with identical kinds of conduct, yet worded differently, are interpreted in varying and frequently conflicting fashions. A few examples:

There are several dozen separate statutes in the present law which punish theft. Most commonly the distinction in their coverage is based on the nature of the federal government's jurisdiction. Thus, one who steals a truck containing mail while it is parked on an Indian reservation may be charged with three separate crimes, i.e., theft of the mails, robbery on the Indian reservation, and the Deyer Act. These three offenses have widely

varying sanctions attached to them and the choice is left to the prosecutor to charge whichever he pleases, or all three for that matter. There is no mechanism to review the prosecutor's actions;

The various Watergate offenses would not have been prosecutable federally had they not happened to occur in the District of Columbia, even though the intent was clearly to disrupt and influence a Presidential election. The new code rectifies this situation;

One section of present law punishes the breaking into a vehicle or vessel of the Post Office with a maximum penalty of three years, while breaking into a post office building carries a five year penalty;

One provision of present law punishes making a false statement to a government agency under some circumstances as a five year felony, yet another section adds an additional charge carrying a three year penalty if it happens to involve the Department of Housing and Urban Development; and

Another provision makes it a federal offense to engage in a conspiracy to deprive a citizen of his rights under the Constitution, yet there is no substantive offense actually punishing one who does deprive a person of his federally guaranteed rights.

There is, therefore, a clear need for codification in order to limit the extent to which conduct is criminalized and in order to provide notice as to what the criminalized conduct is. Our criminal law represents the most serious sanction that society can inflict upon its members. That system of sanctions ought to operate under conditions of simplicity, clarity, and fairness. The very nature of the way in which current law developed argues strongly that these essential elements have been glossed over.

The criminal law is not simple when only a trained and skilled individual can discover where it may be found. It is not clear when a common word, "willful" for example, has one meaning in one statute and a very different meaning in another, the difference depending in large part on the vagaries of the language at the time the statute was enacted and the meaning of the term to the particular legislators responsible for the legislative history. It is in some sense unfair to have vital questions of law depend for their answer upon the judicial circuit or district in which the prosecution is instituted as is the case with the corroboration requirement in rape cases, for example.

Moreover, the system is cumbersome for the prosecutor and this leads to situations which, while not violative of basic rights, are certainly undesirable if they can be avoided. New crimes must be squeezed into old statutes with the same effort as putting square pegs in round holes.

A statute designed to prevent large-scale frauds through the use of the mails must be made to fit the offense of using stolen credit cards. A law enacted to protect blacks against official oppression during the Reconstruction period is the only one available to charge National Guardsmen alleged to have wantonly taken the lives of students at Kent State. Respect for law naturally decreases when a jury, having heard evidence of a crime appearing to be murder, is charged by the judge in terms of an offense described as the deprivation of a civil right under color of law.

Revision and reform then are also vital needs within the Federal criminal structure in addition to codification. Uniformity and simplicity of approach and language lead to wider understanding of the meaning and content of the law. Elimination of anchronistic requirements and resolution of ancient and trivial differences will inevitably lead to a greater belief in the wisdom of the law and consequently a greater faith in the fundamental concept that this society is not only one of laws, but of just laws as well.

Codification could be at its simplest level a process of bringing our criminal statutes together in a single title of the United States Code with the ultimate goal of easy access to the law. But to do only this would be to deal with only one part of the problem with the federal criminal law. Since, as I have noted, there are in fact many other problems associated with our present unstructured collection of criminal statutes, the process of codification ought also to involve the joint processes of revision and reform so as to modernize and make more fair that area of law—the criminal code—in which our most basic liberties and values are sought to be preserved. Whatever may be said for or against isolated aspects of a given effort at codification, it seems clear that there exists a compelling need for the federal government to operate under a rational, just and workable criminal code and that, consequently, the concept of codification and the complementary aspects of revision and reform are objectives which the entire citizenry can and should support.

MODIFICATIONS AGREED TO IN THE BILL

Because of the size and complexity of this project, I determined when I decided to add my name as a co-sponsor in January that the first step was to instruct my staff to sit down with the staff of the Criminal Laws Subcommittee, the staffs of other interested Senators and representatives of the Justice Department and negotiate those changes which would improve the bill, but which did not involve major policy issues. The staff was also directed to isolate those policy questions for presentation to the Committee. This initial process has now been completed with the following significant modifications having been agreed to:

(1) The statute of limitations for failing to register under the selective services laws (5 years) begins to run at the time the duty to register ceases (age 26) instead of being indefinite;

(2) There is an absolute bar to trying any juvenile below the age of sixteen as an adult, eliminating the "murder" exception in S. 1.

(3) In the treason section, the constitutional requirement that conviction "include the testimony of two witnesses to the same overt act" is added;

(4) In the treason and related crimes section, the modifier "armed" was added to the term "insurrection" in order to limit its scope.

(5) In the constitutionally sensitive section which punishes inciting the overthrow of the government by force, the "clear and present danger test" was added to the statutory language; new language was added requiring "active" membership in a group which the defendant specifically knows has the intent of overthrowing the government by force or violence; and the penalty for the offense was lowered from 15 to 7 years.

(6) The sabotage section which punishes one who damages certain specific property with an intent to impair the nation's ability to make war or engage in defense activities, was modified. As the bill read, it included any property of the United States and any public facility. Language was added requiring that the property or facility be "used in, or particularly suited for use in, the national defense".

(7) The grading of the offense of evading military service was reduced from a Class D felony (7 years) to a Class E (3 years), except in time of war.

(8) In the rape section, language was added barring the requirement of corroboration of the victim's testimony, and prohibiting the introduction into evidence of the victim's prior sexual conduct.

(9) In the Ellsberg case, the government attempted to convict him under the general theft sections of Title 18 on the theory that it had a "property right" in the Pentagon Papers (aside from the value of the actual Xerox paper). Since S. 1 has sections for prosecuting the disclosure of classified information, a bar to prosecution was added in the theft sections so that a person could not be prosecuted for both.

(10) The scope of the federal riot statute was reduced by eliminating the provision which gave the federal government jurisdiction whenever the mails or a facility of interstate commerce was used to plan or carry out a riot. In addition, the definition of riot was narrowed to require "violent and tumultous conduct causing a grave danger of injury to persons or property" by at least 10 persons.

(11) In the obscenity section, the constitutional phrase requiring that the material appeal "predominantly" to the prurient interest was added.

(12) The section punishing disorderly conduct was narrowed to eliminate the following acts from the section: (a) making a loud noise; (b) using abusive or obscene language; and (c) soliciting a sexual act.

AMENDMENTS TO S. 1

While as I have indicated, I strongly support the need for codification of the criminal code, as one would expect with a project of this magnitude, there are a number of policy decisions reflected in the current draft of the bill with which I take strong exception. Accordingly, I am today proposing a number of specific changes in the statutory language.

The following are my specific proposals for modification of the draft bill. I do not mean that adoption of these amendments will satisfy all of my concerns. I have made sure that other Senators, with particular interests in specific areas, do plan to offer amendments covering other provisions with which I have a problem. Senators Kennedy and Mathias, for example, have developed special experience by virtue of hearings held last year by the Subcommittee on Constitutional Rights, Administrative Practices, and a special Ad Hoc Subcommittee of the Foreign Relations Committee in the wiretapping area. Senator Tunney has indicated a particular interest in the insanity defense. Senator Burdick, as Chairman of the Subcommittee on Penitentiaries, has amendments to the provisions relating to sentencing and parole. Senator Hart has, in the past, made a number of proposals in the area of firearms control and drug abuse. Other Senators, not on the Judiciary Committee, such as Senators Javits, Cranston, Nelson, and Moss have offered legislation which comes within the general purview of the federal criminal code.

OFFICIAL SECRETS

The sections of the Code which have drawn more public comment than any others are those relating to the control of information held by the government. This is understandable given the abuses of government secrecy over the last decade which were without precedent in our history. The sections involved are Subchapter C of Chapter 11 "Espionage and Related Offenses" and Subchapter D of Chapter 17 "Theft and Related Offenses".

The current espionage laws are contained in some twelve sections of Titles 18, 42 and 50 of the U.S. Code. Generally, these laws punish anyone who obtains a broadly defined category of information relating to defense matters with an intent that it be used to the injury of the United States or to the advantage of any foreign power. (18 U.S.C. 793 and 794) These sections have not been modified substantially since their enactment as part of the Espionage Act of 1917. Information "relating to the national defense" is not specifically defined. Communication of such information to any foreign government carries a 10 year maximum penalty. In addition, under the provisions of Section 783 of Title 50, it is a crime for a government employee to communicate any "classified" information to a foreign government. To the extent there

is classified information which would not fall within the broad definition of information "relating to the national defense" there is, under current law, no provision which punishes its disclosure except to a foreign government or agent thereof. It is worth noting that the law is unsettled as to whether the publication of classified information would constitute an offense under 50 U.S.C. 783, since by virtue of its publication it obviously becomes available to foreign governments. This was an issue in the Ellsberg case but was never settled because of the outrageous government misconduct which required dismissal of that indictment.

The current draft provisions of S. 1 in part codify present law, but also contain one notable expansion. Under Section 1124 a new offense is created which punishes the disclosure of any classified information held by a government employee or government contractor to anyone not authorized to receive it.

In my view, both the current statutes and the proposals contained in the bill are inadequate, and, indeed dangerous. The crux of the problem is that they attempt to deal with what are two quite separate problems in the same statutory provisions. One concerns the government's quite legitimate interest in protecting information relating to its military capabilities from access by potential foreign enemies. The other involves the highly suspect right of the government to withhold information from its own citizens. Accordingly, the amendment I will offer has been drafted to separate, as much as possible, these two interests.

Under my proposal, it will be an offense to transfer any classified information directly to a foreign power or agent thereof with an intent to injure the United States. If the classified information so transferred is especially sensitive "vital defense secrets", which is specifically defined in the statute as relating directly to certain military capabilities, the offense is a Class A felony in time of war and a Class B felony otherwise. If the information is classified but does not fall within this special category, the penalties are substantially lowered.

The more difficult question is what type of information is so essential to the security of the United States that the government can legitimately punish its disclosure by anyone, the first amendment notwithstanding. The approach of my proposed amendment in this area is two fold: *first*, it very precisely and narrowly defines the type of information covered; and *second*, it adopts an additional requirement taken from the Supreme Court's decision in the Pentagon Papers case that the information's disclosure must pose a "direct, immediate, and irreparable harm to the security of the United States". The amendment defines these "vital defense secrets" as those which "directly concern the operation of"

(a) cryptographic information regarding the nature, preparation, use or interpretation of a code, cipher, cryptographic system, or other method used for the purpose of disguising or concealing the contents of a communication by a foreign power or by the United States;

(b) operating plans for military combat operations;

(c) information regarding the actual method of operation of weapons system;

(d) restricted data as defined in Section 11 of the Atomic Energy Act of 1954.

In effect, what this amendment does is to adopt the constitutional standard which must be met before the government can impose a prior restraint on the publication of information as being likewise the appropriate standard for the criminal law. I strongly believe that in this way we can successfully balance the public right to know and the government's responsibility "to provide for the common defense". The language for this amendment has been worked out in a series of meetings with the Reporters Committee for Freedom of the Press and a number of attorneys representing a broad cross-section of the media.

Turning to the Chapter 17 offenses, there has been concern about the assertion by the government on several occasions in recent years that it had a property interest in certain types of information, and therefore, that anyone who disseminated such information could be charged with the theft of government property. As I have indicated, these sections have now been modified to exclude all classified information from their coverage, unless obtained by illegal entry. In my view, however, this does not completely take care of the problem. I have in mind incidents like one which occurred recently when the Chairman of the Federal Reserve Board called in the FBI to investigate the disclosure of certain financial information on consumer interest rates.

It is inconsistent with constitutional principles to allow the government to assert a proprietary interest in information generally. The amendment I will propose, therefore, will explicity state that the government has no property interest in information. I might note that this is a policy which is consistent with provisions of the copyright law which we adopted fifty years ago barring any copyright to the government. At the same time, the amendment would protect under separate sections a few, very specialized categories of materials including: information submitted in patent applications; certain "trade secrets" voluntarily submitted to government agencies; some types of confidential financial data on private individuals and corporations; and grand jury minutes. The amendment also adds a similar bar to prosecution under the related offense of defrauding the government contained in Chapter 13.

Under present Federal decisional law, the defense of entrapment, like other defenses, raises an issue of the accused's guilt or innocence. Thus, a successful claim of entrapment results in an acquittal on the theory that the *accused is innocent of the crime charged*. This is true in spite of the fact that the accused may have committed the proscribed acts with the forbidden intention. In fact, such an acquittal is the consequence less of the accused's innocence than of the government's wrongdoing, for it is conceived to be contrary to the congressional intent to convict one who might not have committed the offense without the active and energetic promptings of the government.

The defense of entrapment has an "origin-of-intent" emphasis. It seeks to determine whether it was the strength and persistence of the government's urging or the accused's own pre-existing criminal intention which gave rise to the conduct constituting an offense. The defense has, therefore, come to require both that: (a) the government has engaged in activities beyond the reasonable limits of those artifices or stratagems necessary to produce evidence of criminality, and that (b) the accused was not predisposed in fact or by reason of his past conduct to engage in the prohibited conduct. These twin elements of inducement and predisposition, when joined, form the presently recognized basis for the entrapment defense.

The proposed amendment changes the existing law by giving principal significance to the inducements of the government. Entrapment is continued as a defense to a crime, but the question of the accused's predisposition is removed and the issue is framed rather in the objective terms of whether persons at large who would not otherwise have done so would have been encouraged by the government's actions to engage in crime.

CONSPIRACY

The purpose of this amendment is to attempt to substantially narrow the present law of conspiracy. The exact origin of conspiracy theory in the common law apparently is not known. While it first received legislative recognition as early as 1305, it did not reach full maturity until the 17th century, when the criminal law experienced perhaps its greatest growth, largely at the hands of the infamous Star Chamber.

The modern crime of conspiracy has been defined as "so vague that it almost defies definition". This factor has resulted in widely varying definitions of the elements of this crime.

The first part of my amendment would explicitly reject the controversial doctrine laid down in *Pinkerton* v. *United States*, 328 U.S. 640 (1946). The effect of the *Pinkerton* doctrine is that mere membership in a conspiracy is sufficient not only for criminal liability as a conspirator but also for all specific offenses committed in furtherance of it. I believe that while conspiracy law is needed, particularly in organized crime and civil rights offenses, it can be a dangerous instrument and should be carefully controlled. Some have argued for the complete abolition of the offense. I am unwilling to go this far, but I am convinced that a modification of the *Pinkerton* doctrine is necessary to keep the offense under reasonable control.

The second part of this amendment would add to the general conspiracy statute, Section 1002, the requirement that in order to involve a particular defendant in a conspiracy charge he be guilty of some specific conduct which is "substantially corroborative" of his intent to engage in one of the criminal objectives of the conspiracy. This part of the amendment is an attempt to narrow what I believe is the over-breadth of the conspiracy laws by requiring a more substantial overt act than does present law by requiring a more substantial overt act in order for the government to bring an individual within the conspiracy net. Both of these recommendations follow those of the Brown Commission.

CRIMINAL SOLICITATION

There is, at present, no federal law of general applicability which prohibits an unsuccessful solicitation to commit a crime, although a few statutes define specific offense which contain language prohibiting solicitation such as 18 U.S.C. 201 that prohibits soliciting the payment of a bribe. The problem with this offense is its inherent overbreadth. All it requires is one person asking another if he is interested in committing any criminal act.

In my view, actions which come close to being criminal are adequately covered by the reach of the attempt provision which encompasses conduct that goes beyond "mere preparation" for the commission of the crime, and by the broad sweep of the conspiracy statutes. The Brown Commission was concerned by the scope of the solicitation provision and limited it to felonies only where the defendant engaged in a specific "overt act". While this is a possible compromise position, I believe the crime of solicitation should be eliminated entirely from the Code.

IMPAIRING MILITARY EFFECTIVENESS BY FALSE STATEMENT

Section 1114 of the Bill which punishes the "impairing of military effectiveness by false statement" likewise raises serious first amendment concerns. This section punishes conduct if, in time or war, an individual "with the intent to aid the enemy or to impair, interfere with, or obstruct the ability of the United States to engage in war or defense activities, communicates a statement of fact that is false, concerning: (1) losses, plans, operations, or conduct of the

military forces of the United States, of an associate nation, or of the enemy; (2) civilian or military catastrophe; or (3) any other matter of fact that, if believed, would be likely to affect the strategy or tactics of the military forces of the United States or would be likely to create general panic or serious disruption". The first amendment problem here is the danger of political prosecutions. This danger was recognized by Justice Holmes and Brandeis in their dissent in *Pierce v. United States* which affirmed the convictions of Socialist Party members in 1920 who distributed some 5,000 copies of an anti-war leaflet. The present version of the bill adopts the Holmes-Brandeis view that convictions under this section can only be sustained if the statements were, in fact, false and not expressions of opinion. The amendment that I am offering today, however, would go beyond this and require that the government show, as an element of the offense, that the defendant specifically knew that the information in this category was false when he communicated it. The government must have the ability, in time of war, to apprehend individuals who are knowingly publicizing false information concerning military matters, but the reach of the statute must be carefully circumscribed because of its closeness to rights protected under the first amendment. I believe that this amendment will provide such protections.

IMPAIRING MILITARY EFFECTIVENESS

Section 1112 of the proposed bill punishes as a felony anyone who "in reckless disregard of the risk that his conduct might impair, interfere with, or obstruct the ability of the United States or an associate nation to prepare for or to engage in war or defense activities, he engages in conduct (which) . . . damages, tampers with, contaminates, defectively makes, or defectively repairs . . . any property which (is) used in, or is particularly suited for use in, the national defense." Although this does not depart from present law, it has the potential for vast abuse in unstable times. I do not believe that reckless conduct should constitute a serious criminal offense when it involves property, even if that property can somehow be related to the national defense. Accordingly, I will move to strike this section in its entirety. If sabotage is intentional, it will be punished under Section 1111. In addition, there are provisions in Chapter 17 of the bill which punish as a Class A misdemeanor the destruction of government property.

OBSTRUCTING A GOVERNMENT FUNCTION BY PHYSICAL INTERFERENCE

This section again raises serious First Amendment concerns. As the bill now reads, it is a Class A misdemeanor for a person to "intentionally obstruct, impair, or pervert a government function by means of physical interference or obstacle." One of the most fundamental and cherished rights under the First Amendment is, of course, the right of peaceable assembly. Accordingly, any criminal offense which touches on this right must be closely circumscribed. The amendment I am recommending would add two additional clauses to this section. The first would provide a defense that would require the court to affirmatively determine that the physical interference charged was not a lawful assembly protected under the First Amendment. The second would narrow the definition of "interference" to require that the conduct disrupts an "essential" government function for a prolonged period, and in a "substantial" way.

INTERCEPTING CORRESPONDENCE

Several witnesses before the Criminal Laws Subcommittee also raised questions touching on the first amendment with regard to Section 1523 of the draft code which punishes anyone who intentionally "intercepts, opens, or reads private correspondence without prior consent." Although this section was designed only to cover actual tampering with the mails, the use of the term "reads" is overly broad. Accordingly, my amendment would limit the offense to one who "intercepts or opens private correspondence in transit."

DEMONSTRATING TO INFLUENCE A JUDICIAL PROCEEDING

This is still another section of the bill which raises serious first amendment concerns. The judicial process should, of course, be protected from undue influence. These protections must not, however, be allowed to infringe on the protected right of assembly. The draft of Section 1328 currently penalizes as a Class B misdemeanor one who "with intent to influence another person in the discharge of his duties in a judicial proceeding, pickets, parades, displays a sign, uses a sound amplifying device, or otherwise engages in a demonstration in, on the grounds of, or after notice of potential violation of this section, within 200 feet of . . . a courthouse or another building occupied by a person engaged in the discharge of judicial duties."

The amendment I offer will require a specific finding by the court that the conduct involved was not protected under the First Amendment and, in addition, would require a showing by the government that the conduct did, in fact, pose a serious threat to the integrity of the judicial process.

CRIMINAL CONTEMPT

In the common law, a judicial officer had virtually unlimited power to punish summarily any person in his courtroom whose conduct he did not like. The Congress has imposed some restraints on this power, as in Section 401 of Title 18 passed in 1831, but it remains today a glaring exception to normal due process requirements. Section 1331 codifies current law in limiting summary contempt power to a maximum penalty of six months. The draft also imposes restrictions on consecutive sentences. While it is obviously necessary for a judicial officer to be able to exercise some control over those who are participating in the judicial process, there is an obvious danger in such unbridled power. Accordingly, the amendment I am recommending would restrict summary contempt to an infraction (five days). Several other subsections of Chapter 13 including 1333—Refusing to Testify or to Produce Information; 1334—Obstructing a Proceeding by Disorderly Conduct; and 1335—Disobeying a Judicial Officer, seem to adequately cover serious disruption of the judicial process. The amendment also has the salutary result of interposing an impartial tribunal between the offending defendant and the offended judge prior to the imposition of an extended jail term. This was an alternative solution suggested by the Brown Commission.

In addition, the amendment I am recommending to the Committee would adopt language from Mr. Justice Black's opinion in *In Re McConnell* and require that the government show there was, in fact, an "actual obstruction of justice."

REFUSING TO TESTIFY BEFORE CONGRESS

The lawful committees of the Congress must, in order to properly fulfill their public duties, have the right to compel testimony. History has shown us, however, that on a few occasions this power can be subject to abuse. The draft provisions of the code raise the penalty for such refusal from a misdemeanor, as in current law, to a Class E felony. Because of the possibility of abuse, I do not believe that this increase is justified. Thus, the amendment I will propose will reduce this offense to a Class A misdemeanor.

SIGMUND ARYWITZ, IN MEMORIUM

Mr. TUNNEY. Sigmund Arywitz was known as Siggy.

He was beloved in California as a persuasive crusader for human rights and personal dignity for all Americans.

He spoke with gentle voice but with booming convictions on America and the principles of individual freedom and self-worth on which the Nation stands.

Siggy shall be sorely missed.

As executive secretary for the Los Angeles Federation of Labor since 1967, he fought for the right of working men and women to get, what he called, "their fair share of the economic system."

But he was more than a forceful labor leader.

Siggy was a person of cultivated taste and exceptional insight into all the elements that join to strengthen the community and unify our society.

He had great wisdom and compassion, and tireless energy, and he gave selflessly of his time and his talents not only to the labor movement, but to the community at large.

I enjoyed his vigorous advocacy, admired his drive and his intellect, and I was shocked at his unexpected death on Tuesday.

Siggy was born in Buffalo, N.Y., took his degree from university there, served with the Army in World War II, then settled in California.

From 1949 to 1959, he was a director for the Pacific Region of the International Ladies Garment Workers. He then became a labor commissioner for California until he became the executive secretary of the Los Angeles Federation, second only in size to the one in Los Angeles.

From time to time, he and I disagreed, and I shall always respect his unfailing civility and meticulous attention to detail when he argued for his views.

Sigmund Arywitz invariably was forthright and always incisive.

Organized labor has lost a great advocate; California and the Nation have lost a vigorous champion for social progress; and those of us who knew him have lost an esteemed friend.

FORECLOSURE RELIEF PROGRAM DEFICIENCIES

Mr. MONDALE. Mr. President, the Congress has passed and, on July 2, 1975, the President signed into law the Emergency Homeowners' Relief Act. That act contained a mechanism for providing emergency payments to homeowners faced with foreclosure due to unemployment.

As the author and original sponsor of legislative proposals to provide foreclosure relief to citizens faced with the threat of the loss of their homes, I anxiously awaited HUD's first report to congress under the act.

That report has now arrived, Mr. President, and it is truly disappointing. HUD has failed to implement the foreclosure relief program. And, Mr. President, it now appears a reasonable possibility that it may never be implemented.

After President Ford chose to veto the original Housing bill passed by Congress, which I enthusiastically supported, and efforts to override the veto failed, Congress passed compromise legislation which was acceptable to the White House.

That legislation, which became Public Law 94–50, gave the Secretary of Housing and Urban Development standby authority to provide emergency relief payments to homeowners faced with foreclosure. The legislation also required the Secretary to report to Congress within 60 days on certain specific subjects.

The Secretary was required, among other things, to report to Congress on "actions taken and actions likely to be taken with respect to making assistance under this title available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures."

In the report, the Secretary does report on the steps she has taken. She has appointed a "task force of senior staff members" to develop a proposal for implementation of the relief program. The task force has reported, and the Secretary has proposed regulations which would implement the relief program.

Unfortunately, Mr. President, the Secretary's proposals are woefully deficient. First, in attempting to determine whether the emergency payments should begin, the Secretary has chosen to measure the extent of foreclosures on a national basis.

Whatever this measure may reveal about the national problem, it totally ignores pockets of severe foreclosure levels on a regional and local level.

There are dozens of areas and specific cities where foreclosure rates are running greatly above the national levels. In these locations, thousands of families are losing their shelter. Elderly citizens living on fixed incomes cannot meet mortgage payments. Young couples who purchased homes when mortgage interest rates were extremely high are losing those homes.

The Secretary's measure of the foreclosure problem ignores these pockets of foreclosure misery.

In addition, Mr. President, the Secretary has adopted a "trigger" mechanism for the implementation of the relief program which is totally unrealistic and unlikely ever to be met.

Using a complicated formula based on "a weighted average of delinquency rates published by the Veterans' Administration, the Mortgage Bankers Association of America, the American Life Insurance Association, the National Association of Mutual Savings Banks, and the U.S. League of Savings Associations," the Secretary has developed an index designed to measure the foreclosure rate.

Having developed the index, the Secretary finds the March 1975 foreclosure rate at 1.10 percent. Then, she proceeds to propose that relief payments begin when the index hits 1.20 percent.

Why the Secretary selected this level is far from clear. Why the Secretary chose to ignore the upward trend in foreclosures over the past few years is unclear.

The fact remains, however, that the "trigger" level will postpone implementation of this program, possibly for many months. In the meantime, thousands of Americans will lose their homes, thousands of families will be without shelter, and thousands of dreams will be shattered because the Secretary has concluded that "under present conditions voluntary forebearance is preferable—to the standby programs authorized by the act."

Once again, the Ford administration has shown its unwillingness to help the victims of unemployment. Once again it has shown a lack of compassion for those hurt most by this Nation's economic distress.

I wish, Mr. President, that the President could read the letters I have received from frantic Minnesotans, and citizens through the country, who are about to lose their homes. They cannot meet their mortgage payments because they are unemployed. Most are unemployed through no fault of their own.

Apparently, the White House will only help these people when matters become worse. This is indeed a sad day for the American homeowner.

Mr. President, I ask unanimous consent that a copy of the Emergency Homeowners' Relief Act and a copy of the introductory pages from the Secretary's first report to the Congress be printed in the RECORD.

There being no objection, the act and introductory pages were ordered to be printed in the RECORD, as follows:

PUBLIC LAW 94–50, 94TH CONGRESS, H.R. 5398

An Act to authorize temporary assistance to help defray mortgage payments on homes owned by persons who are temporarily unemployed or underemployed as the result of adverse economic conditions

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

SHORT TITLE

SECTION 1. That this Act may be cited as the "Emergency Housing Act of 1975".

TITLE I—EMERGENCY MORTGAGE RELIEF

SHORT TITLE

SEC. 101. This title may be cited as the "Emergency Homeowners' Relief Act".

FINDINGS AND PURPOSE

SEC. 102. (a) The Congress finds that—

(1) the Nation is in a severe recession and that the sharp downturn in economic activity has driven large numbers of workers into unemployment and has reduced the incomes of many others;

(2) as a result of these adverse economic conditions the capacity of many homeowners to continue to make mortgage payments has deteriorated and may further deteriorate in the months ahead, leading to the possibility of widespread mortgage foreclosures and distress sales of homes; and

(3) many of these homeowners could retain their homes with temporary financial assistance until economic conditions improve.

(b) It is the purpose of this title to provide a standby authority which will prevent widespread mortgage foreclosures and distress sales of homes resulting from the temporary loss of employment and income through a program of emergency loans and advances and emergency mortgage relief payments to homeowners to defray mortgage expenses.

MORTGAGES ELIGIBLE FOR ASSISTANCE

SEC. 103. No assistance shall be extended with respect to any mortgage under this title unless—

(1) the holder of the mortgage has indicated to the mortgagor its intention to foreclose;

(2) the mortgagor and holder of the mortgage have indicated in writing to the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") and to any agency or department of the Federal Government responsible for the regulation of the holder that circumstances (such as the volume of delinquent loans in its portfolio) make it probable that there will be a foreclosure and that the mortgagor is in need of emergency mortgage relief as authorized by this title, except that such statement by the holder of the mortgage may be waived by the Secretary if in his judgment such waiver would further the purposes of this title;

(3) payments under the mortgage have been delinquent for at least three months;

(4) the mortgagor has incurred a substantial reduction in income as a result of involuntary unemployment or underemployment due to adverse economic conditions and is financially unable to make full mortgage payments;

(5) there is a reasonable prospect that the mortgagor will be able to make the adjustments necessary for a full resumption of mortgage payments; and

(6) the mortgaged property is the principal residence of the mortgagor.

LIMITS OF ASSISTANCE

SEC. 104. (a) Assistance under this title with respect to a mortgage which meets the requirements of section 103 may be provided in the form of emergency mortgage relief loans and advances of credit insured pursuant to section 105 or in the form of emergency mortgage relief payments made by the Secretary pursuant to section 106.

(b) Assistance under this title on behalf of a homeowner may be made available in an amount up to the amount of the principal, interest, taxes, ground rents, hazard insurance, and mortgage insurance premiums due under the homeowner's mortgage, but such assistance shall not exceed the lesser of $250 per month or the amount determined to be reasonably necessary to supplement such amount as the homeowner is capable of contributing toward such mortgage payment.

(c) Monthly payments may be provided under this title either with the proceeds of an insured loan or advance of credit or with emergency mortgage relief payments for up to twelve months, and, in accordance with criteria prescribed by the Secretary, such monthly payments may be extended once for up to twelve additional months. A mortgagor receiving the benefit of mortgage relief assistance pursuant to this title shall be required, in accordance with criteria prescribed by the Secretary, to report any increase in income which will permit a reduction or termination of such assistance during this period.

(d) Emergency loans or advances of credit made and insured under section 105, and emergency mortgage relief payments made under section 106, shall be repayable by the homeowner upon such terms and conditions as the Secretary shall prescribe, except that interest on a loan or advance of credit insured under section 105 or emergency mortgage relief payments made under section 106 shall not be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of the National Housing Act.

(e) The Secretary may provide for the deferral of the commencement of the repayment of a loan or advance insured under section 105 or emergency mortgage relief payments made under section 106 until one year following the date of the last disbursement of the proceeds of the loan or advance or payments or for such longer period as the Secretary determines would further the pur-

pose of this title. The Secretary shall by regulation require such security for the repayment of insured loans or advances of credit or emergency mortgage relief payments as he deems appropriate and may require that such repayment be secured by a lien on the mortgaged property.

EMERGENCY MORTGAGE RELIEF LOANS AND ADVANCES

SEC. 105. (a) The Secretary is authorized, upon such terms and conditions as the Secretary may prescribe, to insure banks, trust companies, finance companies, mortgage companies, savings and loan associations, insurance companies, credit unions, and such other financial institutions, which the Secretary finds to be qualified by experience and facilities and approves as eligible for insurance, against losses which they may sustain as a result of emergency loans or advances of credit made in accordance with the provisions of section 104 and this section with respect to mortgages eligible for assistance under this title.

(b) In no case shall the insurance granted by the Secretary under this section to any financial institution on loans and advances made by such financial institution for the purposes of this title exceed 40 per centum of the total amount of such loans and advances made by the institution, except that, with respect to any individual loan or advance of credit, the amount of any claim for loss on such individual loan or advance of credit paid by the Secretary under the provision of this section shall not exceed 90 per centum of such loss.

(c) The Secretary is authorized to fix a premium charge or charges for the insurance granted under this section, but in the case of any loan or advance of credit, such charge or charges shall not exceed an amount equivalent to one-half of 1 per centum per annum of the principal obligation of such loan or advance of credit outstanding at any time.

(d) The Secretary is authorized and empowered to waive compliance with any rule or regulation prescribed by the Secretary for the purposes of this section if, in the Secretary's judgment, the enforcement of such rule or regulation would impose an injustice upon an insured lending institution which has substantially complied with such regulations in good faith. Any payment for loss made to an insured financial institution under this section shall be final and incontestable after two years from the date the claim was certified for payment by the Secretary, in the absence of fraud or misrepresentation on the part of such institution unless a demand for repurchase of the obligation shall have been made on behalf of the United States prior to the expiration of such two-year period. The Secretary is authorized to transfer to any financial institution approved for insurance under this title any insurance in connection with any loan which may be sold to it by another insured financial institution.

(e) the aggregate amount of loans and advances insured under this section shall not exceed $1,500,000,000 at any one time.

EMERGENCY MORTGAGE RELIEF PAYMENTS

SEC. 106. (a) In the case of any mortgagee which would otherwise be eligible to participate in the program authorized under section 105 but does not qualify for an advance or advances as authorized by section 113 of this title or under section 10, 10b, or 11 of the Federal Home Loan Bank Act or otherwise elects not to participate in the program authorized under section 105, the Secretary is authorized to make repayable emergency mortgage relief payments directly to such mortgagee on behalf of homeowners whose mortgages are held by such financial institution and who are delinquent in their mortgage payments.

(b) Emergency mortgage relief payments shall be made under this section only with respect to a mortgage which meets the requirements of section 103 and only on such terms and conditions as the Secretary may prescribe, subject to the provisions of section 104.

(c) The Secretary may make such delegations and accept such certifications with respect to the processing of mortgage relief payments provided under this section as he deems appropriate to facilitate the prompt and efficient implementation of the assistance authorized under this section.

EMERGENCY HOMEOWNERS' RELIEF FUND

SEC. 107. (a) (1) To carry out the purposes of this title, the Secretary is authorized to establish in the Treasury of the United States an Emergency Homeowners' Relief Fund (hereinafter in this title referred to as the "fund") which shall be available to the Secretary without fiscal year limitation—

(A) for making payments in connection with defaulted loans or advances of credit insured under section 105 of this title;

(B) for making emergency mortgage relief payments under section 106 of this title;

(C) to pay such administrative expenses (or portion of such expenses) of carrying out the provisions of this title as the Secretary may deem necessary.

(2) The fund shall be credited with—

(A) all amounts received by the Secretary as premium charges for insurance or as repayment for emergency mortgage relief payments under this title and all receipts, earnings, collections, or proceeds derived from any claim or other assets acquired by the Secretary under this Act; and

(B) such amounts as may be appropriated for the purposes of this title.

AUTHORITY OF THE SECRETARY

SEC. 108. (a) The Secretary is authorized to make such rules and regulations as may be necessary to carry out the provisions of this title.

(b) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real or other property by the United States, the Secretary shall have power, for the protection of the interest of the fund authorized under this title, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by the Secretary as a result of recoveries under security, subrogation, or other rights.

(c) In the performance of, with respect to, the functions, powers, and duties vested in the Secretary by this title, the Secretary shall—

(1) have the power, notwithstanding any other provision of law, whether before or after default, to provide by contract or otherwise for the extinguishment upon default of any redemption, equitable, legal, or other right, title in any mortgage, deed, trust, or other instrument held by or held on behalf of the Secretary under the provisions of this title; and

(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon the Secretary by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which assistance has been provided pursuant to this title. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary also shall have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this title.

AUTHORIZATION AND EXPIRATION DATE

SEC. 109. (a) There are authorized to be appropriated for purposes of this title such sums as may be necessary, except that the funds authorized to be appropriated for section 106 shall not exceed $500,000,000. Any amounts so appropriated shall remain available until expended.

(b) No loans or advance of credit shall be insured and no emergency mortgage relief payments made under this title after June 30, 1976, except if such loan or advance or such payments are made with respect to a mortgagor receiving the benefit of a loan or advance insured, or emergency mortgage relief payments made, under this title on such date.

NOTIFICATION

SEC. 110. (a) Until one year from the date of enactment of this title, each Federal supervisory agency with respect to financial institutions subject to its jurisdiction, and the Secretary, with respect to other approved mortgagees, shall (1) take appropriate action, not inconsistent with laws relating to the safety or soundness of such institutions or mortgagees, as the case may be, to waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies in order to cause or encourage forebearance in residential mortgage loan foreclosures, and (2) request each such institution or mortgagee to notify that Federal supervisory agency, the Secretary, and the mortgagor, at least thirty days prior to instituting foreclosure proceedings in connection with any mortgage loan. As used in this title the term "Federal supervisory agency" means the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the National Credit Union Administration.

REPORTS

SEC. 111. Within sixty days after enactment of this title and within each sixty-day period thereafter prior to July 1, 1976, the Secretary shall make a report to the Congress on (1) the current rate of delinquencies and foreclosures in the housing market areas of the country which should be of immediate concern if the purposes of this title is to be achieved; (2) the extent of, and prospect for continuance of, voluntary forebearance by mortgagees in such housing market areas; (3) actions being taken by governmental agencies to encourage forebearance by mortgagees in such housing market areas; (4) actions taken and actions likely to be taken with respect to making assistance under this title available to alleviate hardships resulting from any serious rates of delinquencies and foreclosures; and (5) the current default status and projected default trends with respect to mortgages covering multifamily properties with special attention to mortgages insured under the various provisions of the National Housing Act and with recommendations on how such defaults and prospective defaults may be cured or avoided in a manner which, while giving weight to the financial interests of the United States, takes into full consideration the urgent needs of the many low- and moderate-income families that currently occupy such multifamily properties.

NONAPPLICABILITY OF OTHER LAWS

SEC. 112. Notwithstanding any provision of law which limits the nature, amount, term, form, or rate of interest, or the nature, amount, or form of security of loans or advances of credit, loans, or advances of credit may be made in accordance with the provisions of this title without regard to such provision of law.

FEDERAL DEPOSIT INSURANCE CORPORATION ADVANCES

SEC. 113. Notwithstanding any other provision of law, the Federal Deposit Insurance Corporation is authorized, upon such terms and conditons as the Corporation may prescribe, to make such advances to any insured bank as the Corporation determines may be necessary or appropriate to facilitate participation by such bank in the program authorized by this title. For the purpose of obtaining such funds as it determines are necessary for such advances, the Corporation may borrow from the Treasury as authorized in section 14 of the Federal Deposit Insurance Act (12 U.S.C. 1824; 64 Stat. 890), and the Secretary of the Treasury is authorized and directed to make loans to the Corporation for such purpose in the same manner as loans may be made for insurance purposes under such section, subject to the maximum limitation on outstanding aggregate loans there provided.

TITLE II—AMENDMENTS TO THE EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

ACTIVATION OF PROGRAM

SEC. 201. Section 313(a)(1) of the National Housing Act is amended by inserting "or other economic conditions" immediately after "governmental actions".

LIMITATION ON INTEREST RATE

SEC. 202. Section 313(b)(C) of the National Housing Act is amended to read as follows:

"(C) such mortgage involves an interest rate not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, but in no event shall such rate exceed the lesser of (i) 7½ per centum per annum, or (ii) the rate set by the Secretary applicable to mortgages insured under section 203(b) of the National Housing Act, and no State or local usury law or comparable law establishing interest rates or prohibiting or limiting the collection or amount of discount points or other charges in connection with mortgage transactions or any State law prohibiting the coverage of mortgage insurance required by the Association shall apply to transactions under this section;".

GUARANTEE AUTHORITY

SEC. 203. Section 313(d)(1) of the National Housing Act is amended—

(1) by striking out "purchased" in the first sentence and inserting "eligible for purchase" in lieu thereof; and

(2) by inserting after the first sentence the following: "Such securities shall bear interest at a rate equal to the rate on the underlying mortgages less an allowance for servicing and other expenses as approved by the Association.".

FEDERAL FINANCING BANK FINANCING

SEC. 204. Section 313(d)(2) of the National Housing Act is amended by striking out the first sentence and inserting in lieu thereof the following: "The Association may offer and sell any mortgages purchased or securities guaranteed under this section to the Federal Financing Bank, and such Bank is authorized and directed to purchase any such mortgages or securities offered by the Association.".

COVERAGE OF MULTIFAMILY AND CONDOMINIUM UNITS

SEC. 205. Section 313 of the National Housing Act is amended by adding the following new subsection at the end thereof:

"(h) Notwithstanding the provisions of subsection (b), the Association may make commitments to purchase and purchase, and may service, sell (with or without recourse), or otherwise deal in, a mortgage which covers more than four-family residences (including residences in a cooperative or condominium), or a single-family unit in a condominium, and which is not insured under the National Housing Act or guaranteed under chapter 37 of title 38, United States Code, if—

"(1) in the case of a project mortgage, the principal obligation of the mortgage does not exceed, for that part of the property attributable to dwelling use, the lesser of (A) the per unit amount specified in subsection (b)(B), or (B) the per unit limitations specified in section 207 of this Act in the case of a rental project or section 213 of this Act in a case of a cooperative project, or section 234 in the case of a condominium project;

"(2) in the case of a mortgage covering a housing project, the outstanding principal balance of the mortgage does not exceed 75 per centum of the value of the property securing such mortgage or is insured by a qualified private insurer or public benefit corporation created by the State which acts as an insurer as determined by the Association;

"(3) in the case of a mortgage covering an individual condominium unit, the mortgage is insured by a qualified private insurer or public benefit corporation created by the State which acts as an insurer as determined by the Association or has an outstanding principal balance which does not exceed 80 per centum of the value of the property securing the mortgage;

"(4) the mortgage is not being used to finance the conversion of an existing rental housing project into a condominium project or to finance the purchase of an individual unit in a condominium project in connection with the conversion of such project from rental to condominium form of ownership; and

"(5) the mortgage meets the requirements of subsection (b) except as modified by this subsection and any additional requirements the Secretary may prescribe to protect the interest of the United States or to protect consumers.".

AUTHORIZATION

SEC. 206. Section 313(g) of the National Housing Act is amended by adding the following at the end thereof: "Such total amount shall be increased on or after the date of enactment of the Emergency Housing Act of 1975, by such amount as is approved in an appropriation Act, but not to exceed $10,000,000,000, and the Association shall not issue obligations pursuant to this section utilizing authority which is conferred by this sentence or which is conferred by the first sentence of this subsection but uncommitted on October 18, 1975, except as approved in appropriation Acts.".

EXTENSION

SEC. 207. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended—

(1) by striking out "for a period of one year following such date of enactment" and inserting in lieu thereof "until July 1, 1976"; and

(2) by striking out "the expiration of such period" each place it appears and inserting in lieu thereof "such date".

TITLE III—EMERGENCY REPAIR AND REHABILITATION AUTHORITY

SEC. 301. (a) Section 312(h) of the Housing Act of 1964 is amended by striking out "one-year" and inserting in lieu thereof "two-year".

(b) Section 312(d) of such Act is amended by inserting "ending prior to July 1, 1975, and not to exceed $100,000,000 for the fiscal year beginning on July 1, 1975," after "each fiscal year".

SEC. 302. Section 518(b) of the National Housing Act is amended—

(1) by striking out "one or two" and inserting in lieu thereof "one, two, three, or four"; and

(2) by striking out "one year" the second time it appears in clause (1) of the first sentence of such section and inserting in lieu thereof "19 months".

SEC. 303. Section 202(b) of the Flood Disaster Protection Act of 1973 is amended by inserting before the period at the end thereof a comma and the following: "except that the prohibition contained in this sentence shall not apply to any loan made prior to January 1, 1976, to finance the acquisition of a previously occupied residential dwelling".

FIRST REPORT TO THE CONGRESS ON THE EMERGENCY HOMEOWNERS' RELIEF ACT

I. INTRODUCTION

Section 111 of the Emergency Homeowners' Relief Act ("the Act"), signed by the President on July 2, 1975, requires that the Secretary of Housing and Urban Development report to Congress within sixty days after enactment and within each sixty-day period therafter. This is the first such report.

The Act is premised on a Congressional finding that current economic conditions, including the high level of unemployment and reduced incomes, have reduced the capacity of many homeowners to continue to make mortgage payments. The Congress further determined that the capacity of homeowners to make such payments may deteriorate further in the months ahead, possibly leading to widespread mortgage foreclosures and distress sales of homes. To prevent such widespread foreclosures and distress sales, the Act directs HUD and the Federal agencies which supervise lending institutions to encourage forbearance in residential mortgage loan foreclosures. In addition, the Act provides standby authority for assistance to homeowners suffering from temporary loss of employment and income through programs of emergency loans and advances and emergency mortgage relief payments.

On July 11, 1975, after consultation within the Department, the Secretary established a task force of senior staff members to coordinate with other Federal agencies and to design the procedures for implementing the standby programs authorized by this Act. This report, which reflects the efforts of the task force, includes a description of the actions which HUD and the Federal supervisory agencies have taken or intend to take to encourage voluntary forbearance, a tentative description of standby mortgage relief programs, and a discussion specifically addressing the items enumerated in Section 111 of the Act.

The Department believes that under present conditions voluntary forbearance is preferable, as a method of preventing widespread foreclosures, to the standby programs authorized by the Act. Based on the evidence discussed below, it is the Department's view that such voluntary forbearance has prevented widespread residential mortgage loan foreclosures. It is not clear whether this voluntary forbearance is the result of governmental action or simply reflects a prudent judgment on the part of lenders that their interests are better served by forbearing when a temporarily unemployed or underemployed borrower shows promise of being able eventually to become current on his mortgage.

The task force has developed a measure of mortgagor distress which would indicate when voluntary forbearance will no longer suffice. If this index should show a danger of widespread foreclosures and if consultation with other Federal agencies should confirm this danger, the Secretary would implement the standby programs described in this report.

MARTINA NAVRATILOVA AT FOREST HILLS

Mr. KENNEDY. Mr. President, one of the most dramatic moments of the U.S. Open Tennis Championships at Forest Hills this year took place off the playing courts—the decision of Martina Navrati-

lova, the women's tennis star from Czechoslovakia, to request political asylum in the United States.

Ms. Navratilova announced her decision in an interview, televised nationally between the end of the women's doubles finals last Sunday and the beginning of the men's singles finals. Anyone who watched the interview saw a fresh and moving testament to America's immigrant tradition and the two centuries' old attraction this country holds for men and women of all ages in other lands.

Mr. President, I think all of us join in welcoming Ms. Navratilova to this country and in wishing her well in her future tennis career. I ask unanimous consent that a news article from the Washington Post and a sports column from the New York Times, describing her decision, be printed in the RECORD.

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

[From the Washington Post Sept. 8, 1975]

CZECH DEFECTOR CITES FREEDOM

(By Thomas Boswell)

FORREST HILLS, N.Y., Sept 7—Martina Navratilova, the 18-year-old Czech tennis star who has asked for political asylum in the United States, said today that she decided to defect primarily "for my tennis" but also stressed "freedom."

Navratilova, who has been assured by U.S. officials that her request for asylum, made Friday, will be processed routinely and that she will be permitted to stay seemed almost giddy with delight as she answered questions during an hour-long news conference here.

She joked about being ready to play for the United States in the Wightman Cup and said, "I doubt if I'll be on Czech TV so much now."

The Wightman is a U.S.-British tennis tournament for women.

Navratilova, dressed in blue jeans, held her news conference before the men's finals at the U.S. Open Championships, won by Manuel Orantes.

Competing in the Open, Navratilova played in the semifinals and was beaten by Chris Evert, 7–5, 6–1. She is the women's second-leading money winner, behind Evert, with $141,168 so far this year.

For the past year the Czech Sports Federation has restricted Navratilova's playing time outside Europe, insisted that she continue school, limited her commercial endorsements and forbade her to play lucrative World Team Tennis.

"Once I got too famous, I had to behave perfectly," she said. "They did not even want me to play at Forest Hills this week. I was supposed to stay home and read about it in the newspapers."

Navratilova indicated that furthering her tennis career was not necessarily the only motive behind her defection.

"Any American who complains about this country should go to Europe, or anywhere in the world for two years," she said quite heatedly. "You don't know what you've got here."

What was that, she was asked, tennis?

"Freedom," she replied.

The Czech government, and Navratilova's many friends on the U.S. tour have thought about her possible defection for more than a year. Navratilova said she was one of the last to consider it.

"My government thought I was getting too Americanized," she said, "being friends with Billie Jean (King) and Chris (her doubles partner here) and spending more time here than in Europe."

She said Czechoslovakia had extracted 20 per cent of her winnings in the form of taxes through the Wimbledon tournament in July.

She discussed her problem several times with her parents, she said. "They said it was my life, and I had to make my own decision."

Informed of Navratilova's decision, her grandfather, contacted in Prague, said, "Oh, the little idiot. Why did she do that?"

During her news conference Navratilova's hands trembled but her voice was steady. When she discussed her family, she was near tears.

"I can talk to my parents on the phone every day if I want," said the popular left-hander, who describes her personality on and off the tennis court as "a little wild and unpredictable."

"My father is my stepfather, so he should be able to get out of the country to see me play eventually," she said. "When my mother is older and on pension, then perhaps she can come, too."

How long will it be before she can return to her home town of Bernice, a village near Prague? "Who knows," she said.

Navratilova is the fourth internationally known athlete to defect from Czechoslovakia. The first was tennis player Jaroslov Drobny, who defeated Ken Rosewall for the Wimbledon title in 1954; then Olga Fikotova, an Olympic champion discus thrower, and Milan Holecek, a top-ranking tennis player of the 1960s.

Drobny played as a stateless person for a number of years, at one point representing Egypt, and is now a British citizen. Holecek, after his stateless period, is now a citizen of West Germany.

Fikotova, who married American Olympic champion Harold Connolly, carried the U.S. flag in the 1968 Olympics in Mexico City.

Navratilova went to a New York City office of the Immigration and Naturalization Service Friday and asked for asylum. A spokesman for the service said processing of her application "will be very routine."

The spokesman added, "She's from a Communist country. If she wants to stay here, she'll be permitted to stay."

A Justice Department spokesman said Navratilova was told her "request would be taken under advisement and she would be allowed to remain in this country pending a decision on her request."

"The decision is made by the district commissioner of the immigration service in New York City after a review of the matter," the spokesman said. "Sometimes there is some background checking."

[From the New York Times, Sept. 8, 1975]

THE AMERICANIZATION OF MARTINA

(By Dave Anderson)

Once they were the tired and the poor waving at the Statue of Liberty as they arrived, the women huddled in shawls. Martina Navratilova doesn't fit that immigrant image. In discussing her decision to defect to the United States from Czechoslovakia, the 18-year-old tennis player displayed yesterday the casual rewards of having earned nearly $140,000 in prize money this year. She carried a Gucci shoulder bag and she wore Gucci loafers. She had on a thin brown sweater over a blue shirt and blue jeans.

SPORTS OF THE TIMES

On her left wrist was an expensive gold watch, on her right several gold bracelets. She was shepherded by a Virginia Slims public relations person. Her manager has a Beverly Hills, Calif., address. All around her was the proper atmosphere of the West Side Tennis Club, where Manuel Orantes of Spain would shock Jimmy Connors for the men's singles title in the United States Open tournament. With her money and stature, she indeed had become "too Americanized," as Czech tennis officials had complained. Too Americanized for them. But not for her. She's young and independent, not tired and poor, but she wanted what millions of immigrants before her wanted, she wanted what Czechoslovakia would not grant her.

"I wanted freedom," she said simply.

The price was high. Her stepfather, mother and 12-year-old sister remain in Revnice, outside Prague, where she learned to play tennis.

"My father is my coach," she said, then added quickly, "he was my coach."

THE $10 PIZZA

She sounded unconcerned about reprisals against her family, saying, I don't think my family is in any trouble now." But it could be. Not that she didn't have her family's approval.

"They told me," she said, "whatever you decide is all right, it's your life."

Until nearly two years ago, the Iron Curtain limited her knowledge of life beyond it. But after joining the women's tour in the United States, she discovered freedom. She also discovered pancakes and hamburgers and pizza. After a late match once, she had a pizza delivered to the locker room.

"Cost me $10," she said, "but it was worth it."

Another time she plugged her tape-recorder into the loudspeaker system so that the words of Elton John could accompany her warmup.

But what she really was discovering was herself. In losing to Chris Evert, the eventual women's champion, in the semifinals, Martina wore a flowery dress.

"It's like my personality," she said. "Wild."

Too wild for the Czech tennis officials to tame. They ordered her to return from America earlier this year. Eventually she complied. The officials wanted her to compete in Europe more. Others were offended because she didn't socialize with them more at the Wimbledon tournament.

At a sturdy 5 feet 8 inches and 145 pounds, she projects strength on the tennis court. But in applying for a temporary resident permit that the State Department has granted, she showed her inner strength. She even had defied the Czech officials in competing at Forest Hills.

"I don't have a boy friend here, that is not the reason," Martina said. "And my decision was not based on money at all."

Of her United States earnings, she disclosed that the Internal Revenue Service takes 30 per cent; the Czech tennis association takes 20 per cent.

"I didn't mind that," she said, "That is like taxes."

Her earnings now will be increased by an opportunity to play World Team Tennis with the Cleveland franchise.

"They wouldn't let me play W.T.T. this year," she said.

THE DEMONSTRATORS, THEY'RE CRAZY

Her tanned face appears impassive but her close friend, Chris Evert, has called her very sensitive, tennis means a lot to her." Enough to defect. But she was asked if she had chosen America for America, or for its tennis opportunities.

"Both," she said thoughtfully.

"Why do some Americans complain?"

"Because they don't know what they've got," she said. "Anybody that complains about life here should go to Europe and they would understand. Go to a Communist country, go to a Socialist country. They would understand then. And they complain it is so expensive here, let them go to France and see. All the demonstrators here, they're crazy."

"Will you go to school here?" she was asked. She laughed. "What for?" she said, smiling.

She was a senior in high school last year but with her tennis talent, her profession

is established. She hopes to settle in the Los Angeles area eventually but until then she will be a tennis vagabond, traveling to a different tournament virtually every week.

"I will just play the tour," she said, "whenever I want and wherever I want."

And for Martina Navratilova, that is the ultimate definition of freedom.

THE FORD-MEANY AGREEMENT ON GRAIN SALES TO THE SOVIET UNION

Mr. HUMPHREY. Mr. President, the agreement reached yesterday by President Ford and Mr. George Meany of the AFL-CIO marks a very positive step toward the creation of a national food policy for the United States.

I would like to bring to the attention of my colleagues the actual text of the agreement, and I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT

(1) The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975–76 season:

(In millions of metric tons)

Years	Feed Grains	Wheat	Total
1971–72	2.8	0.0	2.8
1972–73	4.2	9.5	13.7
1973–74	3.4	2.7	6.1
1974–75	.8	1.0	1.8
1975–76 (to date)	5.8	4.4	10.2

The considerable variation in large bulk purchases by a single state trading company contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging after the crop planting tend to contribute to price instability.

(2) It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer-term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.

(3) It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large state purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments.

(4) We have already sold a volume of wheat and feed grains which will take four to six months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales to the Soviet Union until mid-October when additional information on world supplies and demands is available. This extended period should provide the opportunity to negotiate for a long-term agreement with the Soviet Union.

(5) Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward, and the matter can be reassessed in the middle of October.

(6) It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

Mr. HUMPHREY. Mr. President, the Ford-Meany agreement on Soviet grain purchases begins to deal with the fundamental issue of how to control large and often unexpected Soviet intervention in our market which in the past has contributed to price instability and disruption of our business with more regular customers.

The aim of the agreement reached yesterday is to begin to develop a Soviet-American commercial relationship in the field of wheat and feed grain commerce which could be based on a long-term agreement. Any such agreement could include not only minimum purchases but the exchange of vitally needed agricultural information which is not currently available, thereby adding uncertainty and volatility to the problem.

At long last, the White House is coming to grips with the difficult issues presented by the large Russian purchases.

The sending of American officials to the Soviet Union to begin discussions is a positive sign. The creation of a food committee within the structure of the National Security Council is badly needed in view of our past inability to evaluate the economic and foreign policy impact of the Russian purchases.

Mr. Meany has said to the President and to the American people that before further sales are made to the Soviet Union we should assess the economic and foreign policy consequences of our actions—that we must "Stop, Look and Listen."

I am hopeful that we are at last moving toward the development of a food export policy which will be in the best interest of both producers and consumers. I must add that as part of this new initiative, I believe that the President and the Secretary of Agriculture must recognize the need for the creation of a national grain reserve which would work as an integral part of a new export policy. We need a natural food policy that goes beyond just selling. We must provide for our national needs and our export sales.

FREEDOM OF INFORMATION ACT: PENDING CASES.

Mr. KENNEDY. Mr. President, almost every day the press carries a story resulting from information made available because of the Freedom of Information Act. Both the press and the general public are using the law to obtain information about Government programs, policies, and problems. And this is just what Congress had in mind when enacting the 1974 Freedom of Information Act amendments last fall, which give the public speedier, surer access to Government files.

There are, of course, a number of areas where Congress exempted certain information from mandatory release under the Freedom of Information Act. The act reflects a sensitivity to personal privacy, Government law enforcement activities, business trade secrets, and other material where there is a legitimate and overriding public interest in withholding the information from public dissemination. Nonetheless, agencies are still denying requests for information in many instances where the only justification seems to be to avoid embarrassment to the Government. With the stronger procedures built into the law by the 1974 amendments, however, cases involving disregard of the information law are more apt to wind up in court for their ultimate resolution.

Because so many actions have been brought in the courts challenging agency withholding of information, it is useful for Congress, agencies, and members of the public who are concerned with implementation of the Freedom of Information Act to keep track of the cases in litigation. Duplicative litigation might in some instances be avoided, and pending arguments might provide further clarification of the Government's current position on specific substantive information issues. I thus requested the Civil Division of the Department of Justice to provide me with a list of pending cases filed under the Freedom of Information Act, so that this information might be made available to all those interested in the subject. The list contains a brief description of the records in issue and the status of the case; it also includes those cases handled by the Civil Division where private plaintiffs are seeking to enjoin a Federal agency from releasing information. Cases handled by the agency—such as those involving the National Labor Relations Board—or by the Tax Division, involving Internal Revenue Service records, are not included.

Mr. President, so that this list might be made generally available to lawyers, agencies, congressional offices, and others who follow Government information policies and practices, I ask unanimous consent that the Justice Department list of pending freedom of information suits be printed in the RECORD.

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

A LIST OF SUITS FILED UNDER 5 U.S.C. 552 HANDLED BY THE CIVIL DIVISION PENDING AS OF MAY 1, 1975 OR FILED THEREAFTER

1. *Gilbert A. Cuneo and Herbert L. Fenster* v. *Robert S. McNamara and William B. Petty,* Civil Action No. 1826-67, D.D.C. (Defense Contract Audit Manual) (Status: Defendants' Motion for Summary Judgment granted, January 1972). (Remanded by Court of Appeals, September 1973). (Petition for rehearing denied by Court of Appeals, October 1973). (Petition for a writ of certiorari denied March 1974) (Order setting schedule for further proceedings entered by District Court, June 1974). (Order appointing special master subsequently entered by District Court; petition for writ of mandamus denied by Court of Appeals and appeal dismissed, pending on petition for writ of certiorari).

2. *Grumman Aircraft Engineering Corp.* v. *The Renegotiation Board,* Civil Action No. 1595–68, D.D.C. (Complaint alleges that the defendant Renegotiation Board refused to make available certain records for inspection and copying by plaintiff involving the adjudication of renegotiation cases for numerous listed companies). (Status: Government's Motion to Dismiss or, in the Alternative, for Summary Judgment granted November 4, 1968; March 1970, reversed and remanded by Court of Appeals; Opinion on remand filed April 26, 1971; July 3, 1973, Court of Appeals affirmed decision on remand) (Petition for rehearing denied by Court of Appeals) (Petition for writ of certiorari subsequently granted by Supreme Court).

3. *Edward Irons* v. *Schuyler,* D.D.C., Civil Action No. 75–70 (Plaintiff seeks "manuscript decisions" from Patent Office) (Status: Order dated October 23, 1970, required Patent Office to maintain index of unpublished manuscript decisions and otherwise granted defendant's Motion to Dismiss) (Affirmed and remanded by Court of Appeals June 15, 1972) (Plaintiff's petition for a writ of certiorari denied by Supreme Court, December 18, 1972). (Order on remand filed January 1974) (Plaintiff is appealing from the District Court decision on remand and has filed a petition for a writ of certiorari with the Supreme Court which has been denied).

4. *Laurent Alpert, et al.* v. *Farm Credit Administration,* D.D.C., Civil Action No. 446–70 (Plaintiffs seek certain Farm Credit Administration loan records) (Status: Defendant's Motion for Summary Judgment granted June 1972). (Plaintiffs have appealed).

5. *David B. Lilly Corp., et al.* v. *Renegotiation Board,* D.D.C., Civil Action No. 2055–70. (Suit to obtain records allegedly pertinent to pending administrative proceedings and to restrain the proceeding). (Status: Preliminary injunction restraining administrative proceedings entered August 1970). (Affirmed by Court of Appeals, July 1972). (Court of Appeals decision reversed by Supreme Court, February 1974) (Plaintiff's motion for summary judgment granted, September, 1974) (Notice of Appeal filed).

6. *Harold Weisburg* v. *General Services Administration, et al.,* D.D.C., Civil Action No. 2569–70. (Suit allegedly under 5 U.S.C. 552 to order the National Archives to permit plaintiff to examine the clothing worn by President Kennedy at the time of his assassination, to permit plaintiff to photograph same, and to declare transfer agreement void). (Status: Dismissed, June 1971). (Plaintiff has appealed).

7. *Mary Helen Sears* v. *Schuyler,* E.D. Va., Civil No. 521–70–A. (Suit to obtain access to all abandoned U.S. patent applications). (Status: Decision favorable to defendant entered April 1973). (Affirmed by Court of Appeals, August, 1974). (Plaintiff, a petition for a writ of certiorari has been denied).

8. *Ash Grove Cement Company* v. *Federal Trade Commission, et al.,* D.D.C. Civil Action No. 1298–71. (Plaintiff seeks a variety of documents allegedly pertinent to pending administrative proceedings before the Federal Trade Commission). (Status: Order partially favorable to defendants and partially ordering further proceedings entered October 24, 1973). (Plaintiff has appealed). (Further order entered December 1973, which granted defendants' renewed Motion for Summary Judgment).

9. *Reuben B. Robertson, III v. Shaffer, et al.,* D.D.C., Civil Action No. 1970–71. (Plaintiff seeks documents known as Mechancial Analysis Program Report and System Worthiness reports from Federal Aviation Administration). (Status: Order entered October 31, 1972 granting access to records involved "upon terms and conditions no more burdensome than those which are imposed upon persons connected with the airline industry"). (Affirmed by Court of Appeals, May 1974). (Petition for rehearing *en banc* denied, July 1974) (Defendants' petition for writ of certiorari granted by Supreme Court).

10. *Andre J. Theriault, et al.* v. *United States of America,* C.D. Calif., Civil Action No. 71–2384–AAM. (Plaintiffs seek Aircraft Accident Board Report prepared by Air Force). (Order favorable to plaintiffs entered July 1972). (Reversed and remanded by Court of Appeals, September 1974).

11. *Center for National Policy Review on Race and Urban Issues, et al.* v. *Richardson,* D.D.C., Civil Action No. 2177–71. (Plaintiffs seek information relating to activities regarding racial segregation in northern public school systems). (Status: Memorandum Order generally favorable to plaintiffs filed December 8, 1972, reversed by Court of Appeals, May 1974). (Plaintiff has subsequently moved for summary judgment in District Court).

12. *Edward K. Devlin* v. *Department of Treasury, etc.,* D.D.C., Civil Action No. 205–72. (Plaintiff seeks customs' records on entry of certain whiskey into the United States). (Status: Defendant's Motion to Dismiss or, in the Alternative, for Summary Judgment granted). (Appeal by plaintiff pending).

13. *John J. Wild* v. *United States Department of Health, Education and Welfare, et al.,* Minn., Civil Action No. 4–72 Civil 130. (Plaintiff seeks various Public Health records, including correspondence and evaluations). (Status: Answer filed and Defendants' Motion to Dismiss or, in the Alternative, for Summary Judgment pending).

14. *National Parks and Conservation Association, et al.* v. *Morton, et al.,* D.D.C., Civil Action No. 436–72. (Plaintiffs seek financial information submitted by applicants for concession in National Parks). (Status: Defendants' Motion for Summary Judgment granted). (Reversed and remanded by Court of Appeals, April 1974). (Petition for rehearing *en banc* subsequently denied) (Proceedings on remand pending in District Court).

15. *Michael T. Rose* v. *Department of the Air Force, et al.,* S.D. N.Y., Civil Action No 72 Civ. 1605. (Plaintiff seeks (1) "case summaries of honor hearings maintained" by the Air Force Academy; (2) "case summaries of ethics hearings maintained in the Academy's Ethics Code Reading Files"; and (3) "a complete copy of a study of resignations from the Air Force by Academy graduates"). (Status: Court rendered decision in December 1972 sustaining nondisclosure of case summaries and ordering disclosure of study of resignations). (Remanded for further proceedings by Court of Appeals, March 1974). (Petition for rehearing *en banc* denied June 1974) (Petition for writ of certiorari granted by Supreme Court).

16. *Peter H. Schuck* v. *Butz,* D.D.C., Civil Action No. 956–72. (Plaintiff seeks "all credit reports and investigatory reports prepared by the Office of the Inspector General" of the Department of Agriculture "concerning compliance by any USDA agency, or any recipient of USDA assistance, with the Civil Rights Act"). (Status: Defendant's Motion to Dismiss or, in the Alternative, for Summary Judgment pending). (Defendants appealed after certain documents were ordered released in the course of District Court proceedings and the Court of Appeals remanded the case for further proceedings, November, 1974).

17. *Catherine Rabbitt* v. *Department of the Air Force,* S.D. N.Y., Civil Action No. 72 Civ. 2323. (Plaintiff seeks Aircraft Accident Report compiled by Air Force.) (Status: Order favorable to plaintiff entered, November 1974) (Further motions pending in District Court).

18. *Lee S. Kreindler* v. *Department of the Navy,* S.D. N.Y., Civil Action No. 72 Civ. 2053. (Plaintiff seeks Aircraft Accident Report and "JAG Manual Investigation Report"). (Status: Order partially favorable to plaintiff entered January 1974). (Further motions pending in District Court).

19. *People of the State of California* v. *Richardson,* N.D. Calif., Civil Action No C–72–1514–AJZ. (Plaintiffs seek "Extended Care Facility Certification Reports on California nursing homes"). (Status: Defendant's Motion for Summary Judgment granted, November 28, 1972). (Affirmed by Court of Appeals) (Petition for writ of certiorari filed)

20. *Lee S. Kreindler* v. *Department of the Air Force, etc.* S.D. N.Y., Civil No. 72 Civ. 4207. (Plaintiff seeks Aircraft Accident Investigation Report prepared by Air Force). (Status: Answer filed).

21. *Robert G. Vaughn* v. *Bernard Rosen,* D.D.C., Civil Action No. 1753–72. (Plaintiff seeks report known as Evaluation of Personnel Management and certain special studies, etc., from the Civil Service Commission for the 1969–1972, inclusive, fiscal years). (Status: Court of Appeals' decision reversed district court decision favorable to defendant and remanded case for further proceedings, August 1973). (Petition for rehearing denied by Court of Appeals, October 1973). (Petition for writ of certiorari denied March 1974) (Summary judgment motions filed by plaintiffs and by defendants each granted and denied in part by District Court on remand, October 1974). (Notice of Appeal filed).

22. *Heidi Packer* v. *Kleindienst, et al.,* D.D.C., Civil Action No. 1988–72. (Plaintiff seeks copies of the audit report of the Massachusetts Committee on Law Enforcement and Administration of Criminal Justice for 1971; and the audit report of the Administration of Justice for 1971). (Status: Summary Judgment granted for defendants, July 13, 1973). (Remanded for further proceedings by Court of Appeals, April 1974) (Order favorable to plaintiff entered, July, 1974) (Notice of appeal filed).

23. *Porter County Chapter of the Izaak Walton League of America, Inc., et al.* v. *United States Atomic Energy Commission,* N.D. Ind., Civil Action No. 72 H 251. (Plaintiffs seek documents allegedly relating to AEC proceedings regarding granting of a permit for the construction of a nuclear power plant on the shore of Lake Michigan in Porter County, Indiana). (Status: Order entered June 26, 1974 setting aside prior Order). (Plaintiffs' further motions filed in District Court have been denied). (Plaintiffs have appealed).

24. *Peter J. Petkas* v. *Staats,* D.D.C, Civil Action No 2238–72 (Plaintiff seeks documents "which disclose the current costs accounting practices of certain corporations which participate in government defense contracting.") (Status: Defendant's Motion for Summary Judgment granted, August 23, 1973). (Reversed and remanded by Court of Appeals July, 1974).

25. *Allen Weinstein* v. *Kleindienst, et al.,* D.D.C, Civil Action No 2278–72. (Plaintiff seeks records allegedly in the custody of the FBI concerning its investigation of Alger Hiss and Whittaker Chambers during the period 1933 through 1952 inclusive). (Status: Defendants' Motion to Dismiss or, in the Alternative, for Summary Judgment pending).

26. *Anchorage Building Trades Council* v. *Department of Housing and Urban Development,* D. Alaska, Case No. A–184–72 Civ. (Plaintiff seeks to examine certified payrolls on a construction project known as the Woodside East Project). (Status: Order favorable to defendants entered, November, 1974). (Plaintiff has appealed).

27. *Rural Housing Alliance* v. *United States Department of Agriculture, et al.,* D.D.C., Civil Action No. 2460–72. (Plaintiff seeks alleged report prepared by the Office of Inspector General, Department of Agriculture in response to allegations of admin-

istrative abuses committed by the Farmers Home Administration in Palm Beach and Martin Counties, Florida). (Status: Order partially favorable to plaintiff entered). (Court of Appeals reversed and remanded for further proceedings, June 1974; Court of Appeals' decision modified, July 1974) (Plaintiffs' Petition for rehearing *enbanc* subsequently denied) (Presently pending on defendants' motion for summary judgment).

28. *Frederick P. Schaffer* v. *William P. Rogers*, D.D.C., Civil Action No. 2520–72. (Plaintiff seeks investigation reports on conditions of prisoner-of-war camps in South Vietnam by the International Committee of the Red Cross from the Department of State.) (Status: Defendant's Motion for Summary Judgment granted, October 1973). (Reversed and remanded for further proceedings, October, 1974).

29. *Center for Science in the Public Interest, et al.* v. *Ruckelshaus*, D.D.C., Civil Action No. 2567–27. (Plaintiffs seek documents regarding certain brands of gasoline additives which were submitted to the Environmental Protection Agency by manufacturers). (Status: Defendant's Motion to Dismiss or, in the Alternative, for Summary Judgment pending).

30. *David L. Brockway* v. *Department of the Air Force*, N.D. Iowa, Civil Action No. 73–C–11–CR. (Plaintiff seeks portions of Aircraft Accident Investigation Report). (Status: Order partially favorable to plaintiff entered, February 1974). (Notice of Appeal filed).

31. *Aviation Consumer Action Project* v. *Civil Aeronautics Board*, D.D.C., Civil Action No. 413–73. (Plaintiff seeks CAB "decision" submitted to the President on proposed airline merger). (Status: Defendant's Motion to Dismiss granted July 13, 1973). (Reversed and remanded by Court of Appeals, September 1974 and presently pending on defendant's Renewed Motion for Summary Judgment).

32. *Gerald A. Robbie* v. *Department of the Air Force*, S.D. N.Y., Civil Action No. 73 Civ. 1031. (Plaintiff seeks Air Force Accident Investigation Report). (Status: Answer filed).

33. *Consumers Union of United States, Inc.* v. *Richard G. Kleindienst*, D.D.C., Civil Action No. 921–73. (Plaintiff seeks documents relating to communications between the Department of Justice and two companies concerning the companies' proposed merger.) (Status: Memorandum Order requiring further proceedings entered, May 1974.)

34. *Pacific Architects & Engineers, Inc.* v. *The Renegotiation Board*, D.D.C., Civil Action No. 918–73. (Plaintiff seeks, *inter alia*, the raw data, analyses and information upon which the Western Regional Renegotiation Board allegedly made certain findings and seeks to restrain pending administrative proceedings.) (Status: Order entered August 21, 1973.) (Reversed and remanded for further proceedings by Court of Appeals, October 1974.)
(Proceedings pending on remand.)

35. *Washington Research Project, Inc.* v. *Department of Health, Education and Welfare, et al.*, D.D.C., Civil Action No. 1270–73. (Plaintiff seeks records pertaining to award of eleven research grants sponsored by the Psychopharmacology Research Branch of the National Institutes of Mental Health.) (Status: Order favorable to plaintiff entered, November 1973.) (Reversed in part by Court of Appeals, September, 1974.) (Plaintiff has filed a petition for a writ of certiorari.)

36. *National Wildlife Federation* v. *Claude S. Brinegar, et al.*, D.D.C., Civil Action No. 1269–73. (Plaintiff seeks to require defendants to publish certain information with respect to the Federal-Aid Highway Program.) (Status: Defendants' Motion to Dismiss pending.)

37. *Consumers Union of United States, Inc., et al.* v. *Board of Governors of the Federal Reserve System, et al.*, U.S.D.C. D.D.C., Civil Action No. 1766–73. (Plaintiffs seek certain data regarding interest rates charged by banks in California.) (Status: Plaintiffs' Motion for Summary Judgment granted May 31, 1974.) (Remanded by Court of Appeals for further proceedings, November, 1974.)

38. *Sam H. Bennion* v. *United States Geological Survey, et al.*, D. Idaho, Civil Action No. CIV 47342 (Plaintiff seeks copies of applications for preference purchasing of crude oil, contracts written, preference waxers, production records of all crude oil produced on federal owned lands in Wyoming, copies of bid results, monthly reports of operations and correspondence and memoranda relative to exchange agreements). (Status: Answer filed).

39. *Aviation Consumer Action Project, et al.* v. *Langhorne Washburn, et al.*, D.D.C., Civil Action No. 1838–73 (Plaintiffs seek, *inter alia*, certain Commerce Department records relating to future plans and programs of the United States Travel Service). (Status: Order favorable to plaintiffs entered September 10, 1974).

40. *Faye P. Seller* v. *Department of Transportation, Federal Aviation Administration*, W.D. Mo., Civil Action No. 73 CV 143–C (Plaintiff seeks copies of reports, records and documents involved in FAA decision to deny plaintiff a third class Airman's Medical Certificate). (Status: Defendant's Motion to Dismiss or, in the Alternative, for Summary Judgment pending) (Decision favorable to plaintiff entered, March, 1975).

41. *Weisberg* v. *United States General Services Administration*, D.D.C., Civil Action No. 2052–73 (Plaintiff seeks the transcript of the January 27, 1964 executive session of the Warren Commission). (Status: Pending on Defendant's Motion to Dismiss or, in the Alternative, for Summary Judgment).

42. *Robert M. Brandon* v. *Arthur F. Sampson, et al.*, D.D.C., Civil Action No. 73–2232. (Plaintiff seeks copies of prepresidential papers of President Nixon from the General Services Administration). (Status: Defendants' Motions for Summary Judgment granted, April 1974). (Plaintiff has appealed).

43. *Save the Dolphins* v. *United States Department of Commerce*, N.D. Calif., Civil Action No. C–74–OU26CBR. (Plaintiff seeks to obtain a motion picture film made by the National Marine Fisheries Service). (Status: Answer filed and pending on Defendant's Amended Motion for Summary Judgment).

44. *Mobile Oil Corp.* v. *Federal Trade Commission, et al.*, S.D.NY., Civil Action No. 74 Civ. 311. (Plaintiff seeks all communications between the FTC and members of Congress, State and Federal government agencies pertaining to petroleum supplies, shortages, allocations, etc.). (Status: Defendants' Motion to Dismiss or, in the Alternative, for Summary Judgment pending).

45. *The United Telephone Co. of Pennsylvania* v. *Federal Communications Commission*, M.D. Pa., Civil Action No. 74–96. (Plaintiff seeks copies of documents allegedly pertinent to FCC proceeding regarding a certificate of convenience and necessity to construct and operate cable facilities in Hanover, Pennsylvania). (Status: Plaintiff has appealed from denial of preliminary injunction).

46. *Clarence M. Ditlow* v. *Schultz*, D.D.C., Civil Action No. 74–302. (Plaintiff seeks customs declaration forms completed by all persons who entered the United States by air from points in Asia/Australia/Australasia between May 1, 1973 and September 1, 1973). (Status: Defendant's Motion for Summary Judgment granted July, 1974) (Plaintiff has appealed).

47. *Country Club Bank of Kansas City* v. *Smith, W. D.* Mo., Civil Action No. 74 CV 73–W–3. (Plaintiff seeks post hearing Recommendations and Conclusions of the Regional Administrator of National Banks relating to an application to open a branch bank). (Status: Answer filed).

48. *Sidney Wolfe* v. *Weinberger*, D.D.C., Civil Action No. 74–454 (Plaintiff seeks transcripts of meetings of a Food and Drug Administration advisory committee known as the Over-the-Counter Antacid Drugs Review Committee). (Status: pending on defendant's motion to dismiss or, in the alternative, for summary judgment and plaintiff's motion for summary judgment).

49. *Mimi Cutler, et al.* v. *Civil Aeronautics Board*, D.D.C., Civil Action No. 74–8 (Plaintiffs seek certain reports submitted to airlines regarding proposed schedule reductions). (Status: Memorandum and Order requiring further proceedings entered April 3, 1974) (Order partially favorable to plaintiffs entered June, 1974) (on appeal).

50. *Yamaha International Corp., et al.* v. *Federal Trade Commission, et al.*, D.D.C., Civil Action No. 74–475 (Plaintiffs seek material relating to FTC investigation entitled "In the Matter of Yamaha International Corporation, a corporation, and Batsford Ketchum, Inc.," File No. 724 3075). (Status: Answer filed).

51. *Reuben B. Robertson, III* v. *Department of Defense*, et al., D.D.C., Civil Action No. 74–644 (Plaintiff seeks to obtain certain civil rights compliance reports submitted by General Motors Corp. to the Department of Defense). (Status: Pending in District Court pursuant to Court Order providing for further proceedings).

52. *Ralph Nader, et al.* v. *Ray, et al.*, D.D.C., Civil Action No. 74–670 (Plaintiffs seek, *inter alia*, copies of portions of minutes of meetings of the Advisory Committee on Reactor Safeguards of the Atomic Energy Commission). (Status: Answer filed).

53. *Founding Church of Scientology of Washintgon, D.C. Inc.* v. *Kelley, et al.*, (Plaintiff seeks various records allegedly relating to it from the FBI and the Treasury Department). (Status: Defendants' Motion for More Definite Statement granted).

54. *Paul B. Owens* v. *U.S. Bureau of Prisons*, D.D.C., Civil Action No. 74–78 (Plaintiff, an inmate at a federal penitentiary, seeks various documents relating to him). (Status: Defendants' Motion for Summary Judgment granted June 1974) (Plaintiff has appealed).

55. *Donald L. Johnson* v. *Secretary of HEW*, N.D. Calif., Civil Action No. C 74 1201 CBR (Plaintiff seeks documents allegedly showing medical experimentation on humans). (Status: Motion to dismiss pending).

56. *Exxon Corp* v. *F.T.C.*, D.D.C., Civil Action No. 1928–73 (Plaintiff seeks copy of report prepared for the Commissioner on the gasoline shortage and certain communications on the subject of petroleum) (Status: Decision favorable to defendants entered August, 1974) (Plaintiff has appealed).

57. *Cecil D. Andrus* v. *Butz*, D. Idaho, Civil Action No. 174 128 (Plaintiff seeks "regional wilderness recommendations" prepared by the Department of Agriculture regarding the Idaho Primative Area and Salmon River Breaks Area) (Status: Order partially favorable to plaintiff entered, August, 1974).

58. *Potlatch-Forests, Inc.* v. *United States of America, et al.*, W.D. Arkansas, Civil Action No. ED–74–35–C (Plaintiff seeks an appraisal allegedly prepared for the Corps of Engineers on plaintiff's land) (Status: Dismissed).

59. *Eugene A. Ellis* v. *Ottina*, D.D.C., Civil Action No. 74–927 (Plaintiff seeks records requests of the Assistant Secretary of HEW for Administration and Management) (Status: dismissed).

60. *John Bodner, et al.* v. *Federal Trade Commission, et al.*, D.D.C., Civil Action No. 74–1189 (Plaintiffs seek documents related to rulemaking proceeding for the establishment of a trade regulation rule relating to the posting of research octane ratings on gasoline dispensing pumps) (Status: Decision rendered largely favorable to defendants, March, 1975).

61. *Diapulse Corp. of America* v. *Food and*

Drug Administration, E.D. N.Y., Civil Action No. 73–C–1315 (Plaintiff seeks documents relating to it from FDA) (Status: On remand to District Court following entry of Supplemental Opinion by Court of Appeals on June 18, 1974).

62. *Theodore Zimmerman* v. *The United States Government, et al.,* D. N.J., Civil Action No. 74–1227 (Plaintiff seeks to obtain information and an affidavit relating to an alleged invention by plaintiff) (Status: Defendants' Motion to Dismiss granted December, 1974).

63. *Robert Brandon* v. *General Services Administration,* D.D.C., Civil Action No. 74–1210 (Plaintiff seeks access to certain records relating to a "special referral unit" from GSA) (Status: dismissed by stipulation).

64. *S. E. Prescott* v. *The United States,* C.D. Calif., Civil No. CV 75–1053–AAH(G), (Plaintiff alleges that he is entitled to answers to two questions) (Status: Decision favorable to defendants entered October, 1974; plaintiff has appealed).

65. *Richard (Dick) Stone* v. *Export-Import Bank of the United States, et al.,* N.D. Fla., Civil No. TCA 74–129 (Plaintiff seeks a copy of a particular credit agreement entered into between the Export-Import Bank and The Bank for Foreign Trade of the U.S.S.R.) (Status: Defendants' Motion to Dismiss, or in the Alternative for Summary Judgment pending).

66. *Association of Academy Instructors, Inc.* v. *Federal Aviation Administration,* W.D. Okla., Civil No. Civ–74–774–C (Plaintiff seeks a publication known as the Academy Instructor Study). (Status: Pending on defendant's motion for summary judgment).

67. *Control Data Corporation* v. *Federal Trade Commission, et al.,* D. Minn., Civil No. 4–74–412 (Plaintiff seeks records relating to administrative proceeding before the FTC and regarding vocational schools) (Status: Pending on cross-motions for summary judgment).

68. *John P. Henry v. Ridgway, et al.,* E.D. Michigan, Civil No. 4–72313 (Plaintiff seeks access to FBI files allegedly compiled under his name) (Status: Defendants' Motion to Dismiss or, in the alternative, for summary judgment pending).

69. *Michael N. Mervin* v. *Bonfanti,* D. D.C., Civil No. 74–1348 (Plaintiff seeks HEW records containing negative information about the plaintiff with regard to his application for the position of Hearing Examiner) (Status: Answer filed).

70. *Norman T. Ollestad* v. *Kelley, et al.,* C.D. California. No. CV 74 2486LTL (Plaintiff seeks alleged personnel records concerning him maintained by the FBI) (Status: Answer filed).

71. *James D. Oree* v. *U.S. Bureau of Prisons, et al.,* E.D. Ill., Civil No. 74–76–E (Plaintiff seeks portions of his "prison file") (Status: Defendants' Motion to Dismiss pending).

72. *Ralph Nader* v. *Baroody,* D. D.C. Civil No. 74–1675 (Plaintiff seeks, *inter alia,* the charter of a group meeting to advise the White House of insurance concerns; Federal Register notices of meetings; written determinations to close a meeting; minutes of such meetings; and other documents available to participants at the meetings, and a list specifying the time, date and place of future meetings). (Status: Answer filed).

73. *S.P.A. Caropelli* v. *Dent, et al.,* E.D. La. Civil No. 74–3251 (Plaintiff seeks to obtain specified export licenses, a cargo manifest, export declaration and a vessel's foreign clearance from the Commerce Department) (Status: Answer filed.)

74. *Church of Scientology of California* v. *United States Department of Justice, et al.,* C.D. California Civil No. CV 74–3550 F. (Plaintiff seeks materials obtained by the Drug Enforcement Administration relating to the plaintiff's activities and records of communications between DEA and foreign or domestic police authorities relating to plaintiff or similarly named alleged entities) (Status: Answer filed).

75. *William Tobin* v. *Department of Justice,* N.D. III. Civil No. 74 C 3583 (Plaintiff seeks all notes, memoranda etc. relating to certain antitrust matters and litigation involving a bedding manufacturer from the Antitrust Division of the Justice Department).

76. *Program Funding Inc.* v. *Brennan, et al.,* W.D. N.Y. Civil No. Civ.–74–566 (Plaintiff seeks various materials allegedly relating to denial of a funding request submitted by it to the Department of Labor for funding a plan for job training for economically disadvantaged persons in New York State). (Status: Answer filed and preliminary injunction denied).

77. *Edward A. Kohn, et al.* v. *United States Department of Agriculture, et al.,* D. D.C. Civil No. 75–0053 (Plaintiffs seek a report prepared by the Office of Inspector General of the Department of Agriculture regarding allegations directed at the Mississippi State Office of the Farmers Home Administration) (Status: summons issued).

78. *Paul Lawrence, et al.* v. *General Service Administration,* D. Mass., Civil No. 75–168–7 (Plaintiff seeks records which directly or indirectly relate to preparation of a draft environmental impact statement regarding a proposed John Fitzgerald Kennedy library-museum complex) (Status: summons issued).

79. *Melvin H. T. Cole, M.D.* v. *United States Department of Justice, et al.,* D. Conn., Civil No. N 75–5 (the Complaint seeks information allegedly obtained in the course of an FBI investigation concerning plaintiff) (Status: summons issued).

80. *Lenard Wallace Nolen, Sr.* v. *Schlesinger,* M.D. Ga. Civil No. 75–22–MAC (Plaintiff seeks his medical service records) (Status: summons issued).

81. *Cornelius H. Edge* v. *United States of America,* N.D. Ill., Civil No. 75–C–254 (Plaintiff seeks documents allegedly pertinent to any collateral attack of his conviction) (Status: Defendants Motion to Dismiss pending).

82. *The Journal-Courier, et al.* v. *The United States Department of Labor,* D. Conn., Civil No. N–75–28 (Plaintiffs seek a list of all persons enrolled in CETA, Title I or III, summer 1974 youth programs administered by the City of New Haven, Conn.) (Status: summons issued).

83. *Firestone Tire & Rubber Co.* v. *United States Department of Labor, et al.,* D. D.C. Civil No. 75–0183 (Plaintiff seeks documents considered by OSHA in connection with regulations (promulgated October 4, 1974) limiting occupational exposure to vinyl chloride) (Status: summons issued).

84. *Charles O. Porter* v. *Central Intelligence Agency,* D. Oregon, Civil No. 75–156. (Plaintiff seeks copies of alleged CIA investigatory file and other records relating to him (Status Answer filed).

85. *John Doe* v. *Acree,* D. D.C. Civil No. 75–0257 (Plaintiff seeks data allegedly included in the Treasury Enforcement Communications System concerning him) (Status: summons issued).

86. *Harold Weisberg* v. *United States Department of Justice, et al.,* D. D.C. Civil No. 75–0226 (Plaintiff seeks spectrographic analysis made by the FBI for the Warren Commission and, from the Energy Research and Development Administration, tests allegedly performed by the Atomic Energy Commission for the Warren Commission or on its behalf in connection with the investigation into President Kennedy's assassination) (Status: summons issued).

87. *Yolando Cano Almeida* v. *Chapman,* N.D. Ill., Civil No. 75C416 (Plaintiff seeks copies of all documents and reports upon which the Immigration and Naturalization Service based a decision to reprimand plaintiff) (Status: summons issued).

88. *Robert S. Cooper Jr.* v. *Department of the Navy, et al.,* M.D. La., Civil No. 75–69 (Plaintiff seeks a Navy Aircraft Accident Investigation Report) (Status: summons issued).

89. *Waterman Heights Nursing Home Inc., et al.* v. *Weinberger, et al.,* D. R.I., Civil No. 750063 (The Providence Journal Co. is seeking to intervene in an action seeking to enjoin disclosure of certain Medicare cost reports and seeks to file a cross-claim against the Secretary of HEW to obtain the reports) (Status: Motion to Intervene pending).

90. *Maxwell Broadcasting Corp* v. *Federal Bureau of Investigation,* N.D. Texas, Civil No. 3–75–0318–F (Plaintiff seeks *inter alia,* all records relating investigation of activities of any personnel of the Texas National Guard from 1973 to the present and all records which relate to the subject matter or disposition of the requested records) (Status: Summons issued).

91. *Vanessa Ruiz* v. *Bedell,* D. D.C., Civil No. 75–0465 (Suit challenging regulations providing fees for record searches published by the International Trade Commission) (Status: Summons issued).

92. *Stencel Aero Engineering Corp.* v. *Department of the Air Force, et al.,* N.D. Calif., Civil No. C75–0586 SAW (Plaintiff seeks a document entitled "Suggestion", No. FTC–44–72, allegedly with the subject matter of "stiffener rise deflector") (Status: Summons issued).

93. *Dean Francis Pace* v. *Lynn,* C.D. Calif., Civil No. CV–75–1167 RJK (Plaintiff seeks a copy of the Defense Contract Audit Manual) (Status: Summons issued).

94. *William B. Richardson* v. *Young, et al.,* W.D. Pa., Civil Action No. 75–298 (Plaintiff seeks information concerning receipts, expenditures and other budgetary data of the Central Intelligence Agency) (Status: Answer filed).

95. *William B. Richardson* v. *J. T. Spahr,* W.D. Pa., Civil No. 75–297 (Plaintiff seeks to obtain information concerning receipts, expenditures and other budgetary data of the Central Intelligence Agency—the defendant in this suit is a Treasury Department official) (Status: Answer filed).

96. *Thomas G. Manos* v. *Taylor, et al.,* M.D. Pa., Civil No. 75–150 (Plaintiff seeks access to his entire central prison file in suit against the Bureau of Prisons) (Status: Summons issued).

97. *Margaret Oglesby* v. *United States Army ROTC Instructor Group,* M.D. Tenn., Civil No. 75–074–NA–CV (Plaintiff seeks access to the contents of any file which defendant might have on her, including any notes, correspondence, reports, evaluations or other records) (Status: Summons issued).

98. *Lenard Wallace Nolen, Sr.* v. *Schlesinger, et al.,* M.D. Ga., Civil No. 75–22–NAC (Plaintiff seeks *inter alia* to have access to all of his military service records).

FOIA CASES—APRIL, 1975

Philip Kete, et al. v. *Hampton, et al.,* D. D.C., Civil No. 75–0543 (Plaintiffs seek to obtain evaluation reports, status reports and reports of special investigations regarding the OEO Community Services Administration prepared by the Civil Service Commission Staff after March 30, 1972, and all reports regarding political clearance of Schedule A attorneys by any Federal agency) (Status: Summons issued).

Bernard Fensterwald, Jr. v. *United States C.I.A.,* E.D. Va., Civil No. 75–282–A (Plaintiff seeks alleged CIA security files and any other records of any sought which relate to him.) (Summons dated April 15, 1975).

Richard J. DeFina v. *Federal Bureau of Investigation, et al.,* E.D. N.Y., Civil No. 75 C 591 (Plaintiff seeks, inter alia, records relating to him compiled by the FBI, Depart-

ment of Justice, Drug Enforcement Administration, and the Veterans Administration).

Nichijo Shaka v. *Veterans Administration*, D. Hawaii, Civil No. 75-0118 (Plaintiff seeks all records relating to the granting or denial of forfeiture of plaintiff's Veterans benefits). (Complaint filed April 23, 1975).

Military Audit Project v. *Kettles, et al.*, (Plaintiff seeks all monthly annual reviews performed by the Defense Contract Audit Agency at Lockheed, Georgia from 1965 to the present pertaining to the allocation of Government facilities and production plant as between commercial and government work and DCAA regular reports in annual reviews pertaining to inter-company cost transcripts from 1966 to the present between Lockheed, California and Lockheed, Georgia for purposes of performing the C5A project). (Summons dated April 30, 1975).

Richard S. Kaye v. *Arthur F. Burns*, S.D. N.Y., Civil Action No. 75 CIV 1873 (Plaintiff seeks a summary of a meeting and a particular letter concerning the acquisition by a corporation of certain additional offices for the Board of Governors of the Federal Reserve System). (Status: Summons issued).

FOIA CASES—MAY, 1975

Morton H. Halperin v. *Department of State*, D. D.C. Civil Action No. 75-0674 (Plaintiff seeks a copy of the "Background Press Conference of the Secretary of State, December 3, 1974") (Summons dated May 1, 1975)

Morton H. Halperin v. *National Security Council, et al.*, D. D.C. Civil Action No. 75-0675 (Plaintiff seeks a document allegedly listing the numbers and titles of all National Security Council Studies Memoranda issued since 1969) (Status: Complaint dated May 1, 1975)

Morton H. Halperin v. *William H. Colby*, D. D.C., Civil Action No. 75-0676 (Plaintiff seeks the file allegedly containing the Central Intelligence agency budget authority for fiscal year 1976 and the file containing the statement of expenditures for public money by the CIA for fiscal year 1974) (Status: Summons dated May 1, 1975)

Morton H. Halperin v. *William H. Colby*, D. D.C., Civil Action No. 75-0677 (Plaintiff seeks a report allegedly on CIA domestic activities sent by the Director of the Central Intelligence Agency to the President) (Status: Summons dated May 1, 1975)

Falcon Enterprises, Inc. v. *Federal Trade Commission, et al.*, W. D. Mo., Civil Action No. 75 Civ. 296-W-4 (Plaintiff seeks, *inter alia*, various documents relating to pending FTC proceedings). (Action filed April 30, 1975 and dismissed from the Bench May 7, 1975)

Thomas F. Deuel, MD, et al. v. *Dunlop*, D. D.C., Civil Action No. 75-0682 (Plaintiffs seek a variety of information relating to denial of an application for a labor certification sought by plaintiffs for a live-in Housekeeper or Maid from the Department of Labor). (Status: Summons dated May 1, 1975)

David R. Merrell, et al. v. *Federal Open Market Committee of the Federal Reserve System*, D. D.C., Civil Action No. 75-0736 (Plaintiffs seek release of records of policy actions taken at Federal Open Market Committee Meetings without delay). (Status: Summons dated May 8, 1975)

Washington Research Project Inc. v. *U.S. Department of H.E.W., et al.*, D. D.C., Civil Action No. 75-0743 (Plaintiff seeks certain research plans and progress reports relating to grant applications for research approved by NIH) (Status: Summons issued May 9, 1975)

Michael H. Hrynko, et al. v. *Crawford*, E.D. Pa., Civil Action No. 75-582 (Plaintiffs seek copies of their payroll earnings transcripts). (United States Attorney served April 24, 1975—Complaint filed February 27, 1975)

Richard J. DeFina v. *Kelley*, S.D.N.Y., Civil Action No. 75 Civ. 2119 (Plaintiff seeks a copy of his file from the FBI, disclosure of the file and $1,000,000.00 in damages). (Status: Summons dated May 5, 1975)

Wallace H. Campbell, et al. v. *U.S. Civil Service Commission*, D. Colo., Civil Action No. 75-494 (Plaintiffs seek a personnel information evaluation report on the ERL/NOAA Boulder Laboratories). (Status: Summons issued May 8, 1975)

Dennis LeRoy Hagen v. *U.S. Army Reserve Center*, Superior Court, State of Arizona, Maricopa County, Case No. C312055 (Plaintiff seeks all records relating to him and two attempts to have him placed on active duty and damages). (Summons dated April 28, 1975 and plaintiff's Motion to Dismiss dated May 7, 1975)

Emile de Antonio v. *Colby, et al.*, D.D.C., Civil Action No. 75-0761 (Plaintiff seeks disclosure of certain files in Central Intelligence Agency's possession relating to him and to three specified films). (Status: Summons dated May 12, 1975)

Consumers Union of United States, Inc. et al. v. *Consumer Products Safety Commission, et al.*, D.C., Civil Action No. 75-0705. (Plaintiffs seeks documents submitted by television set manufacturers to the CPSC concerning television-related accidents and resulting from CPSC processing of such submitted documents). (Status: Summons issued)

Juanita J. Worthen v. *Resor, et al.*, W.D. Ky., Civil Action No. 75-0037P(G) (Plaintiff seeks a report of the Board of Investigation of the Corps of Engineers concerning a fatal accident of plaintiff's husband. (Status: Summons dated May 6, 1975)

SCM Corp. v. *Schlesinger*, N.D. Ill., Civil Action No. 75-C-1430 (Plaintiff seeks the Defense Contract Audit Manual, documents relating to a number of specified contracts or audit reports. (Status: Summons issued May 6, 1975)

Gregory Ellsworth v. *Mittendorf*, N.D. Calif., Civil Action No. C-75-0914 WTS (Plaintiff seeks relief, including, *inter alia*, release of the identity of an alleged informer who provided information which allegedly resulted in a decision by the Navy to separate him from the military. (Status: Summons dated May 8, 1975)

Edward E. Lucas v. *Goodemont, et al.*, E.D. Mich., Civil Action No. 5-70695 (Plaintiff seeks information from the files of Farmers Home Administration, Howell, Michigan). (Status: Summons dated April 21, 1975)

Chesapeake-Portsmouth Broadcasting Corp. v. *FCC*, D.D.C., Civil Action No. 75-0787 (Plaintiff seeks a copy of a specific administrative complaint filed with the FCC). (Status: Summons dated May 15, 1975)

LeRoy Collier v. *United States of America*, E.D. Mich., Civil Action No. 5-70151 (Plaintiff seeks documents which he alleges are pertinent to any collateral attack he may interpose against a particular criminal conviction). (Status: Summons received by U.S. Attorney's Office on April 29, 1975)

Carl Ott v. *Levi, et al.*, E.D. Mo., Civil Action No. 75-440C(1) (Plaintiff seeks records pertaining to files at a Veterans' Administration Hospital in 1954). (Status: Summons dated May 15, 1975)

Orange County Vegetable Improvement Cooperative Association, Inc. v. *Department of Agriculture*, D.D.C. Civil Action No. 75-0842 (Plaintiff seeks an alleged opinion of the General Counsel of the Department of Agriculture interpreting Public Law No. 93-237). (Summons dated May 23, 1975)

Karen A. Kroll v. *Department of Housing and Urban Development, et al.*, E.D. Mich., Civil Action No. 570917 (Plaintiff challenges fees for duplication of records). (Status: Summons dated May 16, 1975)

Encyclopedia Britannica, Inc. v. *FTC*, N.D. Ill., Civil Action No. 75-C-1669 (Plaintiff seeks materials allegedly pertaining to pending FTC administrative proceedings and an injunction restraining the proceeding). (Status: Summons dated May 23, 1975; TRO denied by District Court and Stay denied by Court of Appeals)

Richard J. DeFina v. *Williams, et al.*, S.D.N.Y., Civil Action No. 75-2362 (Plaintiff seeks, *inter alia*, material deleted from documents supplied to him by the Civil Service Commission, Bureau of Personnel Investigations). (Status: Summons dated May 19, 1975)

FOIA CASE LIST—JUNE, 1975

Bernard Fensterwald, Jr. v. *CIA*, D. D.C., Civil Action No. 75-0897 (Plaintiff seeks the complete computer print-out on five persons who were involved in the CIA investigation of the assassination of President Kennedy) (Status: Summons dated June 2, 1975)

Retail Credit Company v. *FTC*, D. D.C., Civil Action No. 74-0895 (Plaintiff seeks documents relating to the FTC's investigation and production of an administrative proceeding involving plaintiff and relating to the Credit Reporting Industry) (Status: Summons dated June 2, 1975)

Association of National Advertisers, Inc. v. *FTC, et al.*, D. D.C., Civil Action No. 75-0896 (Plaintiff seeks documents pertaining to a proposed trade regulation rule for food advertising) (status: Summons dated May 30, 1975)

Philadelphia Newspapers, Inc. et al. v. *U.S. Department of Justice, et al.*, E.D. Pa., Civil Action No. 75-1523 (Plaintiff seeks information submitted by individuals to Parole Board regarding a particular application for parole) (Status: Summons filed May 31, 1975)

Robert H. McManus v. *Faver*, D. Colo., Civil Action No. 75-596 (Plaintiff seeks notices of possible violation and related materials on certain cases from the Federal Energy Administration) (Status: Summons dated June 2, 1975)

Billy Gayle Henry v. *Kelley*, E.D. Va., Civil Action No. 243-72-N (Plaintiff seeks information relative to the criminal investigation of a case to which he was a party) (Status: Complaint received from plaintiff June 3, 1975)

Stephen W. Salant v. *Levi, et al.*, D. D.C., Civil Action No. 75-0909 (Plaintiff seeks five rolls of 35mm camera film that allegedly played a roll in the indictment and conviction of perjury of Alger Hiss) (Status: Summons dated June 5, 1975)

Robert Thomas Wood v. *CIA*, M.D. Fla., Civil Action No. 75-366-CIV-T-K (Plaintiff seeks documents which would allegedly clarify the CIA's connection with the publication of two specified books) (Status: Summons dated June 2, 1975)

Joseph W. Mathews v. *Defense Contract Audit Agency*, N.D. Ala., Civil Action No. 75-G-0649-S (Plaintiff seeks certain specified contracts and materials pertaining thereto and information in the financial file of a particular company and certain other materials) (Status: Summons dated May 29, 1975)

Peter H. Irons v. *Levi*, D. Mass., Civil Action No. 75-2215-T (Plaintiff seeks two FBI reports entitled Soviet Espionage Activities; a communication from the FBI to the Secretary of State; records relating to an interview held between Whittaker Chambers and the FBI Special Agents on December 3 or 4, 1948; access to all rolls of microfilm relating to the Alger Hiss case and any records relating to the attempts to determine the authenticity of said microfilm; all records relating to or reflecting on a specified individual during a specified period; records relating to a typewriter and of documents thought to be owned or possessed by Alger Hiss and relating thereto; and certain State Department

documents relating to Alger Hiss allegedly in the possession of the Department of Justice) (Status: Summons dated June 5, 1975)

S. D. C. Development Corp. v. *Weinberger*, C.D. Calif., Civil Action No. CV 75-1799-IH (Plaintiff seeks a copy of a specified set of computer tapes and challenges the price for making said tapes available) (Status: Summons dated May 28, 1975)

Joseph E. Larrivee v. *Edward T. Coyne*, S.D. N.Y., Civil Action No. 75- Civ. 1178 (Plaintiff seeks to require the Bureau of Customs to release all documents in their files that relate to him) (Status: Summons dated March 11, 1975)

Meade Data Central Inc. v. *U.S. Department of the Air Force, et al.*, D. D.C. (Plaintiff seeks eight internal Air Force Memoranda prepared prior to execution of a licensing agreement) (Status: Summons dated June 9, 1975) (C.A. 75-0927)

Daniel Nix v. *Federal Bureau of Investigation*, D. S.C., Civil Action No. 75-935 (Plaintiff seeks an FBI investigative report pertaining to him) (Status: Summons dated June 4, 1975)

Peter Camejo v. *Department of Justice*, S.D. N.Y., Civil Action No. 75 Civ. 2574 (Plaintiff seeks all records containing information referred to him which are possessed by the FBI) (Status: Summons dated May 30, 1975)

Alger Hiss, et al. v. *U.S.A., et al.*, S.D. N.Y., Civil Action No. 75 Civ. 2693 (Plaintiff seeks five rolls of microfilm found by agents of the Committee on Unamerican Activities of the House of Representatives in a pumpkin). (Status: Summons dated June 5, 1975)

Hyde Park Project Corp v. *Acree*, S.D. N.Y., Civil Action No. 75-Civ-2713 (Plaintiff seeks all evidence and information possessed by the United States Customs Service relating to the country origin on certain Reed Fencing Purchase by plaintiff). (Status: Summons dated June 5, 1975)

Jeffrey R. McDonald v. *Levi*, D. D.C., Civil Action No. 75-0958 (Plaintiff seeks all internal memoranda of the Justice Department relating to and leading up to the authority to submit a certain matter to a Grand Jury) (Status: Summons dated June 12, 1975)

Maxwell Broadcasting Corporation v. *Federal Communications Commission*, N.D. Texas, Civil Action No. 3-75-0421B (Plaintiff seeks all annual financial reports filed with the FCC since 1966 on a specified corporation) (Status: Summons dated June 9, 1975)

Robert B. Borosage v. *Central Intelligence Agency, et al.*, D. D.C. Civil Action No. 75-0944 (Plaintiff seeks all documents submitted by the CIA to the Rockefeller Commission regarding plans or discussions of assassination of foreign leaders) (Status: Summons dated June 11, 1975)

Louis Kruh v. *General Services Administration*, E.D. N.Y., Civil Action No. 75-C-909 (Plaintiff seeks a copy of a memorandum from President Truman to the Secretary of Defense and Secretary of State dated October 24, 1952 which created the National Security Agency) (Status: Summons dated June 10, 1975)

Philip J. Goldberg v. *U.S. Government*, C.D. Calif., Civil Action No. 75-1934-WME (Plaintiff seeks, *inter alia*, Justice Department investigatory files regarding alleged investigations of which plaintiff was the subject). (Status: Summons dated June 9, 1975)

Philip J. Goldberg v. *U.S. Government Postal Service, et. al.*, C.D. Calif., Civil Action No. 75-1715-RJK (Plaintiff seeks documents allegedly pertaining to an investigation of himself or the company with which plaintiff was associated from the Postal Service). (Status: Summons dated May 20, 1975)

Stephen May v. *Central Intelligence Agency, et al.*, S.D. Calif., Civil Action No. CD75-1981 (Plaintiff seeks any record or document containing plaintiff's name or pertaining to plaintiff from the CIA) (Status: Summons dated June 12, 1975)

Alvin H. Goldstein v. *Levi*, D. D.C., Civil Action No. 75-0993 (Plaintiff seeks certain materials in the Department of Justice files pertaining to Julius and Ethel Rosenberg and Morton Sobell. (Status: Summons dated June 13, 1975)

North American Telephone Association v. *FCC*, D. D.C., Civil Action No. 75-0992 (Plaintiff seeks documents generated under the auspicious of a Federal-State Joint Board convened for the purposes of FCC docket No. 11528) (Status: Summons dated June 19, 1975)

Joe M. Davis v. *Department of Agriculture*, N.D. Ala., Civil Action No. 75-M-0587 (Plaintiff seeks documents related to his alleged violations of the Horse Protection Act) (Status: Summons dated June 11, 1975)

Philip J. Goldberg v. *U.S. Government. Bureau of Prisons, et al.*, C.D. Calif., Civil Action No. CV75-1935-R (Plaintiff seeks all Bureau of Prisons materials pertaining to the detention and parole of a named former inmate in a Federal prison. (Status: Summons dated June 9, 1975)

John Fosdick Emery v. *Laise, et al.*, D. D.C., Civil Action No. 75-0381 (Plaintiff seeks documents related to plaintiff's employment with the World Food Program. (Status: Answer filed April 25, 1975)

Church of Scientology of California v. *United States Postal Service, et al.*, C.D. Calif., Civil Action No. 75-2004R (Plaintiff seeks all documents held by the Postal Service relating or pertaining to the activities and operation of scientology, all scientology organizations and the alleged founder of scientology. (Status: Summons dated June 23, 1975)

Randy Taylor v. *FBI*, N.D. Texas, Civil Action No. CA 3-75-757-B (Plaintiff seeks all FBI documents concerning him) (Satus: Summons dated June 18, 1975)

Lord & Taylor v. *United States Department of Labor, et al.*, S.D. New York, Civil Action No. 75 CIV. 2839 (Plaintiff seeks Volume 3 of the Wage and Hour Division Field Operations Handbook) (Status: Summons dated June 13, 1975)

Robert T. Burke v. *Kelley*, D.D.C., Civil Action No. ____ (Plaintiff seeks records pertaining to his trial) (Status: Received by FBI June 17, 1975)

David R. Grassetti v. *Weinberger, et al.*, N.D. Calif., Civil Action No. C75 1198-SC (Plaintiff seeks, *inter alia*, internal memoranda regarding research plaintiff conducted in relation to the National Cancer Institute) (Status: Summons dated June 11, 1975)

St. Louis Post-Dispatch and Richard Dudman v. *F.B.I. and Department of Justice*, D.D.C., Civil Action No. 75-1025 (Plaintiffs seek records pertaining to the individual plaintiff and pertaining to the Washington Bureau of the St. Louis Post-Dispatch) (Status: Summons dated June 25, 1975)

Grandview Bank and Trust Co. v. *Smith, et al.*, W.D. Mo., Civil Action No. 75CV425-W-4 (Plaintiff seeks the complete file in the case of "Martin City Application") (Status: Summons dated June 20, 1975)

Vladislav Bevc v. *Kelley*, N.D. Calif., Civil Action No. 75-1106-SW (Plaintiff seeks all records which the FBI maintains on the plaintiff) (Status: Summons dated June 11, 1975)

Vladislav Bevc v. *Henry Kissinger, etc.*, N.D. Calif., Civil Action No. 75-1107-RFP (Plaintiff seeks a copy of any and all records which the Department of State maintains on plaintiff) (Status: Summons dated June 11, 1975)

David Gregory Moreno v. *Enright*, D. Colo., Civil No. 75-M-634 (Plaintiff seeks statements of policy and administrative staff manuals concerning the standards utilized in determining after an investigation has been made which has utilized federal resources, whether a criminal case involving a narcotics transaction is to be filed and prosecuted in the U.S. District Court or the State Courts of the State of Colorado)

Roberto Rexach Benitez v. *Nuclear Regulatory Comm'n*, D. Puerto Rico, Civil Action No. 75-679 (Plaintiff seeks a copy of any studies to which NRC had access, regarding the probable existence of hydrocarbon deposits in Puerto Rico or adjacent waters) (Status: Summons dated June 20, 1975)

FOIA CASE LIST—JULY, 1975

Open America, et al. v. *Executive Office of the President, et al.*, D. D.C., Civil Action No. 75-1045 (Plaintiffs seek (1) a full and complete copy of the report to the President made by the Commission on CIA Activities, and (2) copies of any drafts of the report of the Commission which relate to CIA complicity in any assassinations (Status: Summons dated June 27, 1975)

Church of Scientology of California, Inc. v. *Colby, et al.*, D. D.C., Civil Action No. 75-1048 (Plaintiff seeks all records and information maintained by the CIA relating or pertaining to the existence, activities and operation of Scientology organizations, and L. Ron Hubbard, the Founder of Scientology, etc.) (Status: Summons dated June 30, 1975)

Elaine M. Wilson v. *William O. Miller*, W. D. Wash., Civil Action No. C75-431S (Plaintiff seeks recommended decision made by Hearing Examiner assigned to hear her complaint made pursuant to 42 U.S.C. 2000e-16 forwarded by him to the Secretary of the Navy for final decision) (Status: Summons dated June 16, 1975)

Nova Maria Arkeketa v. *Pawnee Agency and James Hale*, N.D. Okla., Civil Action No. 75-C-234 (Plaintiff seeks ballots from the Pawnee Tribal Election of May 3, 1975) (Status: Complaint filed June 16, 1975)

Leonard J. Sande v. *United, et al.*, M.D. Pa., Civil Action No. 75-675 (Plaintiff seeks all correspondence memoranda, etc. between agents of the U.S. concerning a furlough for petitioner) (Status: Summons dated June 13, 1975)

Guy Diviaio v. *Clarence M. Kelley, et al.*, S.D. Ind., Civil Action No. 75-0723 (Plaintiff seeks all records concerning him, which are held by the Federal Bureau of Investigation, Central Intelligence Agency and Drug Enforcement Administration) (Status: Amended Complaint filed May 23, 1975)

Gifford-Hill & Company, Inc. v. *Federal Trade Commission*, D. D.C., Civil Action No. 75-1033 (Plaintiff seeks to enjoin withholding of agency records and to order defendant to produce documents being withheld by them) (Status: Summons dated June 26, 1975)

Emile de Antonio v. *Kelley, et al.*, D. D.C., Civil Action No. 75-1071 (Plaintiff seeks to compel the FBI and its Director to disclose the contents of FBI files relating to him and his work) (Status: Summons dated July 3, 1975)

National Consumer Finance Association v. *Federal Trade Commission, et al.*, D. D.C., Civil Action No. 75-1072 (Plaintiff seeks to enjoin withholding of agency records and to order defendants to produce documents being held by them) (Status: Summons dated July 3, 1975)

Block Drug Company, Inc., v. *Federal Trade Commission, et al.*, D. D.C. Civil Action No. 75-1101 (Plaintiff seeks opinions, judgments and policy determinations in files compiled in the course of previous FTC investigations directed to plaintiff (Status: Summons dated July 10, 1975)

Ray Elbert Parker v. *John G. Lorenz, et al.*, D. D.C. Civil Action No. 75-1085 (Plaintiff seeks to order audits of various activities of the copyright office and, thereafter, to have copies of findings supplied to the court) (Status: Summons dated July 8, 1975)

Irving H. Mason, et al. v. *Gerald R. Ford, et al.*, E.D. Va., Civil Action No. 75-505-A (Plaintiff seeks records in the custody of the Executive Office of the President concerning termination of employment of Irving H. Mason; eviction of plaintiffs from government owned quarters; seizure of personal

property of plaintiffs by the Panama Canal Company; harassment by the Panama Canal Company of Irving H. Mason, etc.) (Status Summons dated July 10, 1975)

David Klaus and Morton H. Halperin v. *National Security Council, et al.*, D. D.C., Civil Action No. 75-1093 (Plaintiff seeks National Security Actions 10 and 10/2, 1952 Presidential Memorandum establishing the National Security Agency, all National Security Council Intelligence Directives issued since 1948) (Status: Summons dated July 9, 1975)

Harry M. Katz, M.D. v. *John L. Briggs, United States Attorney and Clerk of the of the Court*, M.D. Fla., Civil Action No. 75-445-T-R (Plaintiff seeks documents allegedly pertinent to a trial which lead to his conviction) (Status: Summons dated June 26, 1975)

Michael Meerepol, a/k/a Rosenberg v. *Levi, et al.*, D. D.C. Action No. 75-1121 (Plaintiff seeks material pertaining to the trial of Julius and Ethel Rosenberg and Morton Sobell) (Status: Summons dated July 14, 1975)

Philip Goldberg v. *U.S. Government Federal Deposit Insurance Corp. Agency, et al.*, C.D. Calif., Civil Action No. CV 75 2347 LTL (Plaintiff seeks information pertaining to certain named financial institutions) (Status: Summons dated July 9, 1975)

Paul E. Shaver v. *Levi, et al.*, U.S.D.C. N.D. Georgia, Civil Action No. C75-12006A (Plaintiff, a prisoner, seeks records from the FBI) (Status: Show Cause Order dated June 23, 1975)

Ronald Radosh v. *Central Intelligence Agency*, S.D. N.Y., Civil Action No. 75 Civ. 3371 (Plaintiff seeks any files CIA has on him) (Status: Summons dated July 9, 1975)

G. Daniel Walker v. *John Doe, et al.*, E.D. Mo., Civil Action No. 75-632C(1) (Plaintiff seeks military records pertaining to him) (Status: Summons dated July 17, 1975)

Carroll, George Morales v. *F. Duttos and Director of U.S. Customs Agency*, D. D.C., Civil Action No. —— (Plaintiff seeks access to and/or copies of the records maintained by the defendant upon him) (Status: Petition for Writ of Mandamus filed July 22, 1975)

Ocean Electric Corporation v. *Department of the Navy, et al.*, Civil Action No. 75-358-N, E.D. Va. (Plaintiff seeks comments on Profit and Loss Adjustment and Government Technical Evaluation of Ocean Electric Corporation's Estimated Costs to Complete Contract) (Status: Summons dated July 22, 1975)

Lord, Richard H. v. *W. H. Rauch, Warden, et al.*, W. D. Wash., Civil Action No. C75-138T (Plaintiff seeks access to information within his central prison file regarding a previous release on parole from California state authorities) (Status: Complaint filed July 11, 1975)

Sahley, Lloyd William George v. *FBI, et al.*, E.D. La., Civil Action No. 75-1831 (Plaintiff seeks production of certain documents from various agencies). (Status: Complaint filed June 13, 1975)

Wallrick, Burt v. *FBI, et al.*, S.D. Calif., Civil Action No. 75-0420-N (Plaintiff requests an opportunity to examine any file maintained by the FBI concerning his activities). (Status: Summons dated July 22, 1975)

Herman, Kathryn Davis v. *J. William Middendorf*, D. D.C., Civil Action No. 75-1246 (Plaintiff seeks copies of any and all reports, memoranda, findings, or any other written documents, pertaining to the missing-in-action status of Major Brent Eden Davis, 008-43-94, 227-43-79-49, United States Marine Corps Reserve). (Status: Summons dated July 30, 1975)

Goldberg, Philip J. v. *FBI, et al.*, C.D. Calif., Civil Action No. CV 75-2509 JWC (Plaintiff seeks a preliminary and final injunction against withholding information from him and ordering that it be disclosed). (Status: Summons dated July 24, 1975)

Anagnos, Aris v. *Central Intelligence Agency*, C.D. Calif., Civil Action No. CV 75-2451 WMB (Plaintiff seeks any record, document or file material containing plaintiff's name or pertaining to plaintiff). (Status: Summons dated July 18, 1975)

Fahr, Helen v. *Dept. of Labor, et al.*, D. N.J., Civil Action No. 75-1286 (Plaintiff seeks copies of its investigation surrounding the death of Complainant's husband on November 22, 1974). (Status: Summons dated July 29, 1975)

Church of Scientology of California, Inc. v. *Dept. of State*. C.D. Calif., Civil Action No. 75-2562 (Plaintiff seeks all records, files and information relating or pertaining to the activities and/or operation of the Church of Scientology of California; records concerning any of the specified marine vessels where the Church of Scientology has at various times now and in the past, leased and used for training activities; and records of transmission of any information and records to foreign governments, foreign police, Interpol of Internal United States Municipal or State agencies regarding the Church of Scientology or any of the categories designated above). (Status: Summons dated July 30, 1975)

Baldwin, Roy, et al. v. *Jervis Finney, et al.*, D. D.C. Civil Action No. 75-1221 (Plaintiffs seek any and all materials in the possession of the Department of Justice or the United States Attorney for the District of Maryland, pertaining to the investigation of Spiro T. Agnew which led to his plea of *nolo contendere* to one court of Federal income tax evasion on October 10, 1973) (Status: Summons dated July 29, 1975)

LIST OF CASES HANDLED BY THE CIVIL DIVISION WHERE PLAINTIFFS SEEK TO ENJOIN THE UNITED STATES FROM RELEASING RECORDS OR INFORMATION, JULY 31, 1975

1. *Westinghouse Electric Corp.* v. *Schlesinger*, E.D. Va., Civil No. 118-74-A (EEO information) (Court rendered decision favorable to plaintiff and defendants have appealed).

2. *General Motors Corp.* v. *Schlesinger*, E.D. Va., Civil No. 195-74-A (EEO information) (decided favorably to plaintiff on September 20, 1974; defendants have appealed) (A suit has been filed under the Freedom of Information Act seeking access to the same documents which are the subject matter of *General Motors* v. *Schlesinger—Rubin Robinson, III* v. *Department of Defense*, D.D.C., Civil Action No. 74-644).

3. *The Lawyers Cooperative Publishing Co.* v. *Schlesinger*, W.D. N.Y., Civil No. 74-212 (EEO information) (pending on our Motion to Dismiss and waiting decision after trial).

4. *Gulf Oil Corp.* v. *Brennan*, D. Colo., Civil Action No. 74-F-4 (EEO information) (proceedings stayed).

5. *United States Steel Corp.* v. *Schlesinger*, E.D. Va., Civil Action No. 183-74-A (EEO information) (On appeal after decision favorable to plaintiff dated September 20, 1974).

6. *Hughes Aircraft Co.* v. *Schlesinger*, C.D. Calif., Civil No. CV-74-1195-BWW (EEO information) (After a trial, the District Court entered judgment for defendant).

7. *Sears Roebuck and Company* v. *General Services Administration*, D.D.C., Civil No. 2149-73 (Pending in District Court after Order entered on September 10, 1974 partially favorable to defendants; Court of Appeals denied a Stay of the District Court Order and dismissed plaintiff's appeal).

8. *Charles River Park "A", Inc.* v. *Lynn*, D.D.C., Civil No. 1861-72 (Financial information) (Pending on our Petition for Rehearing after limited reversal by Court of Appeals of District Court decision favorable to plaintiff).

9. *International Engineering Co.* v. *Richardson*, D.D.C., Civil No. 027-73 (On appeal after decision favorable to plaintiff) (Suit by Government contractor to enjoin release of certain technical data).

10. *Legal Aid Society of Alameda County, et al.* v. *Brennan*, N.D. Calif., Civil No. C-73-0292-AJZ (Order overruling objections of Chamber of Commerce in compelling defendants to produce documents [EEO Information] filed March 26, 1975).

11. *Chrysler Corporation* v. *Brennan*, E.D. Mo., Civil No. 74-850C(4) (EEO Information) (Awaiting trial).

12. *McDonnell Douglas Corporation* v. *Brennan, et al.*, E.D. Mo., Civil No. 75-103C (1) (EEO Information) (Awaiting assignment to trial).

13. *Emerson Electric Company* v. *Schlesinger, et al.*, E.D. Mo., Civil No. 75-35-C(2) (EEO Information) (Awaiting assignment to trial).

14. *Hewlett-Packard Company* v. *Schlesinger, et al.*, D.D.C., Civil No. 75-0225 (EEO Information) (Case will probably be dismissed by agreement).

15. *Owens-Corning Fiberglas Corp.* v. *Brennan, et al.*, N.D. Ohio, Civil No. C75-72 (EEO Information) (Preliminary Injunction hearing scheduled).

16. *Waterman Heights Nursing Home, Inc. et al.* v. *Weinberger, et al.*, D. R.I., Civil No. 75-73 (Suit to enjoin release of medicare cost reports and other financial and audit data submitted by providers of services) (The requestor, the Providence Journal Company, has moved to intervene).

17. *Brian S. McCoy, Jr., et al.* v. *Weinberger, et al.*, W.D. Ky., Civil No. C-74-311 (LA) (Suit to enjoin release of medicare cost reports or other cost report documents) (Injunction entered).

18. *Joe M. Medina, Jr.* v. *Save the Dolphins, et al.*, S.D. Calif., Civil No. CV-73-503-T (Suit to enjoin release of film) (Dismissed by plaintiff).

19. *Living Window ICC, Inc.* v. *James S. Ward, Inc.*, D. Conn., Civil No. B-945 (Suit to enjoin display of certain apparatus) (Defendants' Motion to Dismiss granted for lack of *in personam* jurisdiction, April 1974).

20. *Wagner Electric Corporation* v. *Horner, et al.*, E.D. Mo., Civil Action No. 75-526C(1) (Suit to enjoin the release of EEO information) (Status: Filed June 10, 1975).

21. *The Prudential Insurance Co. of America* v. *U.S. Dept. of HEW, et al.*, E.D. Pa., Civil Action No. 75-1773 (Suit to enjoin the release of EEO information) (Status: Summons dated June 23, 1975).

22. *Republic Steel Corporation* v. *John Dunlop, et al.*, N.D. Ill., Civil Action No. 75 C 2066 (Status: Suit to enjoin release of Affirmative Action Program for the period April 1, 1973 to March 31, 1974).

23. *Bethlehem Steel Corporation* v. *John Dunlop, et al.*, N.D. Ill., Civil Action No. 75 C 2259 (Suit to enjoin the release of AAP information) (Status: Summons dated July 10, 1975).

24. *Honeywell Information Systems, Inc.* v. *Energy Research & Development Administration*, D. Md., Civil Action No. (Suit to enjoin release of AEC forms 65A 65B and 65C concerning plaintiff's facilities and all plaintiff's employment data) (Status: TRO entered July 17, 1975).

25. *Teledyne Mid-America Corp.* v. *Simpson, et al.*, D. Del., Civil Action No. 75-122.

26. *Sharp Electronics Corp.* v. *United States Consumer Products Safety Commission, et al.*, S.D. N.Y., Civil Action No. 75-2449.

27. *Toshiba America, Inc.* v. *Consumer Products Safety Commission*, S.D. N.Y., Civil Action No. 75C2050.

28. *Admiral Corp.* v. *Consumer Products Safety Commission, et al.*, W.D. Pa., Civil Action No. 75-131.

29. *Motorola, Inc.* v. *Simpson, et al.*, D. Del., Civil Action No. 75–114.

30. *GTE Sylvania, Inc.* v. *Consumer Products Safety Commission, et al.*, D. Del., Civil Action No. 75–104.

31. *Zenith Radio Corp.* v. *Simpson, et al.*, D. Del., Civil Action No. 75–113.

32. *Warwick Electronics, Inc.* v. *Consumer Products Safety Commission, et al.*, D. Del., Civil Action No. 75–115.

33. *Matsushita Electric Corporation of America* v. *Consumer Products Safety Commission*, S.D. N.Y., Civil Action No. 75 Civ. 2040.

34. *RCA Corp.* v. *Consumer Products Safety Commission*, D. Del., Civil Action No. 75–108.

35. *The Magnavox Company* v. *Simpson, et al.*, D. Del., Civil Action No. 75–112.

36. *General Electric Co.* v. *Simpson, et al.*, N.D. N.Y., Civil Action No. 75 CV 189.

Each of the above suits was filed by a television manufacturer seeking to enjoin the release of records by the Consumer Product Safety Commission which records include information submitted by manufacturers as to possible safety problems in television set use. (Status: TROs have issued in each case).

Park Towne v. *Department of Housing and Urban Development*, E.D. Pa., Civil Action No. 75–1344 (Plaintiff seeks to enjoin release of financial information regarding an apartment complex) (Status: Complaint filed May 12, 1975).

Aeronautics Ford Corp. v. *Consumer Product Safety Commission, et al.*, D. Del., Civil Action No. 75–116 (This suit is similar to the other 12 cases filed in April under the Consumer Product Safety Commission) (Status: Summons issued April 30, 1975).

Singer Co. v. *Schlesinger*, N.D. Texas, Civil Action No. 3–75–0622 (Suit to enjoin the release of EEO information) (Status: Filed May 21, 1975).

Chrysler Corporation v. *Schlesinger*, D.D.C., Civil Action No. 75–159 (Suit to enjoin release of EEO information) (Status: TRO filed June 4, 1975).

Libby, McNeill & Libby v. *Federal Trade Commission, et al.*, N.D. Ill., Civil Action No. 75C 1816 (Plaintiff seeks to enjoin the FTC from releasing documents pertaining to plaintiff held by the FTC which allegedly constitute confidential information). (Status: Summons dated June 15, 1975 and TRO entered).

PARKS RASIN—THE PLEASURE OF HIS COMPANY

Mr. MATHIAS. Mr. President, one of the outstanding citizens of Maryland's Eastern Shore is lost to us. Parks Rasin, who made his mark as an attorney, businessman and in public service, died on the Eastern Shore. A lifelong resident of Kent County, he leaves many friends throughout the State of Maryland. Many accomplishments credited to others, owed much to his sound judgment and ability to get the wheels moving at the right time. The range of his involvements reflects the remarkable breadth of Parks Rasin. The chamber of commerce, the American Legion, the Republican Party, the Masons, the volunteer fire company and the local hospital all benefited from his service and his leadership.

It is significant, however, that tributes to him concentrate not so much on his achievements as on the nature of the man himself. The Kent County News noted that "his ability could have carried him far beyond Kent County, but he did not choose to go." It was his wit and his friendship that was most valuable to those who were privileged to know him. The title of the editorial, "The Pleasure of his Company" is most appropriate. I ask unanimous consent that it be printed in the RECORD.

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

[From the Kent County (Md.) News, September 3, 1975]

THE PLEASURE OF HIS COMPANY, A. PARKS RASIN, 1912–1975

A. Parks Rasin, Jr., attorney, banker, political leader, died Friday here at the Kent and Queen Anne's Hospital. He will be more than missed. His guidance, influence and leadership cannot be matched.

Except for a World War II period with Mark Clark's 338th Infantry Division in the Italian campaign, he was for 40 years one of the "sharpest" attorneys on Lawyer's Row, if not "the sharpest."

He was more than a progressive element in The Peoples Bank of Kent County. In a small town and a rural county, where banking affects people more acutely, Parks Rasin's sharp analysis was legendary. His judgements were shrewd. His advice was always sought.

In politics, after running successfully as the Republican candidate for State's Attorney in 1946 and 1950, he "retired" behind the scenes. No one doubted his influence. Here his shrewdness and cleverness shone through. He was "the man" behind the scenes and his influence was felt throughout the Eastern Shore.

From an early childhood on Kent Circle in Chestertown, Parks Rasin was one of many natives who came through the Chestertown school system. He went to elementary school on High Street, to high school on Washington Avenue and to Washington College, where he graduated in 1932. After graduating from the University of Maryland night school in Baltimore, he returned to Kent County in the late 1930's. He was never to leave, except for World War II. This was home.

It can be said of Parks Rasin that his ability could have carried him far beyond Kent County, but he did not choose to go. He was not interested in "setting the world on fire." To his friends he was generous and dependable. To his contemporaries he was witty and friendly, with an unmatched sense of humor. To many Kent Countians he was simply "Mr. Parks." Kent County is going to miss A. Parks Rasin.

We are proud to have known the pleasure of his company.

TOWARD A METRIC AMERICA

Mr. INOUYE. Mr. President, on Friday, September 5, 1975, the House passed, by a vote of 300 to 63, S. 8674, the Metric Conversion Act of 1975. The measure would commit the United States to a voluntary plan of metric conversion and would establish a United States Metric Board with the responsibility for planning and coordinating the metric conversion program.

Without discussing the bill in detail, it should be noted that the vote marks an historic step. The United States is the only industrial country which has not converted or is not converting to the metric system of measurements. Last year, a vote on metric conversion in the House was defeated on procedural grounds. This year, the legislation was handled skillfully and expeditiously, and the decision of the House was overwhelming.

Action by the Senate, including a conference, is now the final legislative step. It is my anticipation that the Committee on Commerce will schedule hearings on this legislation in the near future.

We are nearing a momentous point in our history. Measurements have become so ingrained in our pattern of behavior that we sometimes forget their significance. Yet, they have a profound impact on virtually everything we do. Therefore, I would hope that in the period before final Senate action the American public will have an opportunity to learn more about the metric system and its benefits.

Metrication, even without final U.S. Government endorsement, has been proceeding. Many large corporations and industries have already converted, and the speed of conversion is daily accelerating. While I am personally committed to metrication, I believe strongly that there must be more public discussion and debate about this issue. In particular, I would hope that the mass media would devote more space and time to this development.

The metric system has been a legal system of measurement in this country since 1866. Our traditional system of weights and measures was based on archaic medieval standards which are far less efficient than the metric system. After nearly two centuries of discussion about metric conversion, I hope that we are nearing the end of this long and arduous debate.

TRIBUTES TO SGT. WALLACE J. MOWBRAY OF THE MARYLAND STATE POLICE

Mr. MATHIAS. Mr. President, all Marylanders were shocked and saddened by an incident this summer that brought about the tragic and violent death of Sgt. Wallace J. Mowbray of the Maryland State Police. Sergeant Mowbray died in the performance of his duty as a public servant and a public protector. With his death, however, his family and friends and, indeed, all the residents of the State also have lost an individual of unusual warmth and respect and dedication. Tribute was paid to Sergeant Mowbray in editorials that were published August 13 in the Star-Democrat of Easton, in Talbot County, and the Record-Observer, of Centreville, in Queen Anne's County. I ask unanimous consent that these editorials be printed in the RECORD.

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

[From the Easton (Md.) Star-Democrat, Aug. 13, 1975]

LET'S PAUSE A MOMENT

Right now, there is very little we could write that would in any way ease grief the family and colleagues of Sgt. Wallace J. Mowbray are suffering.

They must still be numb from the shock of the cruel and sudden death he suffered while on duty performing the sort of ordinary task which generally goes without a hitch, but which went so horribly wrong Saturday night.

They will band together to comfort each other and help each other through the coming difficult days.

Meanwhile, the rest of us need to think again about just how much it means that there are state and local police officers who willingly face every day the kind of danger which claimed Sgt. Mowbray.

Too often we think only about the fact that we had better slow down a little when we see a trooper's car on the highway.

Too often we are inclined to forget that a man who becomes a policeman takes on greater responsibilities and heavier burdens than most of us would be willing to put up with from a job. And not only does the policeman have to make sacrifices because of the profession he has chosen but must frequently put up with public abuse because of it. His family is required to give up having their husband or father around as much as they would like because he doesn't work a 40-hour week. They must constantly worry when he comes in late that he is in danger, that he is hurt or dying.

We don't know why some men are willing to take on the duties of a police officer, but thank goodness for all of us they are.

Extending our sympathies to the Mowbray family seems pitifully insignificant in the face of their loss. But for all their grief now, they do have something shining to cling to—the knowledge that so many people hold a special regard and gratitude for Sgt. Wallace J. Mowbray.

[From the Queen Anne's County (Md.) Record Observer, Aug. 13, 1975]

WALLACE J. MOWBRAY

Every citizen of Queen Anne's County has his or her own personal recollections of Wallace Mowbray—not only of our contacts with his work, but more importantly with him as a citizen, as a neighbor, as a person whose private life was a mirror reflection of the principles by which he lived in carrying out the law which he had sworn to enforce.

The very existence of these personal recollections is a more eloquent and lasting tribute than anyone can give, for the character of such a man is so complete that it neither requires nor permits definition or embellishment.

No less can be said of his professional life. It involves no disrespect to his fellow officers to say that less than a handful were even nearly his equal. With even more certainty it can be said that none was his superior.

The irony of his tragic assassination last Saturday is that those very qualities of greatness brought it about.

As a sergeant assigned to another part of the State, he did not participate in routine patrol work. For Wallace Mowbray, "routine" patrol was the stuff that his profession was all about. His place was with the men in his command, doing what all of them were hired to do. It was for that reason, more than any other, that he requested assignment on the Eastern Shore. Even here, it was his own desire, rather than any requirement of the rank which he held, which placed him on Kent Island last Saturday.

And, no one will probably ever know exactly what attracted Wallace Mowbray's attention on that last "routine" patrol. We won't know, because it was something that would have certainly passed the notice of a civilian, and probably many a veteran policeman. It was his supreme skill and perception which earned him the proper title of "a policeman's policeman." It was his supreme skill and perception which placed him in the circumstances which brought about his end.

Before the events of Saturday night, we might one day have had the chance to give Wallace Mowbray a retirement party and thank him for doing the job we all knew that he did—but in which too few of us gave the kind of real support we knew he deserved. It is now a privilege that we are to be denied.

It's too late now to say "Thank you, Wally Mowbray."

But, God grant that we won't forget you or your example.

A MESSAGE FROM BILLY GRAHAM

Mr. TALMADGE. Mr. President, during the August congressional recess, Dr. Billy Graham spoke in Montreal at a Prayer Breakfast in connection with the annual convention of the American Bar Association. I have just had an opportunity to read Dr. Graham's outstanding address and I commend it to the attention of my colleagues in the Senate.

Dr. Graham, one of our Nation's and world's foremost spiritual leaders, discussed in eloquent forceful terms the multitude of social, economic, and moral ills presently plaguing our Nation—and that they exist in very serious proportions no one can deny—and he urges a rejuvenation of the moral fiber and spiritual dedication that guided our Nation to greatness. Dr. Graham sounds a very somber note, and justifiably so in my opinion considering many of the things we are witnessing in our society these days. But, at the same time, he places great faith in the American people and issues a challenge that ought to be meaningful to all God fearing patriotic Americans. I commend Dr. Graham for his eloquency and thoughtfulness and highly recommend his address to the Senate. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD.

ADDRESS BY DR. BILLY GRAHAM

President Fellers, distinguished guests. I congratulate you on having a Prayer Breakfast, and I deeply appreciate the invitation to address you here at this Prayer Breakfast this morning at the beginning of so important a convention as the American Bar Association.

Alexis de Tocqueville, the outstanding and often quoted Frenchman who came to our country and carefully studied the United States to what made it great, said in 1830, "In America, lawyers form the highest political class and the most cultivated circle in society. . . . If I were asked where I would place the American aristocracy, I should reply without hesitation that it occupies the judicial bench and bar."

I, along with millions, have always considered the law profession to be the most noble of all professions alongside that of medicine and the church. The profession of law was the fabric which to a large extent held nations together throughout history, and it is in America that the profession of law has been most fully and effectively developed. For more than 200 years, American law has been one of the primary bulwarks of our society.

It has survived wars, depressions, assassinations, a civil war, a technological revolution, and even Watergate.

It has proven its potency time after time. A lesser nation than ours—a nation not bound so securely by law—would have unravelled at the seams many times over the past 200 years. To you then and to your predecessors across the ages, is owed a tremendous debt of gratitude. The law, thanks to you, has proven equal to the task.

But in recent years I detect an uneasy feeling among growing numbers that something has gone wrong. People do not have the confidence in, nor the respect for law that they once had. Unless checked, this can prove disastrous for both the United States and Canada.

I just returned this past week from six weeks in Europe where I had the opportunity of meeting political leaders, economic leaders, military leaders, and of course religious leaders. I have come back somewhat alarmed at what I have heard and felt. There is a growing pessimism in Europe that Western civilization cannot survive.

A little girl listening to a Grandfather Clock that was supposed to strike twelve times—and actually through a malfunction struck thirteen times—ran to her mother and cried, "Mother, it's later than it ever was before." I am more convinced than ever before that we are living at a very "late" hour of history.

President Roosevelt thrilled the world thirty-five years ago with his idea for freedom. In that address he held out the prospect of freedom of speech everywhere, and he would emphasize the word "everywhere." Freedom of worship everywhere. Freedom from want everywhere. Freedom from fear everywhere.

When we look at our world today we ask ourselves, "What happened to those freedoms?" because most of the world today lives under either a right-wing or a left-wing dictatorship. Dr. Kissinger was quoted recently as saying that only twenty democracies still survive in the world.

In the present situation, economists, politicians and business leaders are sounding like prophets of doom. I notice that one spokesman pessimistically described present attempts to cope in Great Britain with recession, inflation, the union demands, and all of its accompanying factors, as "the economies of the apocalypse."

The economic problems that New York City faces are in all the European papers. They are asking how could it happen to the financial, commercial and artistic capital of the United States, and the city where the United Nations makes its home? We have only to glance at the map of the world and see how it is rapidly changing. The events in Portugal, Angola, Southeast Asia, Central Africa, and scores of other places, underscore an editorial in a British newspaper last month that said there are now "forty wars being fought in the world." Another paper estimated that twenty terrorist organizations throughout the world are feverishly working on the Atomic Bomb.

Mrs. Margaret Thatcher, the leader of the Conservative Party in Great Britain (who by American conservative standards would be called a liberal) in her first major speech on foreign affairs two weeks ago sounded more like Solzhenitsyn than Solzhenitsyn himself as she warned of the growing Soviet military power.

I sense more in Europe than on this side of the Atlantic that the days of unfettered optimism are gone. As one European newspaper said two weeks ago, "Western civilization is in its dying hours."

But this very admission—this admission that we have a problem—is to my mind hopeful and makes me optimistic. It may be the first step toward a solution.

As we stand on the eve of our 200th birthday in the United States, we should take a look at history from a better perspective than we normally do.

Let's look at things as they were when our nation was founded back in 1788 at the Constitutional Convention. At the time the

Founding Fathers were meeting to forge a nation from 13 small states, this was the state of freedom in America:

Slavery was rampant (in the north as well as in the south); Catholics could vote in only three of the thirteen states; Jews were not permitted to vote in New Jersey or in New Hampshire; women could not vote anywhere in America (and were not permitted the vote for another 132 years); no women, no Blacks, no Jews, no Indians, and no teenagers appeared as delegates at the Constitutional Convention.

Some delegates attempted to set George Washington up as king; Alexander Hamilton actually suggested that a president be selected for life—not by the people but by electors.

There was not then nearly the freedom at that time that there is now, and things did not get much better until we were well into the second century of our nation.

It was not until after World War II that: a Black man could play Major League Baseball; a Black man could sit down in a public restaurant in Washington, D.C.; a Black man could drink from a public water fountain in the south; a Black man could sleep in anything but a Black hotel in many parts of the nation; a Black child could attend school with Whites in many parts of America.

But all this has changed. In many instances the church leaders and law profession joined hands together to help bring about many of these changes. But something is going wrong, something is out of joint. We are once again in danger of losing the freedoms that we have won. A British Labor leader said to me, "You Americans have become too free."

A man named Joshua in the Old Testament also sought freedom. After God chose him to lead the Children of Israel into the Land of Canaan, Joshua said, "Choose you this day whom ye will serve, . . . but as for me and my house, we will serve the Lord."

Joshua too sought freedom, and found it. He found his freedom by becoming a slave. A slave to the will of God. He made a religious commitment, a moral commitment, and one which has reverberated down the halls of history for thousands of years. Joshua knew, as we must come to know, that the problem which confounds humanity is not a political problem. It is not a social problem. It is not an economic problem. It is a religious and a moral problem.

Just before the heart attack that claimed his life, General Eisenhower said that every occupant of the White House has one profound duty to the nation—to exert moral leadership.

And for morality to reassert itself in our nation, we are going to have to rediscover an ingredient which many of our earliest forefathers had in abundance. That ingredient is religious faith.

The explosions of science and philosophy have left our citizens uncertain of what they believe and unsure of whether there are eternal verities to guide their conduct. There is an eternal, moral law. This law is now being broken throughout the world on a scale not known since the days of Sodom and Gomorrah.

Alexis de Tocqueville said of our nation, "I sought for the greatness and genius of America in fertile fields and boundless forests, it was not there. I sought for it in her free schools and her institutions of learning, it was not there. I sought for it in her matchless Constitution and Democratic Congress, it was not there. Not until I went to the churches of America and found them aflame with righteousness did I understand the greatness and genius of America. America is great because America is good. When America ceases to be good, America will cease to be great.

Today, America is in danger of becoming a second rate nation—because we have ceased to be good.

John Lindsay, when he was Mayor of the City of New York and was speaking to your Association in St. Louis, said the same thing in a different way. He told about some of the letters that he received.

"A cab driver in the Bronx complains, 'I'm afraid to drive anymore. I don't know whether my next customer will tip me or kill me.'

"A businessman in Queens despairs: 'They steal from my car. They steal from my store. When will it stop?'

"An old woman in Brooklyn tells me: 'I'm scared to go to the market at night. Does anyone care?'

"A mother in Harlem wonders: 'How can I raise my son? The junkies are everywhere.'

"And on Staten Island they say: 'We moved there because it was safe. Will it stay that way?' "

Most of you admit in private conversation that millions of Americans are afraid. Our institutions have been under attack: the Presidency, the Supreme Court, the Congress, the Flag, the Armed Forces, the home, the educational system, and even the Church.

We have become the most over-governed society in the history of mankind. Our State and Federal Congresses and Legislatures pass more than 38,000 laws a year. Our County Commissioners alone pass more than 36,000 resolutions having the effect of law. Our City Councils pass in excess of 35,000 laws a year. Thus we have over 150,000 new laws or rules or resolutions passed annually to regulate our conduct, our lives, our business and all our activities—but this is not the answer.

In the last thirty years we have had the greatest unplanned mass migration recorded in human history. Thirty million people have moved from our farms into our metropolitan areas. By the year 2000, 80% of our total population will be in five giant metropolitan strips and our urban problems of population, discrimination, slums, traffic congestion, crime, drugs and welfare, will defy solution.

In the meantime, we have been living far beyond our means for many years. We are told that the American deficit this year will be well over sixty billion dollars.

The moral decline in the country has been so fast that statistics cannot keep up with it. We are almost at the point where one out of every two marriages is on the rocks. Sex has been reduced far below animal behavior. Motherhood has been downgraded as a temporary sacrifice that a woman must make.

Ladies and gentlemen, I am going to lay it on the line as to what I believe is basically wrong—and how I believe we can recover. It is late—but it is not too late. This group of people here this morning could turn the tide.

The problem that we are facing is basically a heart problem.

The Bible teaches from Genesis to Revelation that man has a spiritual disease called sin. This causes all the hate, greed, lust, war and even death. From the very beginning it was never God's plan that man would suffer, fight, steal, cheat or even die. But man rebelled against God.

Man's greatest need at this hour is reconciliation to God.

To Solomon, the great King of Israel, the Lord once said, "If my people, who are called by my name, shall humble themselves and pray and seek my face, and turn from their wicked ways, then will I hear from heaven and will forgive their sin and will heal their land."

A number of our Presidents recognized this. Three times Lincoln proclaimed days of prayer. By joint resolution of Congress there was a Presidential proclamation setting forth the last Thursday of September 1861 as the Day of Prayer.

You ask the question, "Does God answer prayer today?"

Derek Prince, who later became a pastor of a congregation in London, was the son of an Army Officer and was serving as a hospital attendant with the British Forces in the North African Campaign. In 1953 he received news that Joseph Stalin was preparing a systematic purge directed against the Russian Jews. Derek Prince became concerned about these Russian Jews and called a Day of Fasting and Prayer for God's intervention on behalf of the Jews in Russia. Some two weeks later, Joseph Stalin died of a brain hemorrhage, and as you know the whole Russian policy changed after his death.

Derek Prince and his congregation had not prayed for the death of Stalin, but for the intervention of God on behalf of the Jews in Russia.

A House Judiciary Sub-Committee recently conducted a number of hearings on wire tapping and brought in witnesses throughout the country to testify. The Bible declares that our individual lives have been wire tapped by the Lord. In Ecclesiastes 12:14 we read: "For God shall bring every work into judgment, with every secret thing, whether it be good, or whether it be evil."

God indeed knows what is going on in our individual and corporate life.

What is needed is a deep spiritual renovation at all levels of life in America if we are to survive. I am glad to report to you that tens of thousands of the emerging generation are turning to God. They are rejecting our concepts of materialism. This is one of the hopeful signs of both America and Canada.

Those old-fashioned words that were out of date for a while have come back among our young people: repentance, conversion, faith. Band-aid remedies are not enough. Only a remedy that goes to the very depths, to touch the disease of sin that has poisoned all facets of life, can be effective. Unless we take moral and spiritual action, and do it quickly, we may find ourselves in a totalitarian state with all freedom suppressed in a relatively short time.

The Bible teaches you cannot serve God—the true God—and another god called materialism. But you can serve God with materialism if your heart is right toward God.

I'm advocating today what could be called the new puritanism, both morally and materially.

Our lives must be consistent with the slogan on our coins, "In God We Trust." And I recognize that this can happen only when we have personally committed our lives to God. There's little point in talking about corporate or national dealing with the problem if we don't come to grips with it individually ourselves.

Carl Jung, the great psychoanalyst and the former assistant of Freud, hit the nail on the head when he said, "It is unfortunately only too clear that if the individual is not truly regenerated in spirit, society cannot be either. For society is the sum total of individuals in need of redemption."

Pope Leo XIII once said, "When a society is perishing, the thing to do is to recall it to the principles from which it sprang."

We Americans sprang from a deep religious faith. God's solution starts with you and me and then spreads out to touch society. Not only individually, but corporately, we must have a sharp turnabout.

I'm delighted to see that at the White House, in the Congress, in businesses, in labor unions, in banks, in national organizations like this, they're having prayer breakfasts and spiritual fellowship hours. They are trying to say, "There is another dimension to life. We do recognize God. Spiritual and moral values must have first place if we are to survive."

Jesus Christ once said, "Ye shall know the truth, and the truth shall make you free"

(John 8:32). And I ask you today this: Are you willing to face the truth as an individual concerning your own morality, the truth about your relationship to God, the truth about the problems in your own family, the truth about your responsibility as a citizen to your nation as it approaches its 200th birthday?

Jesus Christ would often say, "Wilt thou be made whole?" And among other things He was called, "The Great Physician." He could touch a person by a word or an actual touch, and they would be made whole in their spirit and their body and their mind. Would you like the touch of the Master today in your life?

Christianity teaches that only in the Cross and the resurrection do we have the possibility of individual and national redemption. And as a drop of ink stains a glass of water, so the humblest person here today, in the moral choices that you make, will affect the course of history.

A commitment made by you today could reverse the tide of history. The people who gather for this convention could absolutely transform America, if we went back to our homes determined to put God first.

Unless there are enough of us in America willing to pay that price, we've reached the point where we may be finished as a free society. Our children could live under totalitarianism. Democracy and freedom are totally dependent on moral and spiritual integrity.

Three years ago, the Cotton Bowl in Dallas was filled with nearly 100,000 young people dedicating their lives to serve God. About 9 o'clock at night they pulled the light switch and then two of us on the platform lighted a candle. It could hardly be seen. Then 100,000 candles were lighted. It was a glow that you could see for a mile-and-a-half around.

I'm asking you today to light a spiritual candle. In a world of increasing darkness, light a spiritual and moral candle. Let's put them together with those of other prayer breakfasts who are lighting them and we will send a glow throughout the whole world.

When you make that choice, when you light that candle, it is America making the choice through you, and lighting the candle through you. It's America's only solution.

God bless you, and thank you.

FLOATING RATES AND U.S. ECONOMIC POLICY

Mr. INOUYE. Mr. President, Mr. Eugene Birnbaum, vice president and chief economist of the First National Bank of Chicago, recently wrote an article for the Washington Post on the operation of "floating exchange rates," which have been the mainstay of the international monetary system for 2½ years. In his article, Mr. Birnbaum examined the relationship between the mark and the dollar and, using the often erratic relationship between these two currencies, raised several crucial questions about the reliability of "floating exchange rates."

As he points out in the article:

Exchange rate fluctuations of such proportion have pervasive effects on business investment, employment, inflation, interest rates, stock market values—the entire gamut of global economic activity. It is a dangerous error to assume that because U.S. exports are relatively small in proportion to the gross national product (less than 10 percent), the foreign-exchange behavior of the dollar is not of substantial consequence to the American economy.

He further notes:

It is difficult to interpret this exchange rate see-saw as a manifestation of changing underlying economic realities. Rather, it appears that meaning less foreign-exchange valuations and excessive gyrations between the world's major currencies are now the order of the day.

Such an interpretation, for which Mr. Birnbaum supplies graphic evidence, conflicts with the theoretical model espoused by the Treasury Department and certain OMB functionaries. It was, indeed, on the basis of an impractical understanding of international trade matters that the OMB, with Treasury support, attempted to dismantle several U.S. export promotion programs earlier this year.

In theory, "floating exchange rates" permit the marketplace to set a currency's rate based on perceptions of that Nation's fundamental economic conditions. Thus, for example, if a country were to run up a large payments deficit, its currency would decrease in value to that point at which it again became desirable to acquire. In fact, however, the market has been less than perfect and, as Mr. Birnbaum points out, has been subject to bizarre gyrations.

While there can be no doubt that in many respects the United States has gained from the current "floating exchange rate" regime, we should not shut our eyes to the problems of the system nor become dogmatic about its virtues. Regrettably there are those in the OMB and Treasury who have chosen to ignore its defects in their fanatical commitment to the concept.

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

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

VAST ECONOMIC POLICY CONFUSION PREVAILS IN THE WORLD

(By Eugene A. Birnbaum)

Major reversals of economic policy advice have occurred in the international sphere.

Ten years ago, a widely held belief was that the price of gold must not be altered. Now it is said that a fixed price of gold would not be acceptable.

A decade ago, many international economic experts conjectured that it was not possible to devalue the dollar. In February 1973, the dollar was devalued for the second time in 14 months.

In the 1950s and 1960s, most policy makers believed that a flexible exchange-rate system was absolutely impossible. Now we have a flexible rate system, and today's conventional wisdom is that a fixed exchange rate system is impossible.

Today, many experts say that any fixed exchange rate regime could not have survived the unprecedented balance of payments disturbance created by the four-fold hike of the world price of oil. Yet, neither appreciation nor depreciation of currencies would be an appropriate general response to this major payments disturbance.

But grounds for skepticism concerning economic policy assessments are not limited to the international arena. Last year at about this time, many leading American economists advised President Ford to increase taxes. A few months later, they were explaining why taxes had to be reduced instead.

The record establishes the fact that there is, above all, a vast economic policy confusion prevailing in the world.

Almost four years have passed since the acclaimed Smithsonian Accord of December 1971, when the dollar was devalued for the first time. It is two and a half years since the world moved to a flexible exchange-rate system. In the aftermath of these events, there has been a global economic disaster. In the wake of double-digit inflation last year, the real value of imports of the 24 industrialized countries making up the Organization for Economic Cooperation and Development plunged (at a 12 per cent annual rate) during the first six months of 1975. The estimated real gross national product of this group also dropped significantly, though the fall in their imports was three times more rapid.

On the occasion of the 13th annual meeting of the board of governors of the International Monetary Fund and World Bank Group, it is appropriate to question the extent to which this global disaster may be connected with the functioning of the new international monetary mechanism.

One important aspect of this question is whether the behavior of exchange rates under the flexible-rate regime has reflected underlying economic realities. That there has been some exchange-rate fluctuation is beyond dispute. But if the level and variability of rates reflect changing fundamental economic relationship—such as differential inflation rates between countries—the behavior of exchange rates could be interpreted as having been realistic under the circumstances.

But a look at the West German mark (DM) and the U.S. dollar, the currencies of the Western World's most powerful economies, casts some doubt on the realistic behavior of the two currencies.

Contrary to what some leading economists told us would occur under flexible rates, there have been periods of sharp swings in the foreign exchange value of the dollar versus the DM. There have been several intervals of a few months when the DM fell between 10 and 18 per cent against the dollar. At other times, the DM rose sharply—on one occasion more than 25 per cent in a little over two months. In only one single-month interval since the inception of flexible rates did the mark remain fairly steady against the dollar (early March-early April, 1973): Such stability is notable because it is unique.

It is difficult to interpret this exchange rate see-saw as a manifestation of changing underlying economic realities. Rather, it appears that meaningless foreign exchange valuations and excessive gyrations between the world's major currencies are now the order of the day.

German goods simply could not, in any fundamental sense, oscillate in value against American goods—frequently at a double-digit pace—over just a matter of weeks or months. Currency run-ups and run-downs such as these are characteristic of "bandwagons," not changes in the fundamental relationships between the U.S. and German economies.

Exchange-rate fluctuations of such proportion have pervasive effects on business investment, employment, inflation, interest rates, stock market values—the entire gamut of global economic activity. It is a dangerous error to assume that because U.S. exports are relatively small in proportion to the gross national product (less than 10 per cent), the foreign-exchange behavior of the dollar is not of substantial consequence to the American economy.

Even those U.S. firms producing goods exclusively for domestic consumers are, in fact, vulnerable to exchange rate changes. If, today, a businessman believes there is an opportunity for future profit from new investments, by the time the fruits of that investment materialize, he may find a totally different competitive price structure confronting him as a result of changed foreign exchange rate relationships.

To take one extreme example. An American businessman may believe that he can produce an item for $1, while a German competitor can make it for four marks. If the exchange rate is 2.5 DM to the dollar, the

American product will be less expensive than the German product. But if between the time the American starts and finishes the product, the exchange rate has changed to five DM to the dollar, the German competitor would be able to undersell the American.

It follows from this that prudent firms, having foresight concerning their potential vulnerability to capricious foreign exchange rate behavior, would, to some degree at least, defer or curtail investments below what they otherwise would be. Less sophisticated firms might be unaware of the dangers and suffer the consequences. Accordingly, the vagaries of volatile exchange rates dampen the vigor of potential business investment and the willingness of prudent creditors to entrust funds to the financing of business ventures. The fact that this effect is pervasive, affecting the entire global economic system, can produce a substantial cumulative effect, even if the impact on any one country's economy should happen to be minimal.

Most countries have long been conscious of the great importance of the exchange rate as it affects their lives and prosperity. Smaller and medium-sized countries, for example, may have no alternative to the development of export-oriented industries if they desire the economic gains that large-scale, specialized, mass-production facilities can generate. For such countries, internal markets are often too small to support the profitable operation of a mass-production industry. They can prosper, however, by exporting products that can be produced more efficiently elsewhere. To such countries, the exchange rate is critical: It is to them the most important price in the world.

The fact that the exchange rate is also of great importance to the United States has been less apparent. This is partly due to the previously mentioned misunderstanding that exchange rates are of concern only to that small proportion of American economic activity that is directly engaged in international commerce.

But there is another very important relationship between the exchange rate and the general prosperity of the American economy: U.S. financial capital markets—markets which are particularly vital to the effective functioning of the U.S. economic system—are also highly sensitive to, and interact with, the behavior of the dollar on foreign exchange markets.

A major influence on the dollar-DM exchange rate has come from changing conditions of U.S. internal monetary stringency. A sensitive barometer of such changes is to be found in the behavior of U.S. federal funds rates—the very short-term interest rates at which commercial banks borrow funds from each other on a day-to-day basis. When monetary conditions tighten, the federal funds rate tends to rise, and vice versa when credit availability eases.

The extremely short maturity dates attached to such loans help to minimize the degree to which federal funds rates are affected by the market's discounting of inflation. The chart with this article presents monthly average quotations of these U.S. federal funds rate compared with the value of the dollar in terms of the mark.

With the exception of the period of the Arab oil embargo—when a frightened world regarded the dollar as a safe haven—changes in the degree of monetary stringency in the United States have been closely associated with corresponding changes in the number of DM one can buy for a dollar.

During the earlier period of flexible rates (except for the embargo), a rise (fall) of the federal funds rate preceded a rise (fall) of the dollar against the DM by a matter of months or weeks.

With the passage of time, however, the interval has contracted: A change in the federal funds rate now can be associated with a corresponding change in the dollar-DM rate almost on a coincident basis. This reflects a learning process in the money markets.

Other economic factors, such as the course of actual and anticipated U.S. or German balance of trade developments, also have important casual effects on the exchange rate. But the interaction between federal funds rates and the dollar-DM rate remains clear cut and unmistakable.

Under the former Bretton Woods regime of relatively fixed exchange rates, changing conditions of U.S. internal monetary ease or stringency tended to produce corresponding changes in foreign central bank reserves. Now, under flexible rates, changes in U.S. internal monetary conditions tend to change the exchange rate.

It follows from this that the "nasty speculator" some politicians have been hunting for to blame for exchange-rate gyrations turns out to be none other than the government—that changes the level of taxation or spending; the central bank—that eases money or tightens it; the legitimate business, and its employees, whose investments and jobs are at stake; even the poor tourist who doesn't know when to buy his francs—these are the culprits!

Virtually all of us are involuntary and unwitting speculators, and speculating can mean windfall profits or the poorhouse.

Neither the United States nor the rest of the Western World can afford to neglect the global economic and potential political consequences of bizarre fluctuations of major exchange rates. As a start, exchange rates between at least the two most powerful Western economies should be steadied. If this is not done, monetary and financial disturbances will continue to erode confidence, and the basis for a sustained restoration of rising world living standards will remain elusive.

W. AVERELL HARRIMAN HONORED AT WEST POINT

Mr. MATHIAS. Mr. President, yesterday at ceremonies held at West Point, the Sylvanus Thayer Award recognizing unique service to the Nation was presented to the Honorable W. Averell Harriman. Mrs. Harriman, Mrs. Shirley C. Fisk, Mrs. Stanley C. Mortimer, and members of their families were present. Governor Harriman was joined in the review by Lt. Gen. Sidney B. Berry, U.S. Army, Superintendent of the Military Academy and Cadet Morales, first captain.

As a friend of Governor Harriman and as a member of the Board of Visitors of the Military Academy I was glad to go to West Point for this significant and moving occasion.

In his response to the citation for the award, Governor Harriman spoke warmly and informally to the corps of cadets. He gave them personal reminiscences of his experiences during and after World War II in a way that left all of us present feeling that we had seen and heard something very rare about the great events and giant characters of those years. But Governor Harriman gave the cadets more than just his insight into history. Every cadet present must have felt the impact of his judgment; delivered last night, but formulated during 40 years of participation in public affairs, that on the eve of World War II, America's most valuable defense asset was the corps of professional officers in the armed services.

The maintenance and the renewal of that asset is the business of every midshipman and cadet at the naval, military, and air academies.

The citation that was read by General Saltzman was eloquent and comprehensive and I will not trespass upon the ground it occupies, even to add further praise for Governor Harriman. I subscribe to all of it without reservation.

I ask, therefore, unanimous consent to have printed in the RECORD the citation, a brief description of the Sylvanus Thayer Award, a biographical sketch of Governor Harriman, and a list of the 17 previous recipients of the Thayer Award.

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

THE 1975 SYLVANUS THAYER AWARD CITATION, W. AVERELL HARRIMAN

As public servant, statesman, and leader of industry, William Averell Harriman has rendered a lifetime of distinguished service to the United States. In diverse positions of extraordinary responsibility, Governor Harriman has exemplified, through his accomplishments in the national interest and manner of achievement, the ideals of West Point expressed in the motto, "Duty, Honor, Country."

After 20 years of recognized and successful leadership in the nation's transportation and finance industries Governor Harriman entered upon his long and dedicated career of public service. As member and Chairman of the U.S. Department of Commerce Business Advisory Council and as a principal assistant of the Administrator of the National Recovery Administration he made substantial and highly significant contributions to the development and execution of those national policies and programs which led to the nation's economic recovery.

During World War II, first as the President's Special Representative to Great Britain, and later as Ambassador to the Soviet Union, Governor Harriman brought to the service of the nation an extraordinary understanding of the interrelationship between its industry, government and military operations in time of war. His sensitive application of that understanding to the problems confronting the United States and its allies contributed in large measure to the successful achievement of United States goals in World War II.

As the world moved through its postwar recovery and the period of great power confrontations, Governor Harriman applied his unique experience and selfless dedication to the solution of the increasingly complex problems affecting the peace, security and welfare of his country. In a series of highly important positions, including Ambassador to the Soviet Union and to Great Britain, United States Secretary of Commerce, Director of the Mutual Security Administration, Governor of the State of New York, Under Secretary of State for Political Affairs, and Ambassador at Large, he participated at the highest policy-making levels in those decisions and programs which led to the remarkable transition from war to peace, to a more secure and prosperous United States and to a renewed stability among the world's great powers.

Through his lifetime of service to his country and to his fellow man, Governor Harriman has made a unique and lasting contribution to the welfare and security of the United States. His invariable response to the call of duty and his continuing willingness to serve his country wherever needed symbolize and reflect the values expressed

in the West Point motto. Accordingly, the Association of Graduates of the United States Military Academy hereby awards the 1975 Sylvanus Thayer award to W. Averell Harriman.

CHARLES E. SALTZMAN.
Major General, AUS, Retired, President.

THE SYLVANUS THAYER AWARD

Since 1958, the Association of Graduates of the United States Military Academy has presented the Sylvanus Thayer Award to an outstanding citizen of the United States whose service and accomplishments in the national interest exemplify personal devotion to the ideals expressed in the West Point motto, "Duty, Honor, Country."

The award is named in honor of Sylvanus Thayer, Class of 1808, the 33d graduate of the Academy, who nine years later became its fifth Superintendent. Serving in this capacity until 1833, Thayer instituted at West Point those principles of academic and military education, based upon the integration of character and knowledge, which have remained an essential element of the Military Academy.

Sylvanus Thayer was elected in 1965 to New York University's Hall of Fame for Great Americans as the "Father of Technology in the United States." Under his direction the United States Military Academy became the first technological school in America; and his curriculum, textbooks, and engineer graduates were in great demand among the nation's colleges and scientific institutions as they developed throughout the 19th century.

W. AVERELL HARRIMAN

Governor Harriman was born in New York City on November 15, 1891 and graduated from Yale University in 1913. His broad and diverse experience in business and government has spanned considerably more than half a century and his responsibilities in both of these sectors of American life have been at the highest levels.

Mr. Harriman's early experience was in private business. He was associated with the Union Pacific Railroad for twenty-seven years during which he was chairman of its board of directors for a decade. In 1920 Mr. Harriman founded his own financial firm, W. A. Harriman and Company, which as a result of a merger in 1931 became Brown Brothers, Harriman and Company. He is still a limited partner of that firm. Having become a director of the Illinois Central Railroad in 1915, Mr. Harriman became Chairman of its Executive Committee in 1931, a position he held until 1942.

In 1933 Governor Harriman assumed the first of many increasingly responsible positions in government service. In that year he became a member of the Business Advisory Council for the Department of Commerce and four years later, its Chairman, a position he held until 1939. He served as a principal assistant, then administrative officer for the National Recovery Administration during 1934 and 1935.

As World War II gathered momentum in Europe in 1940 and the United States recovered from its long depression, Mr. Harriman served in the Office of Production Management and in March of 1941 he was appointed Special Representative of the President in Great Britain, with the rank of Minister. In London he was a member of the Combined Shipping Adjustment Board, the Combined Production and Resources Board, and the Lend Lease Munitions Assignment Board.

In 1943, as coordination of the wartime efforts of the United States with those of the Soviet Union became of major importance, Governor Harriman was appointed United States Ambassador to the Soviet Union. He remained in that sensitive post for the duration of World War II until February 1946. Shortly afterward, he was appointed Ambassador to Great Britain. Late in 1946 Mr. Harriman was named Secretary of Commerce by President Truman.

In 1948, Mr. Harriman became United States Representative in Europe, with the rank of Ambassador, for the Economic Cooperation Administration. Appointed Special Assistant to the President in 1950, he also served as United States Representative and Chairman of the North Atlantic Treaty Organization Committee to study Western defense plans. Mr. Harriman was appointed Director of the Mutual Security Administration in 1951. Three years later he was elected Governor of the State of New York, where he served until 1959.

Returning to federal government service in 1961, Governor Harriman was successively Ambassador-at-Large, Assistant Secretary of State for Far Eastern Affairs and Under Secretary of State for Political Affairs. In 1965, he was again appointed Ambassador-at-Large, and in 1968 he was named Personal Representative of the President to the Paris peace talks on Vietnam, a post he held until January 20, 1969.

Governor Harriman is married to the former Pamela Digby, daughter of Lord and Lady Digby. He has two daughters; Mrs. Shirley C. Fisk and Mrs. Stanley C. Mortimer. He is the author of two books: *Peace with Russia?*, 1969, and *America and Russia in a Changing World*, 1971. He has also completed another book with Elie Abel, *Special Envoy: to Churchill and Stalin* scheduled for publication in the fall, about his experiences in World War II.

SYLVANUS THAYER AWARD RECIPIENTS

Dr. Ernest O. Lawrence, 1958.
The Honorable John Foster Dulles, 1959.
The Honorable Henry Cabot Lodge, 1960.
President Dwight D. Eisenhower, 1961.
General of the Army Douglas MacArthur, 1962.
The Honorable John J. McCloy, 1963.
The Honorable Robert A. Lovett, 1964.
Dr. James B. Conant, 1965.
The Honorable Carl Vinson, 1966.
Francis Cardinal Spellman, 1967.
Mr. Bob Hope, 1968.
The Honorable Dean Rusk, 1969.
The Honorable Ellsworth Bunker, 1970.
Mr. Neil A. Armstrong, 1971.
Dr. William F. Graham, 1972.
General of the Army Omar N. Bradley, 1973.
The Honorable Robert D. Murphy, 1974.

HELP FOR THE AGING DISABLED AT THE WORK CENTER ON AGING, EAST ORANGE, N.J.

Mr. WILLIAMS. Mr. President, many aging persons in this Nation would like to continue working beyond what is commonly regarded as retirement age, but are denied the opportunity.

The problem can be especially severe for older persons with disabilities which diminish their capacities, but not their ability to work, given some help.

Recently, at a Senate Committee on Aging hearing in Newark, N.J., Joseph L. Weinberg, executive director of the Jewish Vocational Service of Metropolitan New Jersey, testified about a significant program serving persons ranging in age from 55 to 86. It is the Work Center on Aging in East Orange, N.J., and it receives support from the Jewish Community Federation of Metropolitan New Jersey, New Jersey Division of Vocational Rehabilitation, the New Jersey Division on Aging, and the Essex County Office on Aging.

As Mr. Weinberg said in his spoken testimony:

I think this is what Congress has been asking for: a linkage of the various Federal agencies in a cooperative program of this kind . . . this combination of monies and expertise and technical assistance has made a great difference in enabling us to serve our aging population.

Intense economic problems in New Jersey have made the work of this center even more essential than it would be under more normal conditions. Again to quote Mr. Weinberg:

I think it was most eloquent put to us by one of our own local workers; we call them one of our clients. When we asked what does inflation mean to you, he said: "Well, just when you begin to think you are learning how to make ends meet, somebody pulls those ends apart."

The Work Center on Aging deserves widespread attention. I ask unanimous consent to have Mr. Weinberg's prepared statement printed in the RECORD.

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

STATEMENT OF MR. JOSEPH L. WEINBERG, EXECUTIVE DIRECTOR, JEWISH VOCATIONAL SERVICE OF METROPOLITAN NEW JERSEY, EAST ORANGE

My name is Joseph L. Weinberg, and I am the Executive Director of the Jewish Vocational Service in Metropolitan New Jersey.

I would like to express our appreciation for the opportunity to testify before your Committee, and on behalf of the Agency, with the Aging, in Essex County.

I think you should know, Senator, that I also speak for my colleagues in rehabilitation, and in manpower an expression on behalf of your work for this group of severely disabled in our population, as well as our aged population as well.

The Jewish Vocational Service of Metropolitan New Jersey has served the employment and vocational needs of its clients for over 35 years. Since 1952, the Jewish Vocational Service has operated rehabilitation workshops for the severely handicapped. In 1957, the Agency entered into a cooperative agreement with the New Jersey Division of Vocational Rehabilitation and since then has been serving persons with multiple disabilities from Essex County and the neighboring communities. In addition to its Rehabilitation Program, J.V.S. provides individual and group Vocational, Educational and Career counseling, Job Placement, Aptitude and Psychological testing to youth and adults. The agency is a certified Guidance Center of the Veterans' Administration serving veterans, war orphans, and widows.

Throughout its history, the J.V.S. has been called upon by Government agencies to assist in serving the various emergent manpower needs of the community. Among these projects were: From 1966 to 1967, the establishment of a Neighborhood Youth Corps Program (COPE) in cooperation with the United Community Fund of Newark and the U.S. Department of Labor. At the end of the project year, this agency became an independent service; in 1972 through 1974, the agency established a Vocational Rehabilitation-Job Placement Program for Severely Addicted Drug Abusers in cooperation with Federal and State Rehabilitation Agencies and the City of Newark. Currently, this program is now a service of the City and is located in its Multi-phasic Drug Treatment Center.

Most recently, in 1973, the Agency expanded

its services to older workers to meet the employment and vocational rehabilitation needs of the Aging Disabled. The agency has always given high priority to serving our older citizens. In 1965, J.V.S. developed and has continued to operate a Sheltered Workshop for residents of a Home for the Aged in suburban Essex County (Daughters of Israel Pleasant Valley Home). This workshop, through meaningful remunerative activity has demonstrated that such a program can provide its client residents with a sense of purpose, promote feelings of self-worth with resulting benefits in both mental and physical health. It has added an enriched dimension to the traditional pattern of services to the institutionalized Aged.

In December, 1971, J.V.S. began intensively to study the needs of the Aged poor residing in the housing projects in Newark—(Seth Boyden and Otto Kretchner Housing Projects). This study, conducted by a J.V.S. Vocational Counselor revealed critical areas of need related to: poor health, insufficient income and inactivity leading to loneliness, boredom and feelings of social rejection. A substantial number of these people were interested in some work provided the work was accessible and appropriate.

In addition, over the past twenty years, J.V.S. has worked with small numbers of Disabled Aged in its ongoing Rehabilitation Workshop Program for Extended Employees. These clients were able to adjust to workshop employment and have been productive on selected sub-contract jobs. This activity has prevented or postponed institutionalization.

Going back for a moment—In 1963, at the request of the Jewish Community Federation of Metropolitan New Jersey, a series of studies were made of the needs of a selected group of Aged in Newark. 82% of this group were living on incomes of less than $3,000. per year. In the recent report of the United States Senate Special Committee on Aging, entitled—"Older American Comprehensive Service Amendments of 1973"—the following awesome data was revealed:

1. From January of 1969 to August, 1972, joblessness for persons over 45 years of ago increased by 73%.

2. One out of every three unemployed individuals, over [illegible] years of age, is without work fifteen weeks or longer.

3. Individuals, forty-five years old and over, accounted for 21% of the total unemployment in the United States in 1973.

4. Compared with the beginning of the 1970's, long-term joblessness has risen by 223% for this group.

Last week we learned that 13% of the total work-force in New Jersey is unemployed, with 51,000 workers being laid off last month (May, 1975) alone. This unemployment, coupled with climbing inflation, most severe in the Northern New Jersey Metropolitan area, has devastated the ability to survive among our aging citizenry.

With these needs becoming increasingly pronounced over the last several years, the Jewish Vocational Service established a special Rehabilitation-Employment Program entitled—Work Center on Aging. This facility, located at 67 North Clinton Street, East Orange, N.J. opened its doors in November, 1973. The Work Center on Aging is a free, non-sectarian service conducted with the support and cooperation of the Jewish Community Federation of Metropolitan New Jersey, the New Jersey Division of Vocational Rehabilitation, the New Jersey Division on Aging of the Department of Community Affairs, and the Essex County Office on Aging.

This new comprehensive vocational rehabilitation center began with eleven sheltered workshop clients. It is now in full operation with a variety of programs, and to date, has had contact with over five hundred older persons. The Center provides comprehensive Rehabilitation services, including vocational counseling, workshop services, selected job placement, and extended sheltered employment.

Senior citizens, ranging in age from 55 to 86, are presently in the workshop program, where they are productively employed on sedentary work for which they are paid at rates set in accordance with the U.S. Dept. of Labor, Wages and Hours Division. A number of those handicapped Aging who have been in this vocational rehabilitation center have moved out into competitive employment as a result of Evaluation, Work Adjustment Training, and ongoing Vocational Counseling and Placement services.

In addition to clients who are served in the Workshop Program, Job Placement and Counseling services are provided to senior citizens who do not require intensive rehabilitation service. Fifty-seven Work Center applicants to date have been successfully placed on jobs in private industry. Some of these jobs include—clerks, doormen, secretaries, dispatchers, companions, bookkeepers, messengers, light factory workers, coordinators, sales persons, library aides, and interviewers. A total of 215 older adults have been served up to date in the Workshop and Placement program, with information and referral services provided to an additional 300 senior citizens.

Transportation and maintenance subsidies and a minimum-fee, hot meals program are provided to clients of the Work Center. Medical and social programs are also provided to the workers of the Center Workshop. Comprehensive eye examinations and flu shots have been given to the elderly clients this year. Other programs for clients include: A college course for credit on Consumer Education provided tuition-free by the Essex County Community College at the Work Center. Lecture and slide presentations by: Recreational Facilities, Service Organizations, Transportation Projects, Nutrition Programs, and others are conducted during the lunchhour as part of the agency's social group program. The Social Service Coordinator, who arranges these programs has also brought to the Work Center, Social Security (S.S.I.) and Food Stamp personnel to assist clients in applying for these needed services without their having to travel and wait on lines elsewhere. The J.V.S. Work Center has been designated as a Neighborhood Food Stamp Outreach Center. Emergency treatment, liaison to Community physicians, clinics and hospitals and Geriatric medical lectures are provided at the Center twice weekly by a Staff Medical Consultant.

Some of the many and varied reasons that lead older persons to seek work at the Center include: Forced retirement, a need for supplemental income, a desire for productive activity, a desire to remain as independent as possible, and a need to escape the depressive effects of loneliness and isolation. The numbers of older people responding to the opportunity for work or work-related activities at the Center is a good testimony of the need for such services.

In Summary—The Jewish Vocational Service-Work Center on Aging Program offers the aging of our community the following:

Where an older individual, male or female, wants full or part-time employment, the Work Center helps him assess his readiness and helps him find a job. When an older individual cannot return to competitive employment due to disability or age, the Center provides him with Extended Sheltered Employment. Where an older individual has medical, social, or recreational needs, the program attempts to provide those services as part of the work program or make referrals to the many community or government agencies with which we are in constant contact.

In promoting a sense of self-worth, and in enabling an older individual to continue a life-style pattern of productive activity, many cases that heretofore would have regressed requiring total public support, long-term care, or institutionalization have had these alternatives, postponed or alleviated. The program has also received, from hospital referrals, individuals who have been institutionalized for over 35 years and are now out in the community and engaged in meaningful pursuits. Participation in meaningful activity is an essential aspect of life at any age. It certainly should be the choice and right of any aging person as long as he or she is willing or able.

Benjamin Perlmutter is president of the Jewish Vocational Service Board of Directors; Joseph L. Weinberg is Executive Director of the Jewish Vocational Service.

The Jewish Vocational Service is a member agency of the Jewish Community Federation of Metropolitan New Jersey. It is a beneficiary of the United Jewish Appeal of Metropolitan New Jersey and a member agency of the United Way of Essex and West Hudson.

TRIBUTE TO THE REVEREND PERRY R. MONROE

Mr. MATHIAS. Mr. President, the community of Aberdeen, in Harford County, Md., lost one of its most outstanding residents with the death this summer of the Reverend Perry R. Monroe. For 22 years, he served as pastor of the Grove Presbyterian Church in Aberdeen. His life was one of service to his country and his community. Mr. President, the Harford Democrat published an editorial tribute to Mr. Monroe in its edition of August 8. I ask unanimous consent that it be printed in the RECORD.

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

REVEREND PERRY R. MONROE

The sudden death of the Reverend Perry R. Monroe, pastor of Grove United Presbyterian Church at Aberdeen has left a void in the Aberdeen community. His departure presents a challenge to some person or persons to quickly close the gap, to assume the highly beneficial guidance and help, which he was providing, particularly to the young people of the community. His distinguished record in World War II for which he was awarded the Purple Heart and the Distinguished Flying Cross, marked him as "a man among men."

His graduation from the University of Buffalo and Princeton Theological Seminary, against his background of service to this country, apparently gave him a strong incentive to aid in molding the character of the young people with whom he came in contact, and there were many.

For 22 years he served his local church in a quiet and helpful manner, but broadened his activities into civic affairs, particularly for the advancement and aid to the underprivileged.

He left a splendid heritage and a golden opportunity for another person to follow in his footsteps and carry on his efforts to encourage young people to become good citizens.

ANNOUNCEMENT OF POSITION ON VOTES

Mr. STEVENS. Mr. President, while attending the White House Conference on domestic and economic affairs in Seattle, Wash., I was unable to partici-

pate in the rollcall votes on September 4 regarding S. 2195, the Center for Productivity and S. 1281, Home Mortgage Disclosure. For the record, I would like to indicate how I would have voted had I been present.

Vote No. 379, final passage of S. 2195, Center for Productivity, yea.

Vote No. 380, Proxmire amendment to S. 1281, Home Mortgage Disclosure, nay.

Vote No. 381, Garn amendment No. 826 to S. 1281, Home Mortgage Disclosure, yea.

Vote No. 382, final passage of S. 1281, Home Mortgage Disclosure, yea.

RECESS UNTIL 10:55 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 5 minutes to 11.

There being no objection, the Senate, at 10:44 a.m. recessed until 10:55 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

SHORTAGE OF NATURAL GAS

Mr. HELMS. Mr. President, I commend the distinguished Senator from South Carolina (Mr. HOLLINGS) and others for the attention they are now giving to the dire prospects of an extreme shortage of natural gas. Senator HOLLINGS' State, South Carolina, and my State of North Carolina are similarly in peril, and I am in the process of studying the rather lengthy and very involved measure introduced yesterday by Senator HOLLINGS, S. 2310.

On January 30, 1975, I introduced S. 504, which was referred to the Committee on Commerce, and which has not yet been considered by that committee. My bill, S. 504, in contrast to the one introduced by the distinguished Senator from South Carolina, is very brief and uncomplicated. It should be approved speedily, so as to offer substantial and certain relief to the two Carolinas, and other States similarly in peril of experiencing a crippling shortage of natural gas this winter.

My bill, Mr. President, would assure relief to the States that will otherwise be severely affected, and I had hoped that S. 504 would have been considered by the Committee on Commerce prior to this time. I understand the problem with the logjam of legislation, particularly with respect to energy matters, but I believe that the Congress should not delay further in taking affirmative action.

I call the attention of my colleagues to my bill, S. 504, introduced on January 30 of this year.

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

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

S. 504

A bill to protect consumers, preserve jobs, and provide emergency relief for natural gas shortages, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Emergency Purchase Act of 1975".

SEC. 2. That section 7(c) of the Natural Gas Act is amended by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) Within fifteen days following the enactment of this paragraph, the Commission shall, by regulation, exempt from the provisions of this Act the sale of natural gas not committed to interstate commerce to an interstate natural gas pipeline company which is curtailing deliveries pursuant to a curtailment plan on file with the Commission, and which does not have sufficient supply of natural gas to meet the firm requirements of the ultimate consumers on such pipeline system exclusive of boiler fuel. No exemption granted under this paragraph shall exceed one hundred and eighty days in duration, but any such exemption may, for good cause shown, be extended for an additional one hundred and eighty days. Interstate natural gas pipeline companies which purchase such gas under this exemption, or any extension thereof, pursuant to Commission regulations, shall not be denied by the Commission the right to recover all or any part of the purchase price paid for such gas.".

Mr. HELMS. I thank the Chair.

Now, Mr. President, we will vote this afternoon on the so-called decontrol controversy, and I hope that, following that vote, we may immediately proceed to affirmative action by Congress instead of confrontation with the White House. I solicit the earnest consideration of S. 504 on the part of my colleagues.

I thank the Chair and 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. JACKSON. 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. JACKSON. Mr. President, I ask unanimous consent that the time utilized in connection with the quorum call be charged equally.

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

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975—VETO

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the Senate will now proceed to the consideration of the President's veto message on S. 1849, the Emergency Petroleum Allocation Extension Act of 1975.

(The text of the President's veto message is printed on page 28199 of the CONGRESSIONAL RECORD of September 9, 1975.)

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. JACKSON. Mr. President, I ask unanimous consent that the following Senate staff persons be allowed the privilege of the floor during debate on the question of overriding the Presidential veto of S. 1849, an act to extend for 6 months, until March 1, 1976, the Emergency Petroleum Allocation Act of 1973: William J. Van Ness, Ben Cooper, Tom Platt, Jackie Lovelace, Patti Ladner, Marj Gordnor, Les Goldman, Grenville Garside, and Pat Berry.

Mr. President, I also ask unanimous consent that for the minority Dave Stang, Harrison Loesch, Fred Craft, Mary Adele Shute, Jim Hinish, Nolan McKean, Tom Imeson, Mike Hathaway, and Tom Biery be allowed the privilege of the floor during the debate and any votes that may occur on the veto of S. 1849.

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

Mr. JACKSON. Mr. President, the staff of the Committee on Interior and Insular Affairs has prepared charts which show the enormous windfall profits which decontrol will lavish on the major oil companies of the oil industry. It is these few companies who will collect the bulk of the decontrol windfall.

Because portions of the data from which these charts were constructed have been declared "proprietary" by the FEA, the charts do not identify individual oil companies. This proprietary data describes the production of old oil by companies as producer/operators and inventories of crude oil held by major refiners. Quantitive estimates of the reserves of crude oil and natural gas liquids held by these companies was obtained—where possible—from the annual reports of these companies to their stockholders.

Mr. President, I ask unanimous consent that tables 1, 2, and 3, to which I shall refer, be printed at this point in the RECORD.

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

TABLE 1.—DECONTROL PROFITS: CRUDE OIL PRODUCTION

Company	Old crude oil production, June 1975 (thousand barrels per day)	Decontrol profits [1] (million dollars per year)	Daily average decontrol profits (million dollars per day)
A	58	$176	$0.5
C	333	1,003	2.7
E	186	562	1.5
F	66	198	.5
H	178	535	1.5
I	477	1,438	3.8
J	109	329	.9
K	354	1,066	2.9
L	117	351	1.0
M	224	674	1.8
N	26	78	.2
O	67	203	.6
P	373	1,123	3.1
Q	40	120	.3
R	447	1,347	3.7

Company	Old crude oil production, June 1975 (thousand barrels per day)	Decontrol profits [1] (million dollars per year)	Daily average decontrol profits (million dollars per day)
T	154	464	1.3
U	22	67	.2
V	108	326	.9
W	290	874	2.4
X	344	1,037	2.8
Total (top 20)	3,973	11,972	32.8

[1] Assumes old oil increases in price from $5.25 per barrel to $13.50 per barrel with removal of price controls.

Source: Proprietary old oil production data from FEA.

TABLE II.—DECONTROL PROFITS: CRUDE OIL INVENTORIES

Company	Crude oil stocks, end of May 1975 (million barrels)	Increased inventory value [1] (million dollars)
A	6.708	3.7
B	4.626	15.3
C	24.244	80.0
D	3.934	13.0
E	19.462	64.2
F	3.743	12.4
G	1.246	4.1
H	5.633	18.6
I	19.842	65.5
J	3.901	12.9
K	19.674	64.9
L	10.708	35.3
M	15.066	49.7
O	5.678	18.7
P	29.417	97.1
R	17.821	58.8
S	6.305	20.8
T	12.975	42.8
W	26.963	89.0
X	6.565	21.7
Total (top 20)	244.531	807.0

[1] Assumes 40 percent of inventory is domestic old crude oil which increases in value from $5.25 per barrel to $13.50 per barrel with removal of price controls.

Source: Proprietary refiner inventory data from FEA.

TABLE III.—CRUDE OIL RESERVES AND THE BENEFITS OF DECONTROL

Company	Reserves of petroleum liquids, year end 1974 (billion barrels)	Old oil ratio [1] (June 1975 production)	Estimated old oil reserves [2] (billion barrels)	Instantaneous increase in reserve value (billion dollars) [3]	Estimated added value including discounting [4] (billion dollars)
C	2.352	0.59	1.39	$11.5	$7.0
E	1.647	.59	.97	8.0	4.9
F	.812	.71	.58	4.8	2.4
H	.552	.72	.40	3.3	1.6
I	5.039	.60	3.02	24.9	15.1
J	1.415	.67	.95	7.8	4.2
K	1.375	.80	1.10	9.1	4.1
L	.783	.69	.54	4.5	2.3
M	1.2	.80	.96	7.9	3.6
N	.107	.34	.04	.3	.3
O	.473	.65	.31	2.6	1.4
P	1.9	.57	1.08	8.9	5.7
Q	.280	.68	.19	1.6	.8
R	1.6	.74	1.18	9.7	4.8
T	.784	.75	.59	4.9	2.3
W	3.360	.56	1.88	15.5	10.1
X	1.015	.87	.88	7.3	3.0
Total (top 17)	24.694		16.06	132.5	74.1

[1] Based on proprietary crude oil production data provided by FEA.
[2] Reserves multiplied by old oil ratio.
[3] Assumes old oil reserves increase in value by $8.25 per barrel.
[4] In congressional testimony a number of oil companies have estimated that decontrol will increase the value of reserves when developed by the equivalent of approximtaely $3 per barrel in 1975 dollars.

Mr. JACKSON. The most direct and immediate benefit of decontrol for the major oil companies comes from their overwhelming hold on domestic production of crude oil and natural gas liquids. The FEA data covers only crude oil production, so that the estimates I will give understate the increase in company revenues from decontrol by omitting the increased value of natural gas liquids production. For some companies this increase will be substantial.

For June, the most recent month for which data is available, the top 20 oil producers accounted for nearly 6 million barrels per day—approximately 70 percent of total domestic crude oil production. In that month, two-thirds of the production of the top 20, or somewhat more than the national average of around 60 percent, was old oil. This means that 70 percent of the approximately $17 billion annual increase in the cost of old oil—or $12 billion—would accrue to the top 20 domestic producers. These figures, of course, represent increased revenue, not increased profits. The staff has not attempted to estimate after-tax profits.

The first large chart summarizing data from table I shows that the decontrol windfall for the top 20 domestic oil producers on existing production, from wells which are in place and require no further development expenditure, will be $11 billion, 972 million annually. In fact, the vast bulk of these revenues will accrue to the seven largest producers—companies C, I, K, P, R, W, and X—who will receive approximately $12 billion or 65 percent of the nearly $12 billion total for the top 20 producing companies. This windfall is only slightly less than the unprecedented and exorbitant profits these same seven companies received for the entire year in 1974.

I would now like to turn to proved reserves. The second large chart—summarizing data from table III—contains a set of calculations which illustrate in a very rough way the enormous increases in the value of domestic oil reserves which will result from the drastic upward evaluation of domestic oil implied by decontrol.

The American Petroleum Institute has estimated domestic proved reserves of crude oil and natural gas liquids at approximately 33.5 billion barrels. This figure excludes approximately 10 billion barrels of Alaskan crude oil reserves. Using data available in the public domain, primarily from the annual stockholders' reports of the individual companies, the proven reserves of the 17 largest producers were compiled. These reserves total nearly 25 billion barrels.

It is clear that these reserves represent an enormous asset at present prices and an asset which will grow enormously in value with the termination of price controls. The chart attempts to estimate this appreciation in value in two ways.

First, the approximate fraction of each company's current production which is "old" oil is applied to that company's reserves to estimate the amount of oil which would be kept under price controls if the Emergency Petroleum Allocation Act were extended. If the price of old oil increases from $5.25 per barrel to $13.50 per barrel, each barrel of these reserves increases in value instantaneously by $8.25. The next-to-last column in the chart shows this increase.

The effects are staggering. The total increase for the top 17 producers amounts to over $132 billion, including nearly $25 billion for Company I and over $15 billion for Company W, the holders of the largest domestic reserves.

It could be argued that this calculation overstates the increased revenues which could actually be realized from the reserves, since, undoubtedly, additional expenditures will be needed to bring them to production and the timelag between identification of reserves and actual sale of the oil may be significant. The combined effect of this timelag and the inflation in the dollar means that the revenues from reserves must be "discounted." In congressional testimony, the major companies have maintained that these effects will reduce the ultimate windfall increase in the value of their reserves as measured in 1975 dollars, and that the manner in which the value is reduced would depend on inflation in general, future costs in the oil industry and individual company timetables for reserve development.

At the joint hearings held by Senator STEVENSON and myself in July, three of the major oil companies testified that the estimated increase in the value of their 1975 reserves from removal of price controls would amount to $2 to $3 per barrel spread over all domestic reserves. The last column in the chart shows the net effect of increasing the value of each company's domestic reserves in the first column by $3 per barrel.

The net effect of this rough attempt—generalizing from the methodology for reserve evaluation employed by individual companies themselves—produces 1975 dollar estimates for the top 17 companies of $74 billion—somewhat more than half the simplest estimate. In either case, the appreciation represents a monumental increase in assets accruing to a single sector of the economy.

INVENTORIES

I turn now to the question of inventories. The Interior Committee staff has also had enlarged copies of the working tables to which I have referred, from which the staff developed the material on the two large charts. These tables—tables I, II, and III—contain some additional information not shown on either large chart.

I refer to table II, which shows crude oil inventories as of May 1975, maintained by the top 20 refining companies—a slightly different group than the top 20 producers. These 20 companies held nearly 90 percent of the crude oil inventories at that time. Assuming that 40 percent of the crude oil held in inventory is classified as old oil for the purposes of cost accounting under FEA regulations, the value of the crude oil inventory of these refiners will increase overnight in a one-time appreciation by approximately $800 million.

In addition, the industry maintains substantial inventories of refined products. Over 600 million barrels of gasoline, jet fuel, heating oil, fuel oil, unfinished oils and miscellaneous refined products were in inventory at the end of May 1975. Assuming these products increased in value on the average by $3 per barrel—in line with the average increase in price for crude oil—an additional overnight windfall of $1.8 billion will accrue to the petroleum industry. The total one-time inventory windfall will thus be substantially in excess of $2 billion and will occur overnight if controls are not extended by overriding the President's veto.

In summary, it is entirely clear that singly, or in combination, the increased operating revenues and the appreciation in reserve value far outstrip any costs which the oil industry may bear as a result of Federal regulation or as a result of recent changes in the tax laws. Removal of price controls can only be considered a national policy decision—which the President is asking the Congress to ratify—to transfer massive sums from consumers and from remaining sectors of commerce and industry to the major oil companies. The data we have submitted permit no other interpretation.

Mr. FANNIN. Mr. President, the issue before us today is whether to sustain or override the President's veto of S. 1849, the Emergency Petroleum Allocation Extension Act of 1975.

Since January of this year the President has patiently been seeking the cooperation of the Congress in evolving an energy program that will return this Nation to a state of relative energy self-sufficiency.

On January 15 the President, in his state of the Union message, outlined his energy program.

On January 23 he issued a proclamation imposing a $1 per barrel fee on crude oil imports.

On January 30 the President transmitted to Congress a comprehensive energy program in the form of legislation containing 13 separate titles, not one of those titles has yet become law.

On March 4 the President refrained from imposing for 60 days a second and third dollar fee on imported crude oil that he announced he intended to impose in his January 23 proclamation.

On April 30 he granted the Congress another 30 days to produce alternative legislation dealing with energy. He also directed the Federal Energy Administration to initiate a program to phase out price controls on old oil.

On May 27, in a nationally televised address, he announced that due to the failure of the Congress to take responsible action in the area of energy legislation, he would be forced to add a second dollar to the fee on imported oil.

On July 14 he announced his first proposal to phase out old oil prices, which the House of Representatives disapproved.

On July 25 he announced his second phaseout proposal, which the House of Representatives disapproved.

Congress has asked the President to sign the act which extends the Emergency Petroleum Allocation Act until March 1, 1976. The original act was passed during the Arab oil embargo of 1973 and was intended to be emergency legislation for the primary purpose of dealing with fuel shortages resulting from the embargo. We detailed the history of that act including its unfortunate adverse impact on stimulating the domestic production of oil. The sad facts concerning that act are contained on pages 13 to 21 of the report on S. 1349. There is no need to repeat the arguments here at length. Summing them up, however, I refer to the testimony of Mr. Frank Zarb, the Administrator of the Federal Energy Administration presented to the Interior Committee on May 19. Mr. Zarb said:

1. The EPAA is inconsistent with the national goal of achieving long-term energy independence . . .

2. The EPAA denies consumers the full benefits of competition . . .

The EPAA prolongs unwarranted economic distortions and inefficiencies . . .

4. The EPAA makes it very difficult for the petroleum industry to reach rational business decisions . . .

The minority views of the report on S. 1349 contain additional testimony which points up the unworkability of the Emergency Petroleum Allocation Act which would be extended if the President's veto is not sustained.

Mr. President, overriding the veto would be a disaster from the standpoint of the best interests of this country.

We responded to the same issue in our minority views contained on pages 11 through 22 of the report on Senate Resolution 145—the resolution to disapprove the President's program to phaseout oil price controls. There we detailed the failure of the Congress to respond to the national need for effective energy legislation, including the abortive effects of the Senate to come to grips with the problem since January of 1971 when legislation was introduced to create the national fuels and energy policy study. The Senate supposedly has been working on the national fuels and energy policy study since May of 1971. To this date it has not yet complied with the series of mandates from the Senate which extended the study each year for yet another year and called for a report with recommendations to the Senate.

Mr. President, if we would extend for 6 months the act, then we must realize that this will go over into next year. We would be in another session, as the second session of the present Congress, and we will be in an election year. I think it is well understood that politics would make it very difficult to be able to adopt measures that should be adopted to take care of the emergencies that we have facing us.

Additionally, in our views contained in the report on Senate Resolution 145, we stressed that the regulatory approach of the Emergency Petroleum Allocation Act has failed to curtail imports of foreign crude oil and has failed to provide adequate incentives for increased domestic production. We stressed that:

Only through use of the unregulated price mechanism can domestic supply be encouraged to develop to the point of surplus, thereby not only freeing us from dependence upon OPEC oil prices we cannot control, but also causing domestic prices ultimately to decline due to supply again exceeding demand. In short, there is no way to regulate domestic energy prices and free ourselves from increased dependency upon imported petroleum at the same time. These are mutually exclusive policy goals. There is no escaping from this reality.

Finally, in our views on Senate Resolution 145, we stressed and documented that further postponement of decontrol measures will exacerbate the present energy and economic situation.

Mr. President, this was verified in statements made specifically by Mr. Fred Hartley, the president of Union Oil Co. of California, when he ran ads nationally stating that their company would not have increases to exceed 2 cents per gallon for the balance of this year.

In the report prepared by the Federal Energy Administration on the effects of decontrol, the following conclusions were reached.

Regarding the economic impact of complete decontrol, the report stated:

The economic recovery will continue strongly even with decontrol. GNP will rise and unemployment will fall. The net effect of decontrol and removal of the import fees will be no more than 3 cents per gallon by the end of 1975 on refined petroleum prices and could be 2 cents or less.

We have had indications continuously that we would not have increases perhaps of any amounts with the competitiveness of the market that could exist with a plentiful supply of oil worldwide.

Mr. Zarb continued:

By 1977, continued controls would increase dependence on imports and prices would rise in any event. Thus, decontrol and removal of fees will raise prices by about 1 cent per gallon in 1977. Coal and natural gas will experience negligible price changes.

With respect to the impact of decontrol on domestic production, the report stated:

Decontrol will help stem the decline in domestic production by providing incentives for tertiary recovery and by reducing the adverse effect inflation has on the $5.25 ceiling price. Depending upon the world price of oil, decontrol could increase production by 1.1–2.3 million barrels per day (MMB/D) in 1985 and 0.1–0.3 MMB/D in 1977.

With respect to the impact on imports, the report stated:

Compared with taking no actions, the President's actions on decontrol and import fees will reduce imports by about 150,000 barrels per day by the end of 1975 and almost 700,000 barrels per day in 1977. By 1985, these actions could reduce imports by 2.2 MMB/D.

Regarding the impact of decontrol of petroleum prices on energy demand, the report stated:

Analysis of energy consumption trends as well as econometric analysis firmly indicates that higher energy prices encourage conservation. Energy consumption in the United States is about 11 percent lower than what it would have been using previous projections. Energy used per person is substantially more than in other countries where energy prices are substantially higher than in the U.S. Further, many independent economic studies indicate a substantial short-run elasticity for petroleum.

Regarding the impact of doing nothing, the report stated:

If no action is taken to conserve energy or increase domestic supply, our vulnerability to an embargo will continue to climb. More of our imports are coming from OPEC nations than before the last embargo. The last embargo caused GNP to drop by $15 billion and 500,000 unemployed. Because over 40 percent of our projected 1977 imports will be from insecure sources, a 6-month embargo in 1977 could decrease GNP by 24 billion dollars and increase unemployment by over 700,000.

Mr. President, we are going to vote today on a matter of extreme public interest. The question is whether sustaining the President's veto would be in the public interest. We have documented that sustaining the President's veto would be in the public interest. We believe our rationale is based upon solid grounds. But in the expression of our arguments in favor of sustaining the President's veto, we were not arguing from within an ideological vacuum. We were expressing the view which is based upon overwhelming public opinion. On August 4 a Harris poll was published in newspapers throughout the United States which showed that 54 percent of the 29,944 answers received favored deregulation of U.S. oil price controls. Only 22 percent were in opposition. Thus, well over two out of every three persons interviewed who had an opinion on the subject favored decontrol of oil prices.

Mr. President, I ask unanimous consent that a complete copy of the Lou Harris column on oil decontrol as well as the minority views on S. 1849 and Senate Resolution 145 appear in the body of 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 Post, Aug. 4, 1975]

OIL DECONTROL BACKED IN POLL

(By Louis Harris)

Support for deregulation of all oil produced in this country has now risen to a decisive 54–22 per cent majority, up from a 46–31 per cent plurality in April, and a complete turnaround from the 42–28 per cent plurality who opposed deregulation only a year ago. An identical 54–22 per cent majority also backs complete deregulation of natural gas produced in the U.S.

These latest results must be viewed as a real victory for President Ford, who has long advocated price decontrol for oil and natural gas produced in the U.S. His reason has been that deregulation would provide an incentive for domestic production of more basic energy, and reduce American dependence on foreign energy sources.

With a majority now behind his program, the President not only could realize his policy objective, but also may receive credit for demonstrating courage in sticking to his position in the face of Congressional opposition.

Earlier this month, a nationwide cross-section of 1497 adults was asked: "Would you favor or oppose deregulation of the price of all oil produced in the U.S. if this would encourage development of oil production here at home?"

ON DEREGULATION OF U.S. OIL

[In percent]

	Favor	Oppose	Not sure
July 1975	54	22	24
April	46	31	23
July 1974	28	42	30

Close to 2 in every 10 people admitted they had changed their minds on energy decontrol. Three major reasons were volunteered:

"Deregulation will bring in more production at home and eventually will bring prices down," said close to 1 in 3 of the switchers.

A Denver truck driver said: "Under price controls, we've been producing less and less oil here in the U.S. By letting the price go up, we'll get more production and that will finally bring the price down. Same thing as happened with meat."

"Now with decontrol, we will encourage rather than discourage exploration for new oil and natural gas," said another 1 in 3 of those who changed their minds and now favor deregulation. A Rochester, N.Y., secretary said, "It's clear that by keeping controls on the price of oil and gas produced here at home, we are discouraging the oil companies from finding new sources of these fuels. We ought to try now to give them an incentive to see if more oil and natural gas will be produced."

"By encouraging exploration at home, we can move toward less dependence on Middle East oil," said 1 in 6 of those now favoring deregulation.

The acknowledged risk in deregulation is that the price of gasoline, home fuel, and other basic energy resources will rise sharply, bring back rising inflation, and abort recovery of the economy. The underlying predication of the Ford decontrol policy is that, as the prices of oil and natural gas rise, there will be a commensurate fall-off in the consumption of energy by both the public and industry.

The Harris Survey tested the possibilities of a decline in gasoline consumption if the price were to rise from 10 to 50 cents a gallon over current levels. The 81 per cent of the families who own a car were asked:

"If the price of gasoline were to go up (Read Amount) a gallon, would you be likely to use your car as much as you do now, a little less often, a lot less often, or not at all?"

CUT CAR USE IF PRICE RISE PER GALLON

[In percent]

	10 cents	20 cents	30 cents	40 cents	50 cents
Use car:					
As much as now	54	35	24	22	22
Little less often	34	32	23	15	11
Lot less often	10	28	41	48	46
Not at all	1	3	8	13	17
Not sure	1	2	2	2	4

Clearly, many Americans now believe they would cut back on car use if the price of gasoline were to rise further. The higher the rise, the more they would curtail car use.

MINORITY VIEWS OF SENATORS FANNIN, HANSEN, MCCLURE, AND BARTLETT

SUMMARY OF OBJECTIONS TO SENATE RESOLUTION 145

We are opposed to Senate Resolution 145 for the following reasons: (1) Congress has failed to respond to the national need for effective energy legislation, and instead, has proposed delaying tactics as in Senate Resolution 145; (2) The regulatory approach of the Emergency Petroleum Allocation Act has failed to curtail foreign crude oil imports and provide adequate incentives for increased domestic production; and (3) Further postponement of decontrol measures will exacerbate the present energy and economic situation.

I. Congress has failed to respond to the national need for effective energy legislation and instead, has proposed delaying tactics as in S. 145

President Ford has made every effort to move forward with a bold national energy program. He has exhibited the patience of Job in dealing with a Congress which refuses to cooperate with him. The following is a summary of his many actions this year involving energy, including the extensive indulgences of the Congress in order to allow it to develop an alternative energy program.

January 15—In State of the Union Message outlined dimensions of interrelated economic and energy problems and proposed far-reaching measures for their solution.

January 23—Issued a Proclamation imposing a $1 per barrel fee on crude oil, beginning February 1; the second dollar beginning March 1, and the third dollar beginning April 1.

January 30—Transmitted to Congress a comprehensive energy program containing thirteen separate titles designed to collectively achieve near self-sufficiency by 1985.

March 4—Refrained from imposing, for sixty days, the second and third dollar fee on imported oil in order to give Congress the opportunity to devise an acceptable alternative energy policy.

April 30—In letters to Speaker Albert and Senator Mansfield, noted that although he had granted Congress the requested sixty days, it had accomplished nothing. Then announced that he had directed the Federal Energy Administration to implement, by June 1, a program to phase out price controls on old oil. Repeated his request for a windfall profits tax on crude oil production coupled with strong incentives to step up domestic exploration and production. Additionally granted the Congress another thirty days to produce alteration legislation dealing with the oil import problem.

May 27—In nationally televised speech announced that, in spite of a 90 day re-

prieve, Congress had failed to act, therefore, effective June 1 he would add the second dollar to import fees required for imported oil and that after Congress returned, he would submit his oil price decontrol plan.

July 14—Announced administrative actions to gradually decontrol the price of old oil over a 30-month period. In addition, he announced for the same period of time a ceiling on the price of all uncontrolled domestic oil equal to the price of uncontrolled domestic crude oil in January, 1975, plus two dollars a barrel to account for the import fees already in place.

WHAT HAS BEEN THE RECORD OF THE CONGRESS IN DEALING WITH ENERGY?

Let us begin back in January of 1971 at the advent of the 92nd Congress. At that time there was a great clamor on the part of Senators on both sides of the aisle concerning the coming energy crisis. President Nixon was urged to establish a commission to study the issue. When he expressed his disinclination, the response of several Senators was in effect to tell the President that if he did not act responsibly, the Senate certainly would. This episode constituted the genesis of the Senate's famous National Fuels and Energy study which was launched by Senate Resolution 45 on May 3, 1971. That resolution called for a comprehensive study and authorized appropriations through February 29, 1972. That date transpired and no report was filed.

On March 6, 1972, Senate Resolution 231 was adopted extending the study and directing the Interior Committe to "report its findings together with recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date but not later than February 28, 1973."

That date came and went and still no report or any recommendations were filed. Anticipating that no report would be filed, the Chairman of the Interior Committee arranged on February 22, 1973, via Senate Resolution 33 to extend the National Fuels and Energy study for still another year with the requirement that at the very latest the energy study report would be filed on February 28, 1974. That date came and went and still no report was filed.

On March 1, 1974, Senate Resolution 245 was adopted which extended the reporting deadline for the national fuels and energy study for still another year. February 28, 1975 came and went and still no energy report was filed.

Literally hundreds of thousands of dollars of United States taxpayers' money has been wasted on a do nothing, resolve nothing, achieve nothing, energy study. The four year history of the Senate's National Fuels and Energy Study provided a clear demonstration that the Senate is incapable of biting the bullet and acting responsibly in matters related to energy.

What the Senate has demonstrated is a limitless capacity for headline grabbing, pure politics. Political game playing as a substitute for responsible legislation has been the hallmark of the Senate's response to the energy crisis. The political game playing related to energy has consisted of the following elements.

1. Blaming the oil companies and the administration for the problem without accepting any culpability on the part of the Congress.

2. Rejecting the price mechanism as a means of increasing domestic supply and reducing demand of energy.

3. Promising consumers of energy something for nothing.

4. Promising U.S. citizens that the best means of combating the OPEC cartel and increased dependence upon imported fuels is to rollback domestic oil prices.

We present just a few examples of how the political energy game has been played. Shortly after the enactment of the emergency petroleum allocation act in November of 1973, the Congress considered additional emergency legislation. When the conferees met on that latter bill, they decided that a price rollback was the most effective means of combating the OPEC cartel. The conference report contained the provision captioned "Prohibition on Windfall Profits—Price Gouging". In effect, it permitted any buyer of petroleum products to sue the seller for that part of the purchase price that the buyer thought constituted windfall profits. The provision was so absurd that our colleague, Mr. Nelson, led a successful floor fight which resulted in the Senate's rejecting the conference report. The second conference report on the emergency legislation contained a slightly less insane provision which would have rolled unregulated crude oil prices back to $5.25 per barrel. This carried in both houses but was vetoed by the President whose veto was sustained by a handful of votes in the Senate.

H.R. 4035 is a repetition of the same kind of game playing that was going on in December, 1973. The players are the same, the politics is the same, the issues are the same, and the pervasive legislative irresponsibility is the same. H.R. 4035 is the response of the Congress to the President's program.

On July 15 the FEA Administrator, Frank Zarb, wrote to our distinguished majority leader, calling to his attention the infirmities of H.R. 4035.

Here is what Mr. Zarb said in part:

The bill recommended by the Conference Report would increase consumption, cut production and increase petroleum imports by about 350,000 barrels per day in 1977, compared to import levels resulting from the President's 30-month phased decontrol proposal. Moreover, it would result in increased imports of approximately 70,000 barrels per day over what we could expect under the current system of mandatory controls.

The Conference bill would produce these counterproductive results by:

Rolling back the price of "new" domestic crude oil;

Repealing the "stripper well" exemption from price controls provided by existing law; and

Establishing a three-tier price system that would mandate a complex and unwieldy program that would be most difficult to administer.

The Conference Report adopted virtually all of the objectionable provisions of both the House and Senate versions of the legislation. In addition to the items mentioned above, it would make it considerably more difficult to phase-out current price and allocation controls, and would fail altogether to provide any assurance that an orderly phase-out can begin promptly.

Yesterday the President announced a compromise decontrol plan which he intends to submit to the Congress this week.

This decontrol plan, which will phase-in decontrol over 30 months and keep a price "cap" on domestic crude oil, combined with the existing $2.00 import fee, will reduce imports by almost 900,000 barrels per day by 1977. It will permit high-cost enhanced recovery techniques to yield more domestic oil from old fields. Without this plan, about 1.4 million barrels per day domestic production will be lost by 1985.

This gradual phase-in of decontrol will raise the average price of petroleum products slightly more than 1 cent per gallon this year, and by an additional 3 cents per gallon in 1976 and 1977.

The entire decontrol proposal made by the President is now a matter of public record. As you know, yesterday he delayed its formal transmission to the Congress to provide the opportunity for Members of Congress and the public to examine thoroughly the merits of the proposal before each House of Congress, under existing law, determines whether to accept it.

Clearly, the President's proposal warrants the most careful and thoughtful scrutiny by the Congress, and it is imperative that this scrutiny not be foreclosed by ill-considered adoption of the Conference Report on S. 621 and H.R. 4035. This is particularly important, I believe, in light of the fact that the plan represents a considerable compromise from the President's initial proposal for immediate decontrol.

Consequently, I would urge that the Senate act to reject the Conference Report and avoid prejudicing the President's proposal. Since the bill would override the President's proposal even before it is considered by the Congress. I would have no alternative but to recommend that the President disapprove the Conference version of S. 621 and H.R. 4035 were it enacted by the Congress.

Continuing with its game playing, the Senate ignored Mr. Zarb's letter and voted to adopt the Conference Report on H.R. 4035. We await the President's veto and look forward to sustaining it.

The fact is that the Congress has made little progress in either developing a comprehensive energy program or providing the President with the authorities he needs to implement his proposed program. Only a minimal effort has been made at reaching a bipartisan energy program that will begin to resolve the complex economic and energy supply and production problems that face the Nation. Congressional action to date has done little, if anything, in obtaining domestic energy self-sufficiency.

The Nation cannot afford to wait indefinitely for a comprehensive energy program. Action, not further delay, is needed now to develop domestic supplies and reduce energy demand. As indicated above, the President in his state of the Union address on January 15, 1975, took the first steps toward establishing a national energy program. President Ford called for a comprehensive energy conservation program in which consumption of energy would be decreased and domestic production of energy resources increased, in order to reduce this country's dependence on imported crude oil. The President recommended decontrol of the price of domestic crude oil as one of the measures essential to curtail domestic energy consumption.

In the months following the President's announcement seeking decontrol, Congress failed to take any decisive action toward meeting our energy needs. On the other hand, the Administration has continually sought to work with the Congress, and has, at the request of the leadership of this Congress, tempered the pace initially set forth by the President in his energy plan.

As we are all aware, the President has now announced a compromise decontrol plan which has just been submitted to the Congress. This decontrol plan would phase-in decontrol of old oil over a 30-month period and would impose a new ceiling price for all domestic crude oil, other than stripper well crude oil, for the same 30-month period. In conjunction with this decontrol program the President has reiterated his desire for Congress to enact a windfall profits tax with plow-back provisions and direct tax rebates to consumers to return all of the proposed increases in energy taxes.

It is clearly evident that the President's new proposal for decontrol warrants careful consideration by all members of Congress. We are once again faced with the opportunity to take some form of constructive action. In the past Congress' response to any overture by the Administration has been one of negativism. The new Congress has been hampered by internal disputes of a petty and partisan nature. We must begin to enact responsible energy legislation, and this en-

tails the thoughtful scrutiny of all proposals whether they originate within the Administration or among our own ranks. We can no longer respond to the energy situation with delaying tactics. S. Res. 145 is merely another form of delay; S. Res. 145 prejudges the President's proposal before it has the opportunity for full consideration by the Congress.

II. The regulatory approach of the Emergency Petroleum Allocation Act has failed to curtail foreign crude oil imports and provide adequate incentives for increased domestic production

Senators who reflexively utter eschatological incantations every time the term OPEC is mentioned at best seems to be deceiving themselves. They argue that we must free ourselves from OPEC prices by regulating the price of our domestic fuels. But by so doing they would further discourage domestic production while concomitantly forcing greater dependence upon OPEC oil at prices they have no means of controlling.

Only through use of the unregulated price mechanism can domestic supply be encouraged to develop to the point of surplus, thereby not only freeing us from dependence upon OPEC oil at prices we cannot control, but also causing domestic prices ultimately to decline due to supply again exceeding demand. In short, there is no way to regulate domestic energy prices and free ourselves from increased dependency upon imported petroleum at the same time. These are mutually exclusive policy goals.

Perhaps the best indictment of Democrat-led congressional game playing with energy came from the pen of a freshman Democrat, Congressman Bob Krueger. This is what he had to say on the subject in his additional views in the report on H.R. 7014.

The adoption of a reasonable Congressional oil policy is quickly becoming less a matter of choice than of necessity. The oil pricing provisions of H.R. 7014, however, are more an abdication than an alternative. We need not debate whether the Committee's language on oil pricing is "tough" enough in curbing imports; the oil price rollback simply ignores the import question altogether.

As noted by the Democratic Task Force mobilized in both Houses at the beginning of this year, declining production in old oil fields (regulated at prices half of OPEC's) argues for increased stimulus of enhanced recovery of oil. Increased new oil production costs and decreased new oil finds support the need for market pricing of new oil combined with stiff new re-investment requirements. Economic efficiency of allocation dictates an elimination of the multi-tiered pricing system coordinated with an adequate compensation mechanism for low income consumers. To neglect these salient imperatives of our oil markets is to defy reality.

As imports continue to climb, eroding our international alliances and economic health while raising the price of other imports, the notion of a price roll-back on new domestic oil is eminent bad sense. Disregarding the product of five months of labor by the Subcommittee on Energy and Power, the full Commerce Committee rejected the rational for the expedient. And that expedient of price control extension was more reflective of the political mood years ago than of the current public frustration with Congressional evasiveness and pervasive economic controls.

Section 301 of H.R. 7014 is, in the words of the *Washington Post*, a "disastrously bad idea." The price roll-back on new domestic oil serves to inhibit severely the margins of production and the funds available for new oil development. On the other hand, producer revenues from old oil (in the current bill are greater than the revenues they would realize from old oil production in the Subcommittee's plan. This paradox of penalizing new production dominated by smaller firms in which fixed investment is ongoing, while offering large bonuses for old oil production dominated by multinational firms in which fixed investment has already occurred, makes no economic sense.

The present two-tier pricing system repudiates end-use efficiency by charging two prices for the same commodity. Not content with this absurd situation, the Committee's oil pricing provision creates a four-tier pricing system.

Under the current system, disparate regional oil costs are equalized by a program called the "entitlements" system requiring refiners who process domestic crude to make huge cash payments to refiners of foreign crude. This system subsidizes the demand for foreign oil and creates OPEC windfalls. A continuation of the multi-tier system results in the inevitable cost-equalization dilemma: either a cost-equalization program is continued, resulting in yet more OPEC subsidies, or the cost equalization system is discontinued (the FEA can do it at any time) and the East Coast must pay much higher oil prices than the rest of the country, destroying the competitive viability of the region.

Under the roll-back scheme, the dangers of embargo and international blackmail multiply as our thirst for foreign oil increases. Taxpayers will be victimized: on one hand they will inevitably be asked to subsidize such promising new technologies as solar and geothermal power due to the diminution of market incentives for these substitutes, while on the other hand, the value of and revenues from our new offshore oil resources will diminish.

While the United States' per capita energy consumption is twice that of Japan and West Germany, countries that are pursuing aggressive demand restraint measures, the United States must act responsibly in rejecting government controls that inflate the demand for energy. The least we must expect as a nation is that the user of a barrel of oil must pay for its replacement costs. In the short run, this replacement cost is the price of OPEC oil. If we are willing to pay OPEC $12 to $13 for a barrel of oil, we should be willing to spend as much bringing into production high-cost domestic resources while insuring the re-investment of excess revenues.

If we fail to use economic rationality as a guide in determining fair oil prices, let us not ignore the intuitive appeal of some simple facts: the price of oil in current dollars has only recently returned to 1950 levels, and we pay more per gallon for distilled water and soft drinks than for gasoline and fuel oil.

Congressman Krueger's remarks are equally applicable to Senate Resolution 145.

The message of Senate Resolution 145 is, Mr. President, we won't even allow you to do what we authorized you to do when we passed the Emergency Petroleum Allocation Act.

The regulatory approach provided for in the Emergency Petroleum Allocation Act has created a number of problems. The present two-tier pricing system has resulted in distortions in the oil market and has created an inequitable distribution of costs and a complex entitlements program. The legislation was also intended to deal with an energy fuel emergency that no longer exists. To maintain federal regulatory intervention in the marketplace under our present fuel situation is unwarranted and unwise. This is one of the principal reasons President Ford initially recommended immediate decontrol.

Gradual decontrol over a 30 month period of domestic crude oil prices would slowly eliminate the economic disincentives and distortions resulting from the present two-tier price system. It would permit domestic crude oil prices to rise to the prevailing world price levels so that the demand-dampening effects which have been felt in other parts of the world would be felt in the United States. Under the current two-tier price system, the price of most domestic oil is held at a level approximately half that of world price levels. The gradual removal of these price controls will allow price increases at a graduated pace, thereby fostering orderly reduction in U.S. energy consumption. The gradual phase-in of higher prices will raise the average price of petroleum products by slightly over one cent per gallon in 1975 and by 3 cents per gallon in 1976 and 1977.

Besides conserving domestic supplies, decontrol of domestic crude oil prices would stimulate domestic production, thereby reducing reliance on imported products. The decontrol plan proposed by the President, combined with the existing $2 import fee, will reduce imports by almost 900,000 barrels per day by 1977.

Decontrol will further permit high cost enhanced recovery to precede economically in old producing properties. The production incentives afforded since the fall of 1973 by rules permitting "new" and "released" domestic crude oil to be sold at free market prices were partially effective in cutting back on foreign supplies of crude oil. However, these incentives are already of decreasing utility. Existing production incentives are simply not adequate to encourage investment in secondary/tertiary recovery and other costly or speculative programs designed to increase the total output of domestic crude oil. Absent decontrol, old oil production should continue to decline and tertiary recovery would have to sell at controlled prices and thus, about 1.4 million barrels per day would be lost by 1985.

Decontrol of domestic crude oil prices will promote domestic production, until supplementary energy resources can be developed. It will avoid during this time an unacceptable degree of United States' reliance on imported fuels.

III. Further postponement of decontrol measures will exacerbate the present energy and economic situation

At the request of the Administration last fall, we voted in favor of S. 3717 to extend the expiration date of the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1975. Our sole purpose for voting to support the short extension was to provide an additional period of time in which to proceed with an orderly and complete phase out of all price and allocation controls. No other amendments than the mere four month extension were contemplated or agreed upon in conversations between Administration officials and members of this Committee on both sides of the aisle.

Such an intent of the Committee members was clearly reflected in the following statement made by the Committee chairman, Senator Jackson on the floor of the Senate on August 12, 1974, (Page S. 14725 of the Congressional Record of August 12) "The act is now scheduled to expire on February 28, 1975. This expiration date occurs too soon after the new Congress convenes for a careful evaluation of the administration of the act and an informed decision as to the need for a full scale extension of the act in light of conditions then prevailing. Furthermore, if the Congress were unable to complete action on extension proposals, the act would expire at the height of the winter heating season when the need for allocation authority could be greatest. . . . The Committee believes that it is too soon to make basic changes in the act and that proposed changes should be considered next year in light of more extensive experience with the act. Accordingly, it is proposing a *short* (emphasis added) extension without amendments.

All we are saying is, let us extend the act

as it is from February 28 until June 30. We will have time, then, after the first of the year to act carefully and deliberately."

On November 22, 1974, Chairman Jackson in another floor statement (page 37056 of the Congressional Record of November 22), listed additional, but no longer valid, reasons for the "short" extension of the Emergency Petroleum Allocation Act of 1973; "Faced as we are with a coal strike of uncertain duration, with the forecast for a severe winter . . . the Government must have petroleum allocation authority through the present winter."

Chairman Jackson reiterated in the same floor statement the necessity of an extension of the act, in order to allow Congress time to assess the act. "The purpose of the six month extension provided for in H.R. 15757 is to provide adequate time for the new Congress and the executive branch to review the act. . . ."

Whereas the consideration of a coal strike and the winter of 1974–75 is behind us, the attempt to extend the Emergency Petroleum Allocation Act of 1973 until March 31, 1976, via S. 1849 or to December 31, 1975, via H.R. 4303 can only be viewed a default of the Congress to honor its pledge to come to grips with energy policy, including the need to repeal or substantially revise the act.

When we considered S. 3717 on the Senate floor last August, the Administration's position as we understood it was as follows:

1. The expiration date of the Emergency Petroleum Allocation Act would be extended to June 30, 1975.

2. Between August, 1974, and June 30, 1975, the Administration should proceed with an orderly total phase out of price and allocation controls to be completed by June 30, 1975.

The Emergency Petroleum Allocation Act by its very title was intended to be an emergency measure to deal with a temporary petroleum fuels shortage which now has ended. It is to be recalled that the act was passed at the time of the Arab oil embargo specifically to deal with the supply shortages caused by the oil embargo. That such was what was contemplated is clearly born out by Section 2 of the Act which reads as follows:

SEC. 2(a) The Congress hereby determines that—

(1) Shortages of crude oil, residual fuel oil and refined petroleum products caused by inadequate domestic production, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;

(2) Such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and

(3) Such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive branch of Government.

(b) The purpose of this Act is to grant to the President of the United States and direct him to exercise specific *temporary* (emphasis added) authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

We who voted against the Emergency Petroleum Allocation Act at the time did so because we felt that the bill, at best, would only spread shortages around. Additionally, we felt that should the Federal Government intervene in the marketplace by imposing regulations affecting supply and price, no matter how benignly such intervention was intended, unforeseen inequities would result and the shortage would be exacerbated.

The one day of hearings last year on S. 3717, extending the Emergency Petroleum Allocation Act, contained such testimony enumerating and describing the inequities which have resulted from the Act. These remarks plainly show both that the legislation was intended to deal with a petroleum fuels emergency which no longer exists and that the wisdom of federal regulatory intervention in the marketplace even under the then existing fuel shortage was questionable.

On May 19, FEA Administrator, Frank Zarb, testified before the Senate Interior Committee, that—

The existing complicated structure of price controls at all levels of distribution which is necessitated due to the existence of the cost disparities resulting from the two-tier price system, tends to be self-defeating over the long run by reducing normal incentives toward increased production and cost control and by eliminating the ability of the industry to engage in long range business planning. As the effectiveness of price controls lags over time, regulations of greater complexity and reach become necessary to maintain the controlled-price structure. Tightening of controls tends to further stifle initiative and to contribute to greater economic distortion . . .

Decontrol would permit crude oil prices to rise to the prevailing world price levels so that the demand-dampening effects which have been felt worldwide would be felt to the full extent in the United States. Under the two-tier price system now in effect, the price of most domestic oil is held at a level approximately half that of world price levels, so that the impact which the escalation of free market prices has had on demand overseas has been considerably cushioned in the United States. The removal of price controls on domestic crude oil is a necessary and integral part of the program to reduce energy consumption and thereby curtail dependence on imported crude oil and lessen our balance of payment deficit.

Existing incentives clearly cannot work to maintain domestic producton at levels now thought necessary to avoid an unacceptable degree of reliance on imported fuels over the next few years.

At the same hearings, Mr. William Hunter of Seamless Tubular Products, Armco Steel, testified—

It is expected that the U.S. oil industry will require capital expenditures of $30 to $40 billion annually over the next decade for the necessary development of energy supplies. The decline in earnings will seriously affect the availability of investment capital necessary to complete scheduled development programs, particularly when most needed to expand our nation's productive capacity.

The absence of a comprehensive energy policy and increased pressure for more governmental controls on the U.S. petroleum industry are counter-productive to the reduction of oil imports, will serve to lengthen the recession, retard economic growth and add to unemployment.

Also, on May 19, Mr. William Traeger of the Petroleum Equipment Suppliers Association testified—

The provisions of the Emergency Petroleum Allocation Act place a lid on prices received for petroleum products while a variety of factors, including actions by Congress, create a buildup of costs and a profit squeeze which drains vital capital from our industry and makes other forms of financing difficult or impossible. Many long term commitments are "locked in" and adjustments of budgets to provide for the shortage of available capital will have a dramatic effect on industry expenditures for exploration and production.

Mr. Wallace W. Wilson of the Continental Illinois National Bank and Trust Company of Chicago, on May 19 presented this testimony—

If the petroleum industry does not have sufficient incentives, in the form of higher prices, to enable it to realize an adequate return, the companies will have to look to outside investors to supply the necessary capital. However, investors are hesitant about making commitments to the petroleum industry because they fear that excessive government regulation will prevent them from realizing an adequate return on their investments in the form of dividend or interest income and/or capital appreciation . . .

Every action taken by government to date appears to be retaliatory and dedicated to a "no win" policy with respect to self sufficiency. Yet, the most pessimistic estimators conclude that more than 50 billion barrels of oil and more than 450 trillion cubic feet of natural gas remain to be discovered within the secure boundaries of the United States. Optimistic estimators suggest 450 billion barrels and 2,000 trillion cubic feet. Who is correct and what is the reward for finding out? Even 50 billion barrels of oil would add 15 plus years to our present domestic capacity of about 10 years using a flat life approach and 1974 production. Suppose the optimists are corect? The only way to find out is to explore.

Price control advocates say a free market for domestic crude oil and natural gas will cause rampant inflation and hardship on the consumer. These people profess the ability to select an "adequate" wellhead price. Be skeptical of forecasts by intellectuals who try to predict the "proper" price for oil and gas at the wellhead. No one knows what the price of these energy sources must be to elicit the quickest possible increase in domestic productive capacity and maximize ultimate discovery of domestic reserves. When the cost of petroleum products gets too high, we the consuming public will impose a ceiling and voluntarily conserve. Is that not better than becoming 60% dependent on foreign oil and then having the valve shut off or the price raised to $25 per barrel?

There should be a change of policy toward the American oil and gas industry to one of encouragement rather than the traditional policy of restriction, criticism and condemnation.

In recent years domestic energy production has decreased significantly while energy demand has shown a marked rise. Petroleum demand is expected to further increase. Without the decontrol of crude oil prices, there will be little means of effectively curbing this increased energy demand. If old oil prices are not permitted to rise to current world prices, there will continue to be dependence on insecure sources for energy supplies with the result that more U.S. dollars will be spent for imported oil and our balance of payments deficit substantially and continually increased. Continued reliance on imported crude oil only tightens the rein the OPEC countries have recently obtained. This reliance is a severe threat to our national security, leaving us susceptible to the adverse economic effects of another embargo. Congressional inaction on decontrol of domestic crude oil prices is leaving us open to this vulnerability. The danger of this dependence to our national security and our worldwide prestige is something that could and should be prevented.

In the interest of making America again self-sufficient in energy, we urge our colleagues to vote against Senate Resolution 145.

PAUL J. FANNIN.
CLIFFORD P. HANSEN.
JAMES A. MCCLURE.
DEWEY F. BARTLETT.

VIII. Minority and Additional Views

Minority views of Senators Fannin, Hansen, McClure, and Bartlett

At the request of the Administration last summer, we voted in favor of S. 3717 to extend the expiration date of the Emergency Petroleum Allocation Act from February 28, 1975, to June 30, 1975.[1] our sole purpose for voting to support the four month extension was to provide an additional period of time in which to proceed with an orderly and complete phase out of all price and allocation controls. No other amendments than the mere four month extension were contemplated or agreed upon in conversations between Administration officials and members of this Committee on both sides of the aisle.

Such an intent of the Committee members was clearly reflected in the following statement made by the Committee chairman, Senator Jackson, on the floor of the Senate on August 12, 1974 (Page 27704 of the Congressional Record of August 12) "The act is now scheduled to expire on February 28, 1975. This expiration date occurs too soon after the new Congress convenes for a careful evaluation of the administration of the act and an informed decision as to the need for a full scale extension of the act in light of conditions then prevailing. Furthermore, if the Congress were unable to complete action on extension proposals, the act would expire at the height of the winter heating season when the need for allocation authority would be greatest . . . The Committee believes that it is too soon to make basic changes in the act and that proposed changes should be considered next year in light of more extensive experience with the act. Accordingly, it is proposing a *short* (emphasis added) extension without amendments.

All we are saying is, let us extend the act as it is from February 28 until June 30. We will have time, then, after the first of the year to act carefully and deliberately."

On November 22, 1974, Chairman Jackson in another floor statement (Page 37056 of the Congressional Record of November 22), listed additional, but no longer valid, reasons for the "short" extension of the Emergency Petroleum Allocation Act of 1973: "Faced as we are with a coal strike of uncertain duration, with the forecast for a severe winter . . . the Government must have petroleum allocation authority through the present winter."

Chairman Jackson reiterated in the same floor statement the necessity of an extension of the act, in order to allow Congress time to assess the act.

"The purpose of the six month extension provided for in H.R. 16757 is to provide adequate time for the new Congress and the executive branch to review the act. . . ."

Whereas the consideration of a coal strike and the winter of 1974–75 is behind us, the attempt to extend the Emergency Petroleum Allocation Act of 1973 until March 31, 1976, can only be viewed a default of the Congress to honor its pledge to come to grips with energy policy, including the need to repeal or substantially revise the act.

When we considered S. 3717 on the Senate floor last August, the administration's position as we understood it was as follows:

1. The expiration date of the Emergency Petroleum Allocation Act would be extended to June 30, 1975.

2. Between August 1974, and June 30, 1975, the Administration should proceed with an orderly total phase out of price and allocation controls to be completed by June 30, 1975.

The Emergency Petroleum Allocation Act by its very title was intended to be an emergency measure to deal with a temporary petroleum fuels shortage which now has ended. It is to be recalled that the act was passed at the time of the Arab oil embargo specifically to deal with the supply shortages caused by the oil embargo. That such was what was contemplated is clearly borne out by section 2 of the act which reads as follows:

SEC. 2. (a) The Congress hereby determines that—

(1) shortages of crude oil, residual fuel oil and refined petroleum products caused by inadequate domestic production, environmental, constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;

(2) such shortages have created or will create severe economic disclocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and

(3) such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive branch of Government.

(b) The purpose of this Act is to grant to the President of the United States and direct him to exercise specific *temporary* (emphasis added) authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

We who voted against the Emergency Petroleum Allocation Act at the time did so because we felt that the bill, at best, would only spread shortages around. Additionally, we felt that should the Federal Government intervene in the marketplace by imposing regulations affecting supply and price, no matter how benignly such intervention was intended, unforeseen inequities would result and the shortage would be exacerbated.

The one day of hearings last year on S. 3717, extending the Emergency Petroleum Allocation Act, contained much testimony enumerating and describing the inequities which have resulted from the Act. These remarks plainly show both that the legislation was intended to deal with a petroleum fuels emergency which no longer exists and that the wisdom of federal regulatory intervention in the marketplace even under the then existing fuel shortage was questionable.

Continued reliance upon legislative authority designed specifically to alleviate the impact of emergency fuel shortages in times of a reported petroleum surplus generates many deleterious effects.

For example, FEA Administrator Frank Zarb presented testimony to the Interior Committee on May 19 of this year which analysed the following deleterious effects of the act:

1. *The EPAA is inconsistent with the national goal of achieving long-term energy independence.*—The EPAA creates inflexibility in FEA's price control program that considerable disincentives to increased domestic production are created. . . . For example, the crude oil entitlements and the buy-sell programs, which are largely designed to give small and independent refiners necessary access to the cost advantages of price-controlled domestic crude oil, must to some degree have the undesirable effect of encouraging imports since the burden of their higher cost is not borne solely by the importer, but shared with his competitors.

2. *The EPAA denies consumers the full benefits of competition.*—Price controls, while overtly holding down prices, also are operating to support higher prices than might be possible in a free market. The two-tier price system, for example, creates cost disparities which in certain cases allow recovery of higher margins by competitors blessed with lower current costs than would be possible under free market conditions. The dollar-for-dollar pass through rule in Sec. 4(b)(2) of the EPAA, which in effect allows the continuation of historical profit margin levels, tends to provide government endorsement of and justification for such profit margins, even though those margins were in some cases unnecessarily high during the base period, and the logic of market conditions might dictate lower margins today.

3. *The EPAA prolongs unwarranted economic distortions and inefficiencies.*—An unavoidable effect of an extended allocation program is to maintain within the petroleum industry those inefficiencies and distortions that existed during an arbitrarily chosen base period. Continuation of historic distribution patterns may result not only in prolonging such inefficiencies, but also may have adverse effects upon industrial expansion and population movement.

With respect to domestic crude oil, for example, FEA met the EPAA allocation requirements by freezing supplier/purchaser relationships as of December 1, 1973. As domestic production continues to decline at differing rates in different parts of the country, necessary adjustments in crude oil distribution channels cannot be resolved through the operation of normal market mechanisms, and can only be accomplished by ad hoc action by FEA, which is ill-equipped to deal with such matters.

Distortion must also result from continued regulation of only petroleum products without comparable regulation of such substitute sources of energy as coal, electricity and natural gas. Such disparate treatment disrupts the functioning of normal market forces, and prevents a coordinated response to the Nation's energy problems. * * *

4. *The EPAA makes it very difficult for the petroleum idustry to reach rational business decisions.*—The constant need for regulatory changes to respond to ever-changing market conditions (such as the establishment of the cost equalization program to solve problems created by the two-tier price system) seriously inhibits the industry's ability to engage in long-term business planning. That planning that can be done must also be skewed to reflect the distortions built into the marketplace as a result of the rigid requirements of the EPAA. This problem will only be exacerbated by further piecemeal extensions of the EPAA, rather than enactment of a new regulatory program which deals with the realities of today's marketplace and our long-term needs.

A prime example of the uncertainty created by FEA regulations results from the supplier/purchaser relationship rules, noted above. These rules have created an administrative house of cards held together only by historical, and in many cases impractical, supplier/purchaser relationships that are mandated by the Act. The more time that passes, the more fragile these relationships will become and the greater the disruption that will result when the program is terminated. In this atmosphere, the industry is understandably reluctant to make the investment decisions which must be made soon if the country's long-term energy goals are to be met. . . ."

5. *Proposal to phase-out old oil.*—As can be seen from the above discussion of the problems inherent in the Emergency Petroleum Allocation Act, the solution to many of these lies in the elimination of the two-tier pricing system for crude oil. The two-tier pricing system inevitably causes cost disparities among refiners and marketers of petroleum products which in turn create economic distortions. Although these cost

[1] The bill as signed into law extended the Act until August 31, 1975.

disparities have been substantially reduced by the crude oil entitlements program, they can never be entirely eliminated while the two-tier pricing system exists. Such cost disparities significantly hinder FEA's ability to assure that the competitive viability of the independent sector of the petroleum industry is maintained.

Moreover, the existing complicated structure of price controls at all levels of distribution, which is necessitated due to the existence of the cost disparities resulting from the two-tier price system, tends to be self-defeating over the long run by reducing normal incentives toward increased production and cost control and by eliminating the ability of the industry to engage in long range business planning. As the effectiveness of price controls lags over time, regulations of greater complexity and reach become necessary to maintain the controlled-price structure. Tightening of controls tends to further stifle initiative and to contribute to greater economic distortion. . . .

Various other leaders of the supplier, producer, and financial institution fields testified at the Senate Interior Committee's oversight hearing as to the disfunctional responses precipitated by oil price controls and the FEA regulatory program.

Wallace W. Wilson, Vice President of Continental Illinois National Bank & Trust Company of Chicago told the Committee:

The combined effects of price controls, allocation regulations and the loss of percentage depletion is to *reduce* the amount of capital available for reinvestment, at a time when the only realistic solutions to our long-term energy dilemma require increased capital investment in new exploration and development. . . .

". . . The longer price controls are continued, the longer we will frustrate the normal economic processes that work effectively to balance supply and demand and to allocate our resources to their most effective uses."

William V. Traeger, Vice President of Otis Engineering Corporation, stressed a similar point:

The provisions of the Emergency Petroleum Allocation Act place a lid in prices received for petroleum products while a variety of factors, including actions by the Congress, create a buildup of costs and a profit squeeze which drains vital capital from our industry and makes other forms of financing difficult or impossible. Many of our customers' long term commitments are "locked in" and adjustments of budgets to provide for the shortage of available capital will have a dramatic effect on industry expenditures for exploration and production.

Finally, one must consider the avowed intent of Congress in enacting the EPAA, as stated on page 13 of the conference report accompanying S. 1570, under the "Findings and purpose of the EPAA of 1973."

No allocation plan, regulation or order, nor mandatory price, price ceiling or restraint, was to be promulgated whose net effect would be a substantial reduction of the total supply of crude oil or refined petroleum products available in or to markets in the United States.

Yet; as noted by the foregoing testimony, and by this apt comment by Charles J. Waidelich, President of Cities Service Company, the EPAA has created exactly the opposite effect:

Continuation of these restrictive regulations is contrary to the intent of Congress (See page 13, Conference Report to accompany S. 1570. Findings and Purpose for Direct Quotation.) when the Emergency Petroleum Allocation Act of 1973 was enacted. These regulations have the effect of curtailing the expansion of oil and gas exploration. Regulation of supply is distorting the workings of the marketplace. The consumer is paying, and will continue to pay, a price for these programs.

Our company's reduced expenditures for exploration and production will mean loss of additional production . . . loss of employment opportunities within our economy . . . and a possible effect on employment of contractors and suppliers.

In closing, S. 621 and H.R. 4035 are going to conference with H.R. 4035 containing a provision (Sec. 2(a)) extending the EPAA to Dec. 31, 1975. Another bill, S. 622 (Sec. 122) also contains a provision extending the EPAA to March 1, 1976. And of course, S. 1849 as reported is exclusively an extension of the EPAA until March 1, 1976. This panoply of bills all catering to an extension of the EPAA only indicate either Congress unwillingness or incapability to grapple with the growing dependence upon imported oil. Hence, this is not a case of Congress vs. the President. This is a case of Congress giving itself an excuse for its own inaction. Congress should not attempt to shield itself from the plethora of press criticism about continuing Congressional delay in enacting a comprehensive energy program. Instead, Congress should act responsibly by dealing with the substantive issues. Thus, voting for S. 1849 which would motivate further delay would be an affront to the dignity and credibility of the U.S. Senate.

PAUL J. FANNIN.
CLIFFORD P. HANSEN.
JAMES A. MCCLURE.
DEWEY F. BARTLETT.

ADDITIONAL VIEWS OF SENATOR HATFIELD

While I voted to report S. 1849, I have grave reservations about the desirability of maintaining an active allocation system in the absence of shortages. In recent hearings of the Senate Interior Committee, including the confirmation hearing of Mr. Gorman Smith, Assistant Administrator of FEA for Regulatory Operations, I have pointed out some of the inequities and economic distortions that have been created by continuing the allocation system, especially as implemented by regulations hastily drawn up during a crisis situation, and certain aspects of the pricing system. My colleagues on the Minority side of this Committee have voiced similar concerns throughout the recent hearings and in this report, and to that extent I associate myself with their views.

In floor remarks I addressed this topic briefly last month. The following is excerpted from them:

[From Congressional Record of May 21, 1975]

NEED FOR FLEXIBILITY IN THE IMPLEMENTATION OF THE EMERGENCY PETROLEUM ALLOCATION ACT

Mr. HATFIELD. Mr. President, while I have my differences with certain aspects of the President's energy program, I do agree completely that the petroleum allocation system, as presently established, and two-tier pricing of crude oil are creating distortions in our economy, are unnecessary in view of alternatives that are available and in view of the present supply situation, and are detrimental to the long-term interests of our country.

In recent hearings of the Senate Interior Committee, I have repeatedly stressed the need for flexibility in the implementation of the Emergency Petroleum Allocation Act. The Congress stated that the purpose of the act was to grant the President temporary authority to deal with shortages and distribution dislocations, and that the authority was to be exercised to minimize the adverse impact of such shortages or dislocations. In that shortages in petroleum do not exist, one might fairly ask why we stick with a set of stringent allocation relations that were formulated during the crisis of the winter of 1973–74 to deal with extraordinary circumstances.

Shortages may recur, and we must be prepared for that possibility, but today's supply situation should allow us to try to restore more normal business relationships between suppliers and customers. Indeed, one of the prescriptions to the Allocation Act for the regulations to implement it is that they shall minimize economic distortion, inflexibility, and unnecessary interference with market mechanisms. Today's climate is a good one in which to start minimizing.

A stumbling block to minimization of economic distortion, inflexibility, and market interference is two-tier pricing of crude oil. Obviously, every customer would like to be supplied by an "old oil"-rich refiner, especially a small one that is exempt from all or part of the FEA entitlements program; but more than that, two-tier price controls, even with entitlements, have the entire petroleum industry right down to the neighborhood independent dealer strapped into a straitjacket. At the dealer level, the effect is threatening the economic viability of individual businesses, stifling attempts to meet changing needs of customers and communities, and removing what potential an established dealer may have had to improve his ability to compete.

As the debate over what should be done to alleviate these conditions will take place in the Senate long before the record of the Interior Committee hearings are printed, I will ask unanimous consent to have the testimony of Mr. Frank Zarb, Administrator of the FEA, appear in the RECORD today following my remarks. As I said at the outset, I may disagree with the administration on some of their recommendations, but I am convinced of the necessity to correct the two situations I have highlighted. Some have argued that the way to conserve energy and become less dependent on foreign sources is to create artificial shortages in this country, either by import quotas or by other means, and then allocate the shortages. I submit this is extremely shortsighted.

True, it will have a more immediate impact than some of the alternatives, but it will be destructive in the long run and it will lack public support. Artificial shortages will add to unemployment, further wound industries that rely on key petroleum supplies, devastate recreation and tourism, and cause new citizen frustration with gasoline waiting lines, rationing regulations, mandatory closing of stations, or the like. I submit there would be a demand for the political heads of those who would create artificial crises; but more to the point, such crude and heavy-handed programs inevitably produce unnecessarily severe distress and dislocations relative to what gets accomplished.

Indeed, we had an embargo. We could have another one. But we should be planning and legislating for long-term changes in our energy consumption patterns—changes that will move us away from energy-intensive technologies and that will institute a conservation ethic through our economic system for petroleum products and all other nonrenewable resources. Turning this corner will take some time, for long-range conservation programs cannot do overnight what quotas can do. But programs that do not rely on devices like the allocation system will be more sure, more true, more in the direction we want to go, and more long-lasting. And if there is anything this country needs right now, it is an energy program that meets the latter criteria—firm and unwavering and consistent with our basic principles of a free economy.

I ask unanimous consent that Mr. Zarb's testimony be printed in the Record, so that

my colleagues in the Senate may review his description of the present FEA programs before deciding upon our next step. Also, I ask unanimous consent that an article from the May 17 Washington Post be printed in the Record following Mr. Zarb's testimony. The article describes a case in point, in my own State of Oregon of the kind of inflexibility I find ridiculous today. I should add, however, that Mr. Gorman Smith, Assistant FEA Administrator for Regulatory Programs, indicated to me yesterday that his office was reviewing the case a second time.

[From The Washington Post, May 17, 1975]

FEA ORDERS SCHOOLS TO BUY FROM CONVICTED OIL SUPPLIER

(By Thomas O'Toole)

The Federal Energy Administration has told seven Oregon schools that they must continue to buy heating oil from a supplier convicted of stealing their oil and of charging them for oil he never delivered.

"I don't understand why we have to do business with somebody we plainly don't want to do business with," was the bewildered reaction of Robert Work, superintendent of schools in Eagle Point, Oreg. "I don't understand why with all the oil there is around today the federal government is telling us who we have to buy it from."

The FEA has told Work he must continue to buy oil from the Hillyer Oil Co. of Medford, Oreg., a company whose owner was placed on probation for two years and fined $2,000 after pleading no contest to a charge of theft involving the Eagle Point schools.

Hillyer owner Thomas Norman Hanson was charged with telling one of his drivers to siphon 500 gallons of a truckload of oil the driver was delivering to Eagle Point into a service station owned by Hanson.

The driver told Jackson County prosecutors that Hanson sent the Eagle Point schools a bill for 7,780 gallons of oil on that delivery, which was 330 gallons more than the driver picked up and 880 gallons more than he delivered to the Eagle Point schools.

"At the time this was going on Hanson was the sole supplier to the Eagle Point schools," said Jackson County Deputy District Attorney Raymond White.

Eagle Point is now able to buy some of its oil on the open market at prices lower than it pays Hillyer. It still buys oil from Hillyer but not as much as it bought last year and the year before, when it paid Hillyer an average of 40 cents a gallon for 225,000 gallons of fuel in each of those two years.

Thinking they could change oil suppliers as easily as it changes pencils and erasers, the Eagle Point school officials asked the FEA to assign it another oil supplier. The school officials cited their experience with Hillyer and also complained that Hillyer had no meters on its trucks so the officials never knew if they were getting oil they ordered.

The FEA denied Eagle Point's request on the grounds that Hillyer would not agree to a change. Eagle Point then appealed to a higher echelon at FEA. That appeal was denied because Eagle Point's ability to buy oil on the open market from suppliers other than Hillyer means that it "failed to demonstrate that it was experiencing a gross inequity," the FEA said.

MARK O. HATFIELD.

IX. CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, S. 1849, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973 (87 STAT. 627)

Findings and purpose

SEC. 2. (a) The Congress hereby determines that—

(1) shortages of crude oil, residual fuel oil, and refined petroleum products caused by inadequate domestic production, environmental constraints, and the unavailability of imports sufficient to satisfy domestic demand, now exist or are imminent;

(2) such shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including the transportation of food and other essential goods; and

(3) such hardships and dislocations jeopardize the normal flow of commerce and constitute a national energy crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Executive branch of Government.

(b) The purpose of this Act is to grant to the President of the United States and direct him to exercise specific temporary authority to deal with shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

Definitions

SEC. 3. For purposes of this Act:

(1) The term "branded independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products pursuant to—

(A) an agreement or contract with a refiner (or a person who controls, is controlled by, or is under common control with such refiner) to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner (or any such person), or

(B) an agreement or contract under which any such person engaged in the marketing or distributing of refined petroleum products is granted authority to occupy premises owned, or in any way controlled by a refiner (or person who controls, is controlled by, or is under common control with such refiner), but who is not affiliated with, controlled by, or under common control with any refiner (other than by means of a supply contract, or an agreement or contract described in subparagraph (A) or (B)) and who does not control such refiner.

(2) The term "nonbranded independent marketer" means a person who is engaged in the marketing or distributing of refined petroleum products, but who (A) is not a refiner, (B) is not a person who controls, is controlled by, is under common control with, or is affiliated with a refiner (other than by means of a supply contract), and (C) is not a branded independent marketer.

(3) The term "independent refiner" means a refiner who (A) obtained, directly or indirectly, in the calendar quarter which ended immediately prior to the date of enactment of this Act, more than 70 per centum of his refinery input of domestic crude oil (or 70 per centum of his refinery input of domestic and imported crude oil) from producers who do not control, are not controlled by, and are not under common control with, such refiner, and (B) marketed or distributed in such quarter and continues to market or distribute a substantial volume of gasoline refined by him through branded independent marketers or nonbranded independent marketers.

(4) The term "small refiner" means a refiner whose total refinery capacity (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refinery) does not exceed 175,000 barrels per day.

(5) The term "refined petroleum product" means gasoline, kerosene, distillates (including Number 2 fuel oil), LPG, refined lubricating oils, or diesel fuel.

(6) The term "LPG" means propane and butane, but not ethane.

(7) The term "United States" when used in the geographic sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

Mandatory allocation

SEC. 4. (a) Not later than fifteen days after the date of enactment of this Act, the President shall promulgate a regulation providing for the mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product, in amounts specified in (or determined in a manner prescribed by) and at prices specified in (or determined in a manner prescribed by) such regulation. Subject to subsection (f), such regulation shall take effect not later than fifteen days after its promulgation. Except as provided in subsection (e) such regulation shall apply to all crude oil, residual fuel oil, and refined petroleum products produced in or imported into the United States.

(b)(1) The regulation under subsection (a), to the maximum extent practicable, shall provide for—

(A) protection of public health, safety, and welfare (including maintenance of residential heating, such as individual homes, apartments, and similar occupied dwelling units), and the national defense;

(B) maintenance of all public services (including facilities and services provided by municipally, cooperatively, or investor owned utilities or by any State or local government or authority, and including transportation facilities and services which serve the public at large);

(C) maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities, and services directly related thereto;

(D) preservation of an economically sound and competitive petroleum industry; including the priority needs to restore and foster competition in the producing, refining, distribution, marketing, and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners, small refiners, nonbranded independent marketers, and branded independent marketers;

(E) the allocation of suitable types, grades, and quality of crude oil to refineries in the United States to permit such refineries to operate at full capacity;

(F) equitable distribution of crude oil, residual fuel oil, and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners, small refiners, nonbranded independent marketers, branded independent marketers, and among all users;

(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of, fuels, and for required transportation related thereto;

(H) economic efficiency; and

(I) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms.

(2) In specifying prices (or prescribing the manner for determining them), such regulation shall provide for—

(A) a dollar-for-dollar passthrough of net increases in the cost of crude oil, resid-

ual fuel oil, and refined petroleum products to all marketers or distributors at the retail level; and

(B) the use of the same date in the computation of markup, margin, and posted price for all marketers or distributors of crude oil, residual fuel oil and refined petroleum products at all levels of marketing and distribution.

(3) The President in promulgating the regulation under subsection (a) shall give consideration to allocating crude oil, residual fuel oil, and refined petroleum products in a manner which results in making available crude oil, residual fuel oil, or refined petroleum products to any person whose use of fuels other than crude oil, residual fuel oil, and refined petroleum products has been curtailed by, or pursuant to a plan filed in compliance with, a rule or order, of a Federal or State agency, or where such person's supply of such other fuels is unobtainable by reason of an abandonment of service permitted or ordered by a Federal or State agency.

(c)(1) To the extent practicable and consistent with the objectives of subsections (b) and (d), the mandatory allocation program established under the regulation under subsection (a) shall be so structured as to result in the allocation, during each period during which the regulation applies, of each refined petroleum product to each branded independent marketer, each nonbranded independent marketer, each small refiner and each independent refiner, and of crude oil to each small refiner and each independent refiner, in an amount not less than the amount sold or otherwise supplied to such marketer or refined during the corresponding period of 1972, adjusted to provide—

(A) in the case of refined petroleum products, a pro rata reduction in the amount allocated to each person engaged in the marketing or distribution of a refined petroleum product if the aggregate amount of such product produced in and imported into the United States is less than the aggregate amount produced and imported in calendar year 1972; and

(B) in the case of crude oil, a pro rata reduction in the amount of crude oil allocated to each refiner if the aggregate amount produced in and imported into the United States is less than the aggregate amount produced and imported in calendar year 1972.

(2)(A) The President shall report to the Congress monthly, beginning not later than January 1, 1974, with respect to any change after calendar year 1972 in—

(i) the aggregate share of nonbranded independent marketers,

(ii) the aggregate share of branded independent marketers, and

(iii) the aggregate share of other persons engaged in the marketing or distributing of refined petroleum products,

of the national market or the regional market in any refined petroleum product (as such regional markets shall be determined by the President).

(B) If allocation of any increase of the amount of any refined petroleum product produced in or imported into the United States in excess of the amount produced or imported in calendar year 1972 contributes to a significant increase in any market share described in clause (i), (ii), or (iii) of subparagraph (A), the President shall by order require an equitable adjustment in allocations of such product under the regulation under subsection (a).

(3) The President shall, by order, require such adjustments in the allocations of crude oil, residual fuel oil, and refined petroleum products established under the regulation under subsection (a) as may reasonably be necessary (A) to accomplish the objectives of subsection (b), or (B) to prevent any person from taking any action which would be inconsistent with such objectives.

(4) the President may, by order, require such adjustments in the allocations of refined petroleum products and crude oil established under the regulation under subsection (a) as he determines may reasonably be necessary.

(A) in the case of refined petroleum products (i) to take into consideration market entry by branded independent marketers and nonbranded independent marketers during or subsequent to calendar year 1972, or (ii) to take into consideration expansion or reduction of marketing or distribution facilities of such marketers during or subsequent to calendar year 1972, and

(B) in the case of crude oil (i) to take into consideration market entry by independent refiners and small refiners during or subsequent to calendar year 1972, or (ii) to take into consideration expansion or reduction of refining facilities of such refiners during or subsequent to calendar year 1972.

Any adjustments made under this paragraph may be made only upon a finding that, to the maximum extent practicable, the objectives of subsections (b) and (d) of this section are attained.

(5) To the extent practicable and consistent with the objectives of subsection (b) and (d), the mandatory allocation program established under the regulation under subsection (a) shall not provide for allocation of LPG in a manner which denies LPG to any industrial user if no substitute for LPG is available for use by such industrial user.

(d) The regulation under subsection (a) shall require that crude oil, residual fuel oil, and all refined petroleum products which are produced or refined within the United States shall be totally allocated for use by ultimate users within the United States, to the extent practicable and necessary to accomplish the objectives of subsection (b).

(e)(1) The provisions of the regulation under subsection (a) shall specify (or prescribe a manner for determining) prices of crude oil at the producer level, but upon a finding by the President that to require allocation at the producer level (on a national, regional, or case-by-case basis) is unnecessary to attain the objectives of subsection (b)(1)(E) or the other objectives of subsections (b), (c), and (d) of this section, such regulation need not require allocation of crude oil at such level. Any finding made pursuant to this subsection shall be transmitted to the Congress in the form of a report setting forth the basis for the President's finding that allocation at such level is not necessary to attain the objectives referred to in the preceding sentence.

(2)(A) The regulation promulgated under subsection (a) of this section shall not apply to the first sale of crude oil produced in the United States from any lease whose average daily production of crude oil for the preceding calendar year does not exceed ten barrels per well.

(B) To qualify for the exemption under this paragraph, a lease must be operating at the maximum feasible rate of production and in accord with recognized conservation practices.

(C) Any agency designated by the President under section 5(b) for such purpose is authorized to conduct inspections to insure compliance with this paragraph and shall promulgate and cause to be published regulations implementing the provisions of this paragraph.

(f)(1) The provisions of the regulations under subsection (a) respecting allocation of gasoline need not take effect until thirty days after the promulgation of such regulation, except that the provisions of such regulation respecting price of gasoline shall take effect not later than fifteen days after its promulgation.

(2) If—

(A) an order or regulation under section 203(a)(3) of the Economic Stabilization Act of 1970 applies to crude oil, residual fuel oil, or a refined petroleum product and has taken effect on or before the fifteenth day after the date of enactment of this Act, and

(B) the President determines that delay in the effective date of provisions of the regulation under subsection (a) relating to such oil or product is in the public interest and is necessary to effectuate the transition from the program under such section 203(a)(3) to the mandatory allocation program required under this Act,

he may in the regulation promulgated under subsection (a) of this section delay, until not later than thirty days after the date of the promulgation of the regulation, the effective date of the provisions of such regulation insofar as they relate to such oil or product. At the same time the President promulgates such regulation, he shall report to Congress setting forth his reasons for the action under this paragraph.

(g)(1) The regulation promulgated and made effective under subsection (a) shall remain in effect until midnight [August 31, 1975], *March 1, 1976*, except that (A) the President or his delegate may amend such regulation so long as such regulation, as amended, meets the requirements of this section, and (B) the President may exempt crude oil, residual fuel oil, or any refined petroleum product under such regulation in accordance with paragraph (2) of this subsection. The authority to promulgate and amend the regulation and to issue any order under this section, and to enforce under section 5 such regulation and any such order, expires at midnight [August 31, 1975] *March 1, 1976*, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight [August 31, 1975] *March 1, 1976*.

(2) If at any time after the date of enactment of this Act the President finds that application of the regulation under subsection (a) to crude oil, residual fuel oil, or a refined petroleum product is not necessary to carry out this Act, that there is no shortage of such oil or product, and that exempting such oil or product from such regulation will not have an adverse impact on the supply of any other oil or refined petroleum products subject to this Act, he may prescribe an amendment to the regulation under subsection (a) exempting such oil or product from such regulation for a period of not more than ninety days. The President shall submit any such amendment and any such findings to the Congress. An amendment under this paragraph may not exempt more than one oil or one product. Such an amendment shall take effect on a date specified in the amendment, but in no case sooner than the close of the earliest period which begins after the submission of such amendment to the Congress and which includes at least five days during which the House was in session and at least five days during which the Senate was in session; except that such amendment shall not take effect if before the expiration of such period either House of Congress approves a resolution of that House stating in substance that such House disapproves such amendment.

Administration and enforcement

SEC. 5. (a)(1) Except as provided in paragraph (2), (A) sections 205 through 211 of the Economic Stabilization Act of 1970 (as in effect on the date of enactment of this Act) shall apply to the regulation promulgated under section 4(a), to any order under this Act, and to any action taken by the President (or his delegate) under this Act, as if such regulation had been promulgated, such

order had been issued, or such action had been taken under the Economic Stabilization Act of 1970; and (B) section 212 (other than 212(b)) and 213 of such Act shall apply to functions under this Act to the same extent such sections apply to functions under the Economic Stabilization Act of 1970.

(2) The expiration of authority to issue and enforce orders and regulations under section 218 of such Act shall not affect any authority to amend and enforce the regulation or to issue and enforce any order under this Act, and shall not effect any authority under sections 212 and 213 insofar as such authority is made applicable to functions under this Act.

(b) The President may delegate all or any portion of the authority granted to him under this Act to such officers, departments, or agencies of the United States, or to any State (or officer thereof), as he deems appropriate.

Effect on other laws and actions taken thereunder

SEC. 6. (a) All actions duly taken pursuant to clause (3) of the first sentence of section 203(a) of the Economic Stabilization Act of 1970 in effect immediately prior to the effective date of the regulation promulgated under section 4(a) of this Act, shall continue in effect until modified pursuant to this Act.

(b) The regulation under section 4 and any order issued thereunder shall preempt any provision of any program for the allocation of crude oil, residual fuel oil, or any refined petroleum product established by any State or local government if such provision is in conflict with such regulation or any such order.

(c)(1) Except as specifically provided in this subsection, no provisions of this Act shall be deemed to convey to any person subject to this Act immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

(2) As used in this subsection, the term "antitrust laws" includes—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.);

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(3) The regulation promulgated under section 4(a) of this Act shall be forwarded on or before the date of its promulgation to the Attorney General and to the Federal Trade Commission, who shall, at least seven days prior to the effective date of such regulation, report to the President with respect to whether such regulation would tend to create or maintain anticompetitive practices or situations inconsistent with the antitrust laws, and propose any alternative which would avoid or overcome such effects while achieving the purposes of this Act.

(4) Whenever it is necessary, in order to comply with the provisions of this Act or the regulation or any orders under section 4 thereof, for owners, directors, officers, agents, employees, or representatives of two or more persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product to meet, confer, or communicate in such a fashion and to such ends that might otherwise be construed to constitute a violation of the antitrust laws, such persons may do so only upon an order of the President (or an officer or agency of the United States to whom the President has delegated authority under section 5(b) of this Act); which order shall specify and limit the subject matter and objectives of such meeting, conference, or communication. Moreover, such meeting, conference, or communication shall take place only in the presence of a representative of the Antitrust Division of the Department of Justice, and a verbatim transcript of such meeting, conference, or communication shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission, where it shall be made available for public inspection.

(5) There shall be available as a defense to any action brought under the antitrust laws, or for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange crude oil, residual fuel oil, or any refined petroleum product, that such delay or failure was caused solely by compliance with the provisions of this Act or with the regulation or any order under section 4 of this Act.

(6) There shall be available as a defense to any action brought under the antitrust laws rising from any meeting, conference, or communication or agreement resulting therefrom, held or made solely for the purpose of complying with the provisions of this Act or the regulation or any order under section 4 thereof, that such meeting, conference, communication, or agreement was carried out or made in accordance with the requirements of paragraph (4) of this subsection.

Monitoring by Federal Trade Commission

SEC. 7. (a) During the forty-five day period beginning on the effective date on which the regulation under section 4 first takes effect, the Federal Trade Commission shall monitor the program established under such regulation; and, not later than sixty days after such effective date, shall report to the President and to the Congress respecting the effectiveness of this Act and actions taken pursuant thereto.

(b) For purposes of carrying out this section, the Federal Trade Commission's authority, under sections 6, 9, and 10 of the Federal Trade Commission Act to gather and compile information and to require furnishing of information, shall extend to any individual or partnership, and to any common carrier subject to the Acts to regulate commerce (as such Acts are defined in section 4 of the Federal Trade Commission Act).

Mr. FANNIN. Mr. President, the time has come to face the music and get on with the job of returning this country to a state of relative energy self-sufficiency. The first step toward achieving that goal warrants voting to sustain the President's veto of S. 1849.

Mr. President, I think it would be helpful to just look at the veto message from the President. The President stated:

To the Senate of the United States:

I am today vetoing S. 1849, which would extend price controls on domestic oil another six months. I am taking this action because:

1. An extension of price controls would increase our dangerous and growing dependence on imported oil.

2. It would increase the export of jobs and dollars from our economy.

3. It would jeopardize our future economic stability and national security.

4. It would retard conservation of energy.

5. It would postpone the badly needed development and production of new domestic energy.

6. It would negate the possibility of long-range compromise on this problem because of expected Congressional reluctance to tackle the issue of higher oil prices in an election year.

Mr. President, it is very evident that if the 6-month extension is given, this will carry us into the election year, and I agree with the President that it would be much more difficult to deal with it at that time.

I continue with the President's message to the Senate:

Since 1971, America's bill for imported oil has climbed from just over $3 billion annually to $25 billion today—a 700% increase. This $25 billion could provide more than one million jobs for Americans here at home. We cannot delay longer.

Last January in my State of the Union Message, I proposed to the Congress a comprehensive energy program to make the United States independent of foreign oil by 1985.

The need for such a program grows with each passing day. Right now, the United States is dependent on foreign oil for almost 40 percent of its current needs. If we do not act quickly to reverse this trend, within 10 years, we will import more than half of the oil we need at whatever price is demanded by foreign producers who can cut off our supply any time they want to.

The more foreign oil we import, the more dollars and the more jobs we lose from our economy. And as American jobs and dollars flow out of the country, so does our economic and national security.

The 1973 embargo cost us more than $15 billion in Gross National Product and threw hundreds of thousands of persons out of work. It dramatically showed our vulnerability. Another disruption would be even more costly in dollars and jobs—and could throw us into a new recession.

The detailed legislative program I sent to the Congress last winter involved tough measures to put us immediately on the road to energy independence. It would have conserved the energy we now have and accelerated development and production of more energy here at home.

Because this program would have increased energy prices somewhat until new domestic supplies were developed, I also proposed tax legislation to prevent undue profit-taking by oil companies and to return energy tax dollars to American consumers to offset the slightly higher prices they would pay.

Since I could not gamble with our Nation's security while waiting for the Congress to act on my comprehensive program, I raised the import fees on each barrel of foreign crude oil in February as an interim measure to reduce imports.

The Congress still has not acted. Throughout these months, I have compromised again and again and again to accommodate Congressional requests.

I delayed putting the second dollar fee on imported oil for 90 days, finally imposing it June 1. I delayed the third dollar indefinitely. Still, the country has seen no Congressional action.

In my State of the Union Message last January, I announced a decision to remove the ceiling on price-controlled domestic oil April 1, permitting it to rise from $5.25 per barrel to the free market price. This action would have immediately stimulated production and development of needed additional energy supplies and also encouraged conservation. At the request of Congressional leaders, I postponed such action to give them time to work out a different solution.

After nearly six months without Congressional passage of a decontrol bill or any other positive legislation, I proposed in early July

a compromise 30-month phased oil decontrol plan. This program represented an effort to meet the concerns raised by many members of Congress and showed the Administration's willingness to compromise. The House of Representatives rejected this plan.

I made another effort to reach a solution before the August Congressional recess by submitting another decontrol plan, which would have gradually phased out price controls over a 39-month period and put a price ceiling on all domestic oil.

I believe this decontrol plan went more than halfway to meet concerns raised by the Congress. Although it would achieve energy objectives more slowly than warranted, I offered it in the spirit of compromise, because action was desperately needed.

Instead, the House also rejected this compromise attempt and Congress passed this bill which would simply extend the pricing and allocation authorities for another six months. This proposed action would only ensure the continued growth of our dependence on foreign oil.

I cannot approve six more months of delay—delay which would cost needed jobs and dollars and compound our energy and economic problems.

From my experience in the Congress, I am well aware that it will be easier to pass the tough legislation needed to begin solving the energy problem this year rather than during the 1976 election year. The six-month price controls extension contained in the bill I am vetoing would postpone possible action until at least the Spring of 1976 and in all likelihood would mean an indefinite delay in our efforts to begin solving this problem.

Despite last minute attempts made in good faith by the Democratic and Republican leadership, their effort to achieve a compromise in the Congress has failed. It is clear that too many Members of the Congress have not come to grips with the decontrol issue—much less the overall energy problem.

We must have a national energy program before we have a national energy emergency. Our time to act instead of react grows shorter with each day and with each delay.

Without price controls on domestic oil, we can reduce dependence upon imported oil by reducing domestic consumption by more than 700,000 barrels per day within two years. We can reduce dependence in the long run by increasing domestic production by nearly one and one-half million barrels per day by 1985. By continuing controls, imports will increase because of a lack of incentives to spur domestic production and the energy problem will get worse and worse.

If my veto is sustained, I still will accept a 45-day extension of price controls to provide time to work with the Congressional leaders who have assured me that they will seek an acceptable compromise during this period. If this further compromise fails, however, I will take the following actions to ensure an orderly transition from government controls to the free market:

I will remove the previously imposed $2 per barrel import fees on crude oil and a 60 cents fee on petroleum products.

I will again press the Congress to enact a windfall profits tax with plow back provisions and to return the money collected to the American consumer.

I will propose legislation to provide a gradual transition from price controls for small and independent refiners.

I will propose legislation to provide authority to allocate liquified petroleum gases, such as propane, to supply these important fuels at reasonable prices to farmers, rural households and curtailed natural gas users.

I will seek authority to provide retail service station dealers legal remedies to protect their interests against unwarranted actions by the major oil companies.

Since January, I have gone more than halfway in order to reach a responsible compromise. Obviously, we have talked and delayed long enough. We must act now to protect not only ourselves, but future generations of Americans. I urge Members of the Senate and the House to sustain my veto and get on with the job of meeting this problem head-on.

The continued failure of Members of the Congress to enact a National Energy Program puts us increasingly at the mercy of foreign oil producers and will certainly result in Americans paying substantially higher prices for their fuel.

The President, in sending this message to us, Mr. President, has reiterated his desire to cooperate and to coordinate the efforts of the Administration with Congress. The President met with the majority leader, Mr. MANSFIELD, and with the Speaker, Mr. ALBERT, before our session started after the recess. Many were very optimistic, including those two leaders, that Congress would be willing to work with the President for a compromise, and the understanding with the leadership of the Democratic Party was that they would go forward seeking this compromise. I certainly wish to commend our majority leader, Mr. MANSFIELD, and Speaker ALBERT for their great efforts in this regard. Unfortunately, they were not successful.

The President still, after that took place, is hoping that the veto will be sustained. He has said he will still accept the 45-day extension of price controls which was discussed with the majority leader and the Speaker to work further on a program that will be in the best interests of the people of this Nation. He came through with the statement of what he was willing to do. The President has said he has gone more than 50 percent of the way. Mr. President, I feel he has gone 75 percent of the way; in fact, I know he is very desirous of working with Congress and having an early passage of legislation that will help meet this crisis we face.

The President is well aware of some of the problems that will face our Nation in many parts of the country this winter if we do not have legislation that will permit the agencies of our Government to work toward solving some of the problems. One is what will happen with regard to the availability of propane gas. We know that there is a projected shortage of propane gas now. If something is not done, we will have some serious situations in many parts of the country. That would be in the farming communities and in rural households, where they are totally dependent upon this fuel. This, of course, will result in great hardships in many areas of the country. These people cannot change over to other fuels. It cannot be easily done where they are dependent upon propane. Propane is the only fuel that will operate their appliances, heat their homes, cook their meals, heat their water, and take care of many of the chores of the farm. This is something that I think is tremendously important, that we do something about propane, and the President is desirous of doing so.

Mr. President, we have everything to gain and I do not see that we have anything to lose by going forward with the President's program and sustaining his veto. If we do not, the country will be in serious trouble and I feel it is something that will be on our backs for not having taken the action that we know can be taken, that the President has offered to take. It is up to us now to sustain the veto and go forward with a cooperative program with the President.

Mr. President, a word or two now about Senator JACKSON'S allegations about windfall profits. I recall that we did have windfall profit legislation that came out of the Committee on Finance and on the floor it was killed by some of the Members on the other side of the aisle and we did not have a chance to get the legislation through before the recess. The President has been recommending, for a long time, that we enact windfall profits legislation. But referring to what our distinguished chairman has alleged, the Senate ignored the windfall profits legislation now before the Committee on Finance and our Senate colleagues, as I indicated, did filibuster that measure on August 1 of this year. It seems plain that our colleagues complain about windfall profits and, at the same time, tried to block and did block such legislation that would prevent the application of windfall profits.

I know that Senator LONG was very desirous of that legislation, and I will give him credit for working diligently with the committee, meeting in long sessions, trying to meet the deadline in order that we could have some windfall profits legislation before we recessed. That was not possible because of the filibustering that was done by some of the Senators that were working with Senator JACKSON and others.

Too, while some argue that the oil companies have made windfall profits in the past, the early record for 1975 indicates it has been a failure compared to that of 1974. I have a table here, Mr. President, that I think is very interesting.

Consider, for example, that the U.S. rate of return for Exxon in 1975 was 16.2, whereas in 1974, it was 22 percent. Gulf dropped from 11.4 down to 8.4. Even 11.4 was below the national average of corporations and manufacturing companies and other businesses. Then Mobil's was 10.6 in 1974 and 5.2 in 1975, the first quarter. 5.2 is not a good return on investment. Phillips went from 16.5 down to 6.9; Shell from 21.7 down to 13.1.

Standard of California went from 9.2 down to 2.8. Standard of Indiana from 21.6 down to 14.6. Standard of Ohio down from 6 to one-half of 1 percent. Sun Oil Co. is down from 18.1 to 6.8; Texaco, down from 10.4 to 6. The weighted average went from 14.2 in 1974 down to 9.1 in 1975, which is below the national average of earnings of other corporations. The mathematical average went from 14.7 in 1974 down to 8.1 in 1975.

Mr. President, I ask unanimous consent to have this table printed in the RECORD.

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

[In millions of dollars]

TABLE 1.—*U.S. rates of return*

	1st quarter 1975	1974
Exxon	16.2	22.0
Gulf	8.4	11.4
Mobil	5.2	10.6
Phillips	6.9	16.5
Shell	13.1	21.7
Standard of California	2.8	9.1
Standard of Indiana	14.6	21.6
Standard of Ohio	.5	6.0
Sun	6.8	18.1
Texaco	6.0	10.4
Weighted average	9.2	14.2
Mathematical average	8.1	14.7

Mr. FANNIN. Mr. President, I feel this is something we should consider. I am not saying that I want the oil companies to make profits for the sake of making profits as a result of charging higher prices to the consumer or doing what would be inequitable in any way. I certainly hope that we do have sufficient profits so we can have the research and development, so we can have the exploration, and so we can go forward in finding additional reserves. I find it regrettable that they are attacked when they are not making excess profits. Certainly, I am against any corporation making excess profits.

Finally, the Senator from Washington forgets that during the course of his as yet uncompleted National Fuels and Energy Study, since 1971, U.S. imports of oil have skyrocketed from 25 percent to nearly 40 percent of total consumption. He apparently has little interest in obtaining domestic energy self-sufficiency. I feel that domestic self-sufficiency in energy is of great importance to us.

I want to read from an article which is printed in the August 1 National Review. This is a study and report on what is being done in this Nation in order to solve the energy crisis.

Without belaboring the point, if the objective is to bring domestic energy supply into balance with demand, then either supply must be increased or demand decreased, or both. The FEA estimates that $561 billion (in 1973 dollars) must be spent between now and 1985, if domestic energy self-sufficiency is the goal.

To achieve 90 per cent domestic self-sufficiency in oil and gas will require, says the Chase Manhattan Bank, drilling five billion feet between now and 1985. This is equivalent to one million wells averaging five thousand feet in depth.

One million wells averaging 5,000 feet in depth, just imagine that.

According to Chase, this level of drilling activity would require 4,500 active rigs. There are 1,904 rigs operating in the U.S. today. Present domestic capacity for adding rigs is estimated to be only two hundred per year.

Major incentives will be needed to attract that kind of capital and that level of development.

Mr. President, if that level can be obtained, it certainly is going to be highly essential to our program.

Mr. President, in light of the need to stimulate domestic energy production, the Senator's study makes no sense and is just another numbers game. I feel we should be talking and cooperating and working together and not trying to just criticize. I do not like to criticize, but I do feel we should have the correct information when we are discussing the subject.

Mr. CURTIS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. FANNIN. I yield.

Mr. CURTIS. I ask unanimous consent that Mr. Don Moorehead, counsel for the Finance Committee, have the floor privileges throughout the consideration of the veto on S. 1849.

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum with the time to be equally divided.

The PRESIDING OFFICER. Without objection, the time will be so divided. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. GLENN). Without objection, it is so ordered.

Who yields time to the Senator from Connecticut?

Mr. WEICKER. Does the Senator from Wyoming yield time?

Mr. HANSEN. I do, indeed.

Mr. WEICKER. Such time as I may require?

Mr. HANSEN. Yes.

Mr. WEICKER. Mr. President, I rise to support sustaining the veto of the President of the United States of the Petroleum Allocation Act and I do so in a rather unique position, being the only New England Senator in that posture.

Yet I think the difficulties that we have today in this country when it comes to energy are directly related to the fact that we have not realistically approached the energy crisis. Rather, we have dealt with this issue in a political fashion. I think that a review of the past several years will demonstrate this point.

First of all, in light of the track record of the past several years, I do not think it is up to the advocates of decontrol to prove their case.

The United States has been under controls for the past several years. More particularly, let us use that time period as between the imposition of the Arab oil boycott and August 31, during the last 2 years we have had controls.

Just as a matter of commonsense, you do not have to be an economist or a geologist or an oil expert to figure out what has happened in that period of time.

Clearly, the price of oil and everything associated with oil has soared, as, indeed, has the rate of unemployment. It has soared, and this during a period of controls.

In light of the way these prices and this unemployment skyrocketed over the period of the past 2 years, it is up to those who advocate controls to explain to us how we are all going to benefit by having them for an additional 6 months.

I suggest that probably the answer is that even though in the case of oil, legally, controls have existed, the fact is that we have been on a two-tier system. Yes, controls, except for the fact that as far as oil is concerned we cannot control the price of oil; that is controlled by the OPEC nations.

So in effect, there have been no controls and we have been wedded to the price set by the OPEC nations.

Mr. President, I remember well when that embargo took place, as do all my colleagues and all of our constituents. I remember the great scurrying around that took place during that period of shortages when the embargo was in place. I remember the various systems that were attempted in order to fairly distribute the burden that was imposed on the United States of America by the Arab oil embargo.

I remember all the great talk emanating from Washington, D.C., from the President of the United States, from Senators, from Congressmen, as to how we had to respond to this national emergency.

I also remember saying at the time that I sort of hoped that the Arabs would maintain their embargo, because only by that action would we realistically respond to the crisis. There were some that accused me of being unpatriotic because I wanted people to go ahead and suffer and that was a very negative thought on my part.

I think subsequent actions have proven the correctness of my position because no sooner was that embargo lifted than the President and all the Senators and Congressmen went home on the energy crisis. They no longer had to go ahead and do anything.

The American people started to roar around the highways of the United States of America as if no crisis existed. By the thousands they came back on the road.

Both in numbers and in their unwillingness to observe the federally imposed speed limit of 55, it became very clear that as soon as the threat removed itself, the American people and the Congress went back to "business as usual."

I suggest today that, yes, gasoline lines went away, but they were replaced by unemployment lines. The economic difficulties of the United States of America and its unemployment are directly related to our inability to go ahead and face up to the facts of life insofar as resolving the energy crisis.

Yes, I am sorry that we do not have a constant reminder of just how serious that crisis is.

There is no easy answer, if, indeed, we are going to come out on top in this challenge to our Nation. It is as much war as any conflict that we have been in. Only the weapons are different; they are economic.

We have done rather well, with a few moderate exceptions, in the more traditional conflicts that have involved the United States and we have failed miserably when it comes to this one.

The only response I have heard about on the part of the Democrats is to put a tax on gasoline, and on the part of the Republican President—and this is removed from his position on decontrol—is to put a tariff on imports.

In effect, in other words, both the

Republican and the Democratic Parties, to their shame, suggested that the way to handle the problem is to ration by price.

Both the Republican and the Democratic Parties, in effect, saying, "Let the poor of this country, let the elderly, let those on fixed income, those of moderate income, conserve so all the rest of us can live it up as we did in the preembargo days."

That has been the only response. Not a very significant response, not something that I think this generation wants to be remembered by in the future.

I clearly remember standing in the well of this Chamber with the distinguished majority leader (Mr. MANSFIELD) and both of us said that the only thing we can do right now—right now, not in the long term, but right now—to respond to this crisis is to ration, and there were very few either on his side or on my side that gave us any backing.

All everybody talked about was solar energy, mass transit and nuclear energy. Those are easy political subjects to discuss. Yes, they will all eventually resolve the energy crisis. But they are at least 5, 6, 7, and, yes, even 10 years away. What is it that we can do right now to go ahead and make the country less dependent on the cause of its economic ruin, specifically the OPEC nations?

Obviously, the only thing we could do was to cut down on consumption. That we could have done 2 years ago. That we could have done a year ago, a month ago, yesterday, today. That we could have done. But there was a fear that that was a politically unacceptable solution to the American people. So we gratified the traditional politics by not having imposed mandatory conservation and instead gave the American people unemployment and economic disaster.

Nobody has wanted to come up face-to-face and say this is what needs to be done. Rather, to give some sort of political gobblydegook which would cause no discomfort. Indeed, it has caused no discomfort in this country, but neither has it solved the energy crisis.

That is the record of 2 years of the President, of the Senate, and of the House. There has been no response to that initial threat posed to the United States of America in the fall of 1973.

Yes, we continued with the controls, but the prices continued to soar. The threat of shortages continued to be posed by the Arab nations, and the threat of still further price rises continues to be posed by the Arab nations.

Now, Mr. President, I propose that the time has come to get down to some hard answers. I think the American people are far ahead of the politicians, both Republican and Democrat. They have been looking for leadership for quite a while now, and they are far more sophisticated than are many of our colleagues in their recognition of what needs to be done to resolve the energy crisis in this country.

So as unpolitical as some of the things I recommend might sound, I think they are understood for what they are—the truth—rather than a lot of horse manure.

If I had my "druthers" today, not only would I vote to decontrol—would I go ahead and impose a system of mandatory fuel conservation. Believe me, if we did that, if we freed up our economic processes to bring more of the commodity onstream, while at the same time we lowered our demand, that is the kind of language the OPEC nations would understand. We would have lower prices. We would have no shortages.

It only stands to reason that the price is governed by two factors: No. 1, the availability of the commodity, and, No. 2, its use. So the one thing that we can do right now is to bring more of the commodity onstream. If we really were going to do a 100-percent job, we would lower our usage of that commodity, admittedly artificially through rationing, until such time as the other solutions which politicians like to talk about are actually in being.

We have not yet substituted mass transit for the automobile. We do not have fully developed alternative sources of energy. We do not have greater mileage engines. Nuclear energy is still in the infant stage. So we have to hold the line while these other entities take hold and we are no longer dependent to the extent that we are today on fossil fuels.

But that cannot be done today.

I confess a slight disappointment in the unwillingness of people to even respond in the sense of driving their cars at 55 miles per hour. I confess to you that in our State of Connecticut, I think we are one of the worst examples. Very few Governors have enforced that law, yet it could contribute significantly to the saving of fuel.

It seems to me, that if the energy crisis is a national crisis, the time has come to face up to it in a national way. That does not mean turning to the poor and elderly, those on fixed incomes, and say, "You conserve." Because it is a burden, it means each of us takes a portion of the burden, of the solution, on our shoulders. To the extent that any one of us is better off, we take more of that burden on our shoulders, not less, so that every American is participating in the saving of fuel.

I am not asking for a World War II rationing plan. How about a plan closing the gas stations on Sunday? That would affect everybody. How about a plan if you have one car in your family you pick the day of the week when it is not going to be used on the road, and if you have two cars, it would be 2 days for the second car. Anything over 2 cars would remove them for 5 days a week. We would exempt all agricultural and commercial vehicles. That would put it where it belongs, on those with the clout rather than those without it.

I make these comments in passing because I believe the time has come to go ahead and inspire this country to urge us all to go ahead and put our shoulder to the wheel.

Now we come to the issue of decontrol. How in Heaven's name political demagogs can stand here and urge a continuation of the present system as providing the American people with lower prices is beyond me. I do not have to speculate. I do not have to guess. I do not have to have some economist interpolating figures. What has happened to the price of gasoline since the fall of 1973? It has soared, and it has soared under controls. That is the record.

If I were a disinterested party, which I am not since I have already indicated what my vote is going to be, I would like to go up to the fellow who is advocating continued controls and say, "Hey, Mister, why do I want 6 more months of that business" rather than to turn to the fellow who is for decontrol and say, "Would you please tell me why this is going to be good for me?"

The track record is a miserable one, just as the record of the Congress of the United States is a miserable one.

Nobody asked for the embargo. It was not precipitated by the Republican and the Democratic parties. It was precipitated by foreign governments. So in that sense it is a nonpolitical crisis which has been thrust upon us. But the handling of it, the meeting of it, has been political.

I have already chastised both parties.

Mr. HOLLINGS. Will the Senator yield?

Mr. WEICKER. I will in a few minutes and then I will be glad to stay here and dialog with the distinguished Senator from South Carolina as long as he likes. He is a very good friend and fellow explorer of the ocean depths, I might add, and a great leader in many instances.

Mr. HOLLINGS. We are in deep water now.

Mr. WEICKER. The handling of this crisis has been political. This is what draws us into the debate today.

Basically, what the President of the United States has done is to bring the issue to a head, to give some promise of a solution so that we do not drift for another 6 months or 2 years.

Compromise after compromise has been offered to the Democratic Party. In fairness to the other side, responsible leaders of the Democratic Party have indicated their willingness to compromise. But then we have some Presidential ambitions that are just gushing, overflowing, far more so than any oil well, and so it is deemed politically the better thing to do, first of all, to test out the President: To take him to the wall. If you nail him, fine, you have scored some points—not energy points, but political points. If you do not nail him, you can still compromise.

The honorable men on the other side felt the time had come for compromise several weeks back. They realized that we had gone far past the point where politics could be permitted to determine the position of this country when it came to energy. But politics has prevailed, despite every effort to sit down and work out, not a Republican plan but one acceptable to Republicans and Democrats, and get it on road.

We are confronted with a confrontation which, if the veto is not sustained, will only continue in the same pattern

of 2 years—2 years—of no activity. Believe me. And I say this to all my colleagues on the other side, many of whom, as I say, have made every effort to compromise and to support the President. But it also has to be said that there can be no excuse that they do not have the muscle. They have the numbers in unparalleled fashion on that side; yet the record of this entire Congress has been one of inactivity, not only in this matter but in many other areas.

I now get to the point which I think is important. It is what I call deferring the payment, putting off the payment.

You know where I do not agree with the President? It is not in the fact that I am not going to vote to sustain him; but I understand that if he is sustained, he is going to suggest a 39-month phaseout.

I must confess I am against it. I will tell you why. What it in effect says is that we do not, politically, want to take on our shoulders right now the payment. We want to defer it.

We have done that in so many different ways in this country. As I have said, it used to be that you lived for your children, and tried to create something for them. Nowadays the whole thing is to make sure they have to go ahead and pay the price. Energy, foreign relations, education, race relations—let them pay the price. Nobody wants to face up to the bill today.

I am for decontrol because, very frankly, I think it brings about competition, which I think is very important. It will bring about exploration. It will set up the economic framework which, once again, allows the free market to take hold.

Why do we have lower prices for products here in the United States than they have in any other Nation in the world? Because of competition. The competition in the free enterprise system. We might complain about our postal service or our train service, our refrigerators, our radios, or you name it, but American labor and American business have produced the greatest products in the world at the lowest price, and that has been achieved in a private enterprise system.

You cannot have a little bit of control. I remember in 1971, when I first came to the Senate, we were in a period of economic stagnation, and I urged the President to impose wage and price controls. Mr. President, I say that is the worst mistake I have ever made. The inflation we are experiencing today, apart from that caused by the energy crisis, is due to the explosion that took place when we removed wage and price controls. It exploded, and we had a hell of an inflation on our hands.

Yes, we can keep controls on oil and make the consumer feel good today, but we guarantee the fact that our kids will have to pay one hell of a tab a few years out.

I think it is time we faced up to our obligations now, and not take the political way out and postpone it.

Ask the people of the city of New York what the cost is for postponement. Ask them. The years went by. No one was discomfited, or put ill at ease. But, oh, my God, what a price they are paying today.

So, Mr. President, I hope that not only here on the Senate floor, but throughout the country, in our approach to the problems which confront us, we will lend our best efforts and our sacrifices to solutions that are wrought today, rather than a lot of politics, a lot of rhetoric, and everybody knowing that the real price will be paid years ahead.

In conclusion, then, I support this veto because even though politically it is a hot potato today, I honestly feel our only chance of achieving energy self-sufficiency, of achieving adequacy of supply, of not being at the mercy of some Arab country, of getting lower prices, not tomorrow but in the long run. It is our only chance to get this industry back on a free market, a free enterprise basis.

Oil companies do not vote. There is nothing very popular here about the position that some of us are taking. As I have indicated in my remarks, if there is excessive profit, or large profit, as between the old oil and the price for the new oil, tax it at 100 percent and make them plow it back. I have no sympathy for the companies. I do not want any bonanza for the oil companies. But I do want the hope, which we do not have right now, of lower prices; and we have no hope of lower prices under controls.

Take a look at the last 2 years and tell me where the price went down. Tell me where, in the last 2 years, some official, whether in this Government or others, has told us, "You do not have to worry, there are plenty of supplies." Tell me about the unemployment in the United States taking place now, that was precipitated by the energy crisis. When the price soared 50 percent, people could not pay for the price of goods, and the factories all closed down.

In other words, what is it that we have achieved, either in jobs, in energy, or in prices, over the last 2 years, during all of which we had controls?

I would hope that my colleagues, then, would sustain the President, not for me as a Republican to back the President—that is meaningless. It would be a meaningless request. As a matter of fact, I think, this is probably the first time in 5 years I have backed the President. Important principles are at issue.

We cannot afford to start politics now with something as serious as the energy crisis. I have 12 percent unemployment in my State, and 52 percent among minorities and young people. This is somehow playing politics a little too early. I cannot stomach it, and I do not think my people can. A couple of months before the election, maybe, but not now, and not on this issue.

The free enterprise, free market system has performed well. Compare its track record with the track record of the past 2 years of a controlled economy in the sense of oil.

Think carefully as to what it is that will bring the price down. More of the product and less use.

What has been the record of the U.S. Senate, the House of Representatives, and the President for 2 years? Nothing. I do not want 6 more months of the same thing. I do not want 1 more month of the same thing. Not 1 more day. I want a new game plan.

Yes, I want decontrol. Yes, I want excess profits taxes. Yes, if I had my "druthers," I want mandatory fuel conservation.

Let us do the job, and I have a strange feeling that, rather than being penalized politically, the people will recognize a little honesty, which is something that has been notably lacking in an intellectual sense when it comes to this subject.

I yield, Mr. President.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Will a Senator yield me sufficient time for a few comments?

Mr. JACKSON. Mr. President, I yield the distinguished Senator from South Carolina whatever time he needs.

Mr. HOLLINGS. I say this to my friend, the distinguished Senator from Connecticut, because I do not want to hold him and I do not want to miss him.

Mr. WEICKER. Oh, I would not want to move.

Mr. HOLLINGS. Let me make a few comments, and then we will ask the question, because I take categorically the exact opposite position.

I think a vote to sustain the President's veto is the political copout.

I notice our distinguished friend now has pinned the badge of political courage on this. He talked of the children of the future. He is fed up with Congress. He cannot stomach politics any more. Nothing has happened.

Really he gets around to blaming actually the only control measure we have. There is some control. That is what we are talking about. He gets around to the point where he blames the only control measure we have for the dilemma we are in and talks in sensible terms of free market and free enterprise.

It reminds me of a psychiatric test they gave a fellow when he walks into the doctor's office for his appointment.

The psychiatrist put a checkmark on the blackboard. He said, "What do you think of that?"

He said, "That makes me think of sex."

The doctor drew a circle on the blackboard, and he said, "What do you think of when you see that?"

He said, "Sex."

Then the psychiatrist did a cross mark, and he said, "What do you think of that?"

He said, "That makes me think of sex."

The psychiatrist said, "Well, you are depraved, you are oversexed."

He said, "Me depraved?" He said, "You are the one drawing the dirty pictures."

Here this fellow takes the only controls that we have had over the OPEC cartel. He begs the question.

Where did the trouble start? Are we going to relinquish this from the U.S. Congress and put it totally in control of the Arab congress, or relinquish our responsibility?

Let us hearken to a few things there. When it was not political, we had a bi-

partisan effort in this Congress, with an energy policy council, and it passed the Senate three times. I introduced it. I have been working, with the support of the Republicans and Democrats through the Senate, opposed by the White House, and opposed by the same House leadership which now is the White House, namely, the President of the United States.

I could go down the entire record. When the Arab embargo hit us, it was the Senator from Arizona (Mr. FANNIN), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD) who joined with Senator JACKSON, Senator CHURCH, Senator MAGNUSON, and others, in a bipartisan unanimous report that brought forth the Emergency Petroleum Allocation Act. It was not politics then. It was bipartisan. A Republican President, Richard Nixon, signed it and used it. He employed it in December 1973, a month after he signed it to raise that price of old oil from $4.25 to $5.25.

Then, during this year's struggle nothing has happened. That is in the President's veto message.

I wonder where the gnomes or the dreamers came from that wrote that veto message.

Mr. HANSEN. Mr. President, will the Senator yield at that point?

Mr. HOLLINGS. No, I am not going to yield at that point. I am going to complete the thought.

Mr. HANSEN. I ask it only because the Senator was talking about the Senator from Wyoming, and I thought the Senator might be interested in what he actually said instead of what the Senator from South Carolina said.

Mr. HOLLINGS. I will yield on his time. I do not want to lose my time.

Mr. HANSEN. I will be happy to use my time.

Mr. HOLLINGS. Yes, but I want to come down to what the Senate has done. Does the Senator want to get to that later? I know what the Senator from Arizona said. I am reading from the report.

Mr. HANSEN. The Senator is reading from the report that was written by the majority. Let me read to the Senator from the minority report.

Mr. HOLLINGS. Does the Senator want me to read to him from the minority report? I am just reading what they found in the face of the present shortage. I will go into different parts. Which is the one that the Senator from Wyoming takes issue with? The Senator was not for the bill?

Mr. HANSEN. I was for the bill but for different reasons than the Senator from South Carolina spoke about.

The reason that I was for the bill and the reason that the other members of the minority were for the bill was that at that time we had an Arab oil embargo. We had an entirely different situation than we now have. That is well known to the Senator from South Carolina and everyone else. We addressed a particular condition then. The Arab countries had embargoed the oil and shut it off, and we had to face an emergency situation. That is not what the situation is today.

We favor sustaining of the President's veto today for very good reasons, and they have been detailed rather expertly, I think, by the distinguished Senator from Connecticut, when he points out what is wrong with the approach we are trying to take now.

The Senator from South Carolina says why do we want to take away the only weapon the President and the people of the United States have to try to do something about the Arab cartel or the OPEC cartel. The reasons, I think, speak for themselves. They have been identified by my distinguished friend from Connecticut, and they are exactly these reasons:

If we want to give the Arab countries and the OPEC countries a greater clout, we are sure headed in the right way if we override this veto. We are headed in the right way because by keeping down, by depressing, and by controlling the price of American crude and of an American product, two things happen:

No. 1, we stimulate and further encourage the overuse of something that is in very short supply—energy. It is the life blood of this country; it is the life blood of most of the developed nations of the world and plays a very important role in the undeveloped nations of the world as well.

So, I agree with the Senator from Connecticut when he says let us be realistic, let us take a look at where we are, and it is not where we were when my good friend from South Carolina was criticizing those of us who voted at that time for a piece of legislation that addressed the fact that the Arab countries had imposed an oil embargo on the United States and other parts of the world.

That is not the condition now. It is not the fact now.

The fact now is that, if we want to take away some of the clout that the OPEC countries have, the way to take that clout away is to take the double actions that will follow from sustaining of the President's veto, and they are these:

By permitting the price of energy to rise, and it will rise, whether the Congress of the United States, or whether the Senate of the United States is foolish enough or naive enough to think for long we can repeal the laws of supply and demand. It does not matter. The fact is that we have not been able successfully so far in our nearly 200-year history to do that job, and we have not repealed the laws of gravity, and I predict we are not going to be successful in doing it during this 94th Congress.

But let us get back to the basics, and they are these:

We need to encourage people to conserve energy, and we are not going to encourage them to conserve energy by following the advice of the Ralph Naders and the Lee Whites, and the others, who a few years ago were saying:

Let's keep the price of natural gas down low, let's keep it down low to protect the poor people.

Well, we have protected the poor people until they are practically out of jobs.

We had factories shut down in Ohio. I note that the distinguished Senator from Ohio (Mr. GLENN) is now presiding, and he knows, and I know, we had factories shut down in that State because there was not enough gas to go around. What does he propose to do? He has before the Committee on Interior and Insular Affairs legislation which would address that situation by making it possible for interstate pipelines, and the Government, as I understand—and if I misunderstand the thrust of the bill, I am certain that my good friend, the Senator from Ohio, will set that part of the RECORD straight—but actually what he wants to do is try to spread out and to make energy available to those areas of the country where employment can go on, and I am sure he is concerned that there will be enough energy to go around.

Anyway, we got into this mess because we had the mistaken attitude that we were serving the public interest by keeping prices low. We kept them low for 15 years, and our gas supplies dwindled.

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

Mr. HANSEN. I am happy to yield.

Mr. WEICKER. That is the point. If the only gas and the only oil we used came from the United States of America, then, fine—keep the price low, and everything is going to be fine.

The assumption is made that we have a control over price. We do not. The fact is that we can keep our domestic supply low, but a heavy majority of the rest of the suppliers are going up. It is fantasy. How can anybody, in reality and logic, try to sell that to the American people—as if we had control over the price mechanism? We do not. Somebody should say that. As long as we have total control over our supply, it is great. We can be heroes to all our constituencies by not allowing prices to go up. However, we do not have control over the price either in gas or in oil.

Mr. BUMPERS. Mr. President, will the Senator yield for other observations, on my time?

Mr. HANSEN. I yield.

Mr. BUMPERS. One of the interesting things about the argument of the President and the oil companies—and their positions are the same—is that suddenly they want the Government out of their hair. All of a sudden, the Adam Smith philosophy will make this country free. But for 30 long years, Congress gave them a depletion allowance, limited imports, did everything in the world to hold the price of domestic production at an artificial level. I did not hear the oil companies in those days talking about Government interference.

When it comes to controls, will the Senator agree that under the law as it is presently written, there are no controls on new oil?

The President talked about raising the price of oil to create an incentive for the oil companies to go out and find more and make us free. But right now, since 1973, this act we are talking about has no limit on what any domestic oil company can charge a refiner or a consumer for oil it finds, since 1973. Forty percent

of the 8½ million barrels we are producing every day in this country is not subject to any control whatsoever. They can charge anything they wish for it. As a practical matter, they cannot charge more than the OPEC countries, because it would be foolish to pay more for domestic oil than the price for which you could buy OPEC oil.

The Senator talks about how we are keeping American prices depressed and paying the OPEC countries $11.40. The President, himself, chose to exacerbate that situation when he put a $2 import fee on oil imports. The first thing the Shah of Iran said when he set foot on the shores of this Nation was, "You people said $11.40 was too much, and here you are taxing yourself an additional $2. It is not too much."

The Saudi Arabians, even though I feel they had been patently unfair with this country, in fact had been trying to tranquilize some of the OPEC members from agitating for additional prices. The following week, Sheikh Yamani said in New York City that the President, himself, is making the position of the Saudis, who are trying to stabilize OPEC prices, almost impossible to sustain.

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

Mr. BUMPERS. On the Senator's time.

Mr. BARTLETT. I refer to the point the Senator from Arkansas made, indicating that a free market price for new oil was going to be a sufficient incentive to bring on more supplies. The reason this is a fallacious argument is that only 1 out of 8 or 9 wildcat wells is successful. So there is no way that an independent or a major company, in contemplating a wildcat venture, can be assured that he is going to find any new oil for which he would receive the free market price. It is obvious that an independent in Arkansas or in any other State has to look at all the money he has available for buying leases, doing geophysical exploration, and drilling wells. So the amount of money available to him, including that which he borrows, comes from old oil, new oil, and various other sources, like banks. Capital is the limiting factor. The free market makes available more revenues.

I know the Senator has used the argument that we have the free market; yet, we have had declining production. It is obvious that we would have had more declining production if we had not had the free market for some oil. It is also obvious that we need more, not less, capital and greater incentives to drill the number of wells that need to be drilled.

Mr. BUMPERS. The Senator has referred to an argument I made in the Committee on Interior and Insular Affairs. I think it is a valid argument—that prices went up 75 percent last year and production went down 7 percent. I am saying that this proves, in my opinion, that the President's philosophy, his argument for decontrols, is spurious.

Mr. BARTLETT. I think the Senator is very much aware that as the price of crude oil has gone up and the incentives have gone up, the amount of drilling has gone up. He knows that there is, on the average, a continuous decline of about 10 percent in the production from a well, and the amount of new finds or discoveries has not caught up with it.

Until we do much more new drilling and flatten out the curve of production loss, we are not going to have any chance for self-sufficiency.

The one good thing this body can do today is to establish an energy policy by sustaining the President, by ending the controls. This actually creates a policy. It assures us of having an energy policy for the first time in years.

Mr. HANSEN. Mr. President, I appreciate the observations of the distinguished Senator from Oklahoma. No one else in the Senate, in my opinion, understands the mechanics of the industry as does he.

I cannot believe that the Senator from Arkansas fails to understand the economics of the laws of supply and demand, as his most recent statement might imply.

Actually, the fact is that the number of people living in the United States has been increasing. Demand has gone up. It does not really address the basic fact of economics to say that prices have risen 75 percent and production has declined. Rather, what we should be examining is what would have occurred absent these other factors.

Here are the facts. The amount of oil consumed so far this year is below what we consumed in 1973, and it has been brought about because people are reacting as they always do to higher prices. Boston, a year ago, burned 20 percent less fuel oil. The winter was a little milder. But people were more conscious of the fact that fuel oil costs money. As a consequence, they watched the thermostat, they kept the windows closed, they kept the doors closed, and they did other things that helped conserve fuel oil.

By the same token, we can and we will encourage and we are encouraging the production of energy as prices rise.

My friend, the Senator from Arkansas, says there are now no disincentives to the production of oil. The fact is that we lowered the depletion allowance from 27.5 percent to 22 percent in 1969 and last March entirely eliminated depletion for all integrated oil companies.

Do Senators know what happened in Wyoming? With respect to the number of drilling rigs in operation in my State of Wyoming—we happen to be the fifth largest of all the oil and gas producing States—we shut down, we closed down and stopped, 28 percent of the rigs that were drilling in about a 4-month period because of the reaction that the lowering of the depletion allowance had upon the incentive that the industry has.

Why did people do that? The people in Wyoming knew that we needed oil. They are like any other businessman. The reason why they did it was that there were better ways of making money than risking it in the extremely risky and hazardous professions of trying to find new oil.

If we want to further discourage people from producing oil in the United States, let us keep price controls on. Let us refuse to let secondary and tertiary recovered oil rise to the full market price. It is controlled now. I am sure that our friends on the other side of the aisle know that as well as I do.

Here are the facts, if I can make this one additional point: We have at the present time in the United States, which includes Alsaka, of course—I hope Ted Stevens is here—obviously, it includes Alaska, but sometimes we tend to think of the lower 48 as exclusive of the northernmost State. We have about 40 billion barrels of oil that will be recovered, given the present prices and the present cost of raising and lifting that oil. That is about 32 or maybe 33 percent of the oil in place. The biggest oil strike we can make right now, today, is to turn those controls loose and to say to the people who want to produce secondary and tertiary oil by investing additional millions of dollars in the fields we already have that we can turn them loose. Instead of just recovering the 40 billion barrels of oil, we can increase that by an extra 59 or 60 billion barrels so as to make available for the people of the United States, not just the 40 billion barrels, but probably 90 or 100 billion barrels of oil. That is how the marketplace works.

That is what my friend from Connecticut has been trying to say.

Mr. WEICKER. Will the Senator from Wyoming yield for a question?

Mr. HANSEN. I am very happy to yield.

Mr. WEICKER. Is it correct to say that the OPEC price of oil has not been established by the free market; rather, it is the cartel or monopoly-set price?

Mr. HANSEN. That is my understanding.

Mr. WEICKER. If I may continue along that line, we are not talking about a free market price but a monopoly-set price. In effect, what the American people are doing is paying tax—the difference, in other words, between the free market price of oil and the OPEC price of oil. That is the same as a tax, except that it is not staying in the United States. It is going to the Arabs, going to the Mideast, it is going all over the world to the OPEC countries. Therefore, it is not a question that this is something we can remove ourselves from. We are paying that price. We are not even giving it to our own people in this country for the economy, for jobs.

Now, if I were a member of the OPEC cartel, what I would like to see happen is nothing. That is exactly what is happening, nothing. We stand up here and jump up and down and yell and scream at the Arabs and shake our fists. And we do not accompany it with one single action.

You know what they do? They stand back there, take all these horrible insults we give them and they bring in the money, day after day, American money.

So believe me, if we want to make them happy right now, nobody will be made happier than the OPEC nations if we fail to sustain this veto. It means they will continue to sit there in a monopolistic position and exact the tax from the American people as between what the free market price of oil is and their artificially set price. I do not any

longer want to send 1 cent abroad. I have too many people out of work. Maybe some of our friends over there are replete with employment and flush with work in their States. We are not. We are poor. We need help.

One last word while I have the floor, because I have a feeling we are going to have a response, and rightfully so, from the distinguished Senator from South Carolina. As I have indicated, I am very much against any windfall profits for our own companies. Maybe my memory is wrong, but it seems to me that, in the closing days of the last session, the distinguished Senator from Louisiana had excess profits tax legislation up on the floor to make sure there would be no excess profits, and the distinguished Senator from South Carolina filibustered that to death.

Is that correct?

Mr. HOLLINGS. Does the Senator yield me back the floor? I yielded to the Senator from Wyoming for a question 25 minutes ago. I would like to get the floor back to answer that question and get to what I was being asked by the Senator from Wyoming.

Mr. HANSEN. Mr. President, let me say——

Mr. HOLLINGS. Let me know when I get the floor, Mr. President.

Mr. HANSEN. The Senator from South Carolina is exactly right. He yielded to me for a question because he had mentioned my name and I did want the people to know about that.

Let me make one further observation. The Senator from Connecticut says he wants to keep the money here at home. The Federal Energy Administration made a study and here is what they reported. The last embargo caused the gross national product to drop by $15 billion and threw out of work 500,000 people. Now, today, because over 40 percent of our projected 1977 imports will come from insecure sources, which means foreign countries, a 6-month embargo in 1977 could decrease our gross national product by $24 billion and increase unemployment by over 700,000 people. I thought the Senator from Connecticut would not mind my underscoring his last point with those statistics.

Mr. WEICKER. Let me put it this way: I am glad to see the Senator from Wyoming grasp the essence of the crisis. Apparently, that is an acceptable political price to some of the candidates on the other side. As long as they can make a political point, there really is not much worry about who it is that is out of work.

Mr. HOLLINGS. Mr. President, if I have the floor, I yield myself the necessary time.

The PRESIDING OFFICER (Mr. GARY W. HART). The Senator from South Carolina is recognized.

Mr. HOLLINGS. I believe that while the President is a candidate—I believe that is correct, that the President is a candidate. I believe Senator JACKSON on this side is a candidate. We are all aware of that. Others are like the distinguished Senator from Connecticut, who is not a candidate, and the distinguished Senator from South Carolina, who is not a candidate. Let us get the candidate thing out of the way so we do not talk as though that side does not have a candidate and that is all we are.

Let us go back to the secondary and tertiary recovery. The President vetoed H.R. 4035. Let us get the record straight. "If we could only get the extra money for secondary and tertiary," the Senators say. They got three readings in the House, three readings in the Senate. They could have charged $15 to $16 a barrel for it under the bill. The President vetoed secondary and tertiary.

The Senator from Wyoming said that was a majority report. But he signed the minority report. I am reading from the document. I have yet to see a minority report. This is Public Law 93-628. The Senator had all last night to review and get from his staff the argument. We had this yesterday afternoon and he refused to answer. I am using the Senator's name because he used his name. He is the one who put his name on this bill. I am trying to support CLIFF HANSEN from November 1973, where he found it wise, judicious, proper, and right—and I am saying the circumstances for the particular measure have exacerbated—worsened—if you please. There is no minority report here, dated November 10, 1973.

What do they say? Instead of saying just the words "Arab embargo," which are obviously not in this report, they say on page 11, "Several general comments should be made about the overall pattern of this legislation agreed to by the conference committee.

"Initially, it should be said that the conferees are in unanimous agreement that due to various factors"—various factors, not just an embargo. They list the factors later in the report.

"—due to various factors, the several regulatory laws of supply and demand are not currently operating in the petroleum market. It is imperative that the Federal Government now accept its responsibility to intervene in the marketplace to preserve competition."

"To preserve competition." That is what we are talking about. The Senator from Connecticut is talking about competition. This is what the conferees found. This is a law that we have under discussion. This is what has been vetoed—competition—by the President of the United States.

When we go to the various factors, and I can refer to them, it says:

> The prices are going up at an excessive rate and that in order to control inflation—

Did not the gentlemen just say the prices have been going up? We have had some kind of cap on this thing. They have had to at least justify the passthrough costs before the Federal Energy Administration. There has been some kind of base on this.

Do not come back and talk about minority report when there is no such thing. Do not come back and talk about secondary and tertiary recovery when we all voted for that.

Do not talk about free market when there cannot be one as long as there is the OPEC cartel. If we cannot agree on that, we can never agree.

Where do we get this "monopolistic" idea, or "if I were a member of the Arab cartel, I would say sit and do nothing?"

The Arab cartel came, the Shah of Iran and his Finance Minister, Mr. Yamani, the Saudi Arabian Finance Minister, and what were they quoted as saying? "Why do you complain of high prices if your own President increases the prices?"

The only increases in the year 1975, the only increases, are by Candidate Ford, since we are going to talk about candidates. Candidate Ford increased those prices.

He was with us when he was not a candidate. Last year in September Gerry Ford said, "No; I am not running. I want summit conferences; I want help from the Congress."

So here when you start talking about that price of gas, out of town you go. In November he said the same thing; in December he said the same thing to the Business Advisory Council, vetoing on December 31, the end of the year, a cargo preference bill.

Why, Mr. Senator? Because it raised the price of a barrel of oil 12 cents. Sure it increased the price 12 cents. But when he became Candidate Ford, with Henry Kissinger, in January he said "12 cents are not enough. I am going up $3 a barrel, and I am going to decontrol." That was his program in January.

I will go along with my distinguished colleague from Connecticut in resisting this 39-month copout, because that is exactly what it is. It says, "Oh, Mr. and Mrs. Electorate of the United States, get me by the election in November of next year which I have announced for. If you folks can get me by that with the phaseout, then I will be home free for another 4 years in the White House."

In the meantime, what does it do to shortages? It tells anybody with competitive free enterprise commonsense that business is supposed to have to hold up. Anybody with interest in the bank as the interest increases, as time goes by, waits for the last minute to get the highest interest. If you are going to get a higher price as decontrol comes along you wait for the inflation and the increases in prices and everything else to escalate up, up and away, and instead of getting together on a national policy you hold up and work with the Arab cartel.

What have we done—because the Senator from Connecticut, I think, has downgraded this body? It has not been crystal clear. It is hard to package. This is a Congress; we are a hundred Senators, 435 House Members. We have got different interests, different views. That is the legislative process. But we did disapprove the excise tax. He said we did nothing, the President took action. Ha, ha, he took action. When Congress took action they did not do anything is what is said. They say we have not done anything.

We did all we could do. We disapproved it.

We repealed the oil depletion allowance; we passed the Strip Mining Act, which the President vetoed, trying to get away from those shortages. Talk about oil and gas in abundance, we are the Saudi Arabia of coal, with 800 years supply. Even the Pennsylvania coal miners supported this one. The President vetoed that so industry has a question mark.

Senator PERCY was here yesterday talking about industry not able to operate with a question mark, and I agree. So Congress tried to set down guidelines for the environmentalists, for the property owners, and for the energy crisis for the people generally. That was vetoed by the President.

The Standby Energy Authorities Act was passed; the 6-month extension of price control authority which we are presently debating; we passed the Strategic Reserves Act, the Naval Petroleum Reserves Development Act, the Coal Conservation Act extension, the Automobile Fuel Economy Act to which the distinguished Senator from Connecticut was referring on conservation. If we just had mandatory controls, if we had the administration's cooperation on automobile fuel economy that had been passed by the House already, and we had enforcement 50-State wide, the resolution that we passed here, for example, in February and in the Senate, of the Senator from West Virginia (Mr. RANDOLPH), we would be saving a million barrels a day right this minute.

Get serious about the problem you say? The Senate stood here and got serious and worked Saturday nights and around the clock.

Then we had the Coastal Zone Act amendments for energy facilities siting so that we could facilitate and accelerate offshore drilling; and then the offshore drilling amendments, S. 521; the Appliance Labeling Act; the Natural Gas Act amendments on the calendar; we put in the ERDA Authorization Act; the Railroad Rehabilitation Act, S. 1730, and right on down the line. We have got a long list of trying to get together an alternative conservation approach.

But to come now and say that if you were a member of the Arab cartel, you would do nothing, no one could possibly believe that. The Arab cartel is saying, "Praise the Lord and pass the ammunition, pour coals on it."

If the Senator wants to get from under the wage and price controls with their $40 billion additional inflation—that is what we are going to have, and no one has disputed it; I put a Library of Congress report in the RECORD, and I will debate it at any time. The President vetoes the housing bill, he vetoes the jobs bill, he comes forward and he vetoes the education bill and the health bill all for a cumulative amount of $17.38 billion. If somebody were in that particular position and supporting the President on his veto, it was just like on yesterday Bossy the Cow having given a full pail, he promptly kicked it over with his veto and put on instead $40 billion worth of inflation.

Struggling, PRing it, candidating it, national TV, "We have got to hold the line," you can read every word here, "noninflationary economy," "having a spiralling inflation, "too much to ask for the taxpayers $7.48 billion." On the education bill that is what he said. I hope we override that later this afternoon.

But he comes around under the ruse of all that compromise.

I never did want a compromise on inflation. We tried our best to cut down on congressional spending with our Budget Committees. We have already sent two bills back, both the school lunch bill and the Military Procurement Act. We are trying to get hold of ourselves, we are culprits equally in the last 3 or 4 years, and we have added $100 billion to the budget. But I can tell you here and now your OPEC cartel, not controlled, added $96.5 billion to that inflationary impact. Rather than saying to the budget I should say to the economy. So what are we going to do, add another $40 billion? That is what he is asking for us to do.

Talking about the children of future generations, you are setting the ground work. Why does the President talk about 45 days?

"Let me make my mistake." Finally in September, get his program that he is wanting for all over the land, with exotic dishes in Air Force I, going to Atlanta, to Houston, to Kansas City. He flew all around to the mayors and Governors. He has had free rein to sell his program. He finally gets it and he says, "Save me from it; save me from it. Let us have 45 more days and we will do it gradually." All he wants is gradualism until November 1976.

Mr. WEICKER. What does the Senator want, 6 months?

Mr. HOLLINGS. I want the continuation——

Mr. WEICKER. Does the Senator want 6 months?

Mr. HOLLINGS. Six months.

Mr. WEICKER. So the Senator wants it postponed 6 months.

Mr. HOLLINGS. No, sir; I want more. The law says 6 months. That is what passed the Senate.

Mr. WEICKER. That is what the Senator is for; he is for a longer delay.

Mr. HOLLINGS. I am not for delaying but for continuing as much as we possibly can until we break that OPEC cartel.

I do not want in this economic war to join the enemy. I do not want to join Big Oil, the OPEC cartel, or the Arab Congress. I want to work with the U.S. Congress.

Mr. WEICKER. Senator, since Congress has done so much, can the Senator tell me whether the OPEC cartel has lowered its price since 1974?

Mr. HOLLINGS. No. I guess they are getting ready to increase them. They said publicly, "Why should we worry about increases when your own President has brought about increases, so we are getting ready"—I will say this: I do not want to try to be put in the position of defending OPEC. I just give it as a fact, and the fact is that OPEC has not increased the prices this year, but Candidate Ford has done it illegally. Now he has the audacity to say, "If you fellows go along and take me off this hook and get me by November's election with this gradualism, then I will start acting legally. I will do away with that $2 that I put on." What kind of nonsense is that?

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

Mr. HOLLINGS. Yes.

Mr. BARTLETT. I would like to ask the Senator from South Carolina how price controls will break the OPEC cartel.

Mr. HOLLINGS. Price controls will at least keep down—we are trying to keep down as much as possible inflation in this country to keep us economically sound.

Mr. BARTLETT. That does not answer my question.

Mr. HOLLINGS. Well, the Senator might not like the answer, and I do not believe he does, but I can tell the Senator here and now that the enemy is inflation, and we have got to have an economically sound America in order to compete in international trade.

So if we at least take this particular inflationary factor on oil that would permeate the entire economy, then we would have a stronger America to compete.

Mr. BARTLETT. My question to the Senator from South Carolina is, how do the price controls tend to break the OPEC cartel?

My point is that controls, of course, reduce the price and hence reduce domestic supplies. This increases the leverage the OPEC countries have. The cartel has proved this by raising the price higher.

Price controls are self-defeating, as the Senator from Connecticut said, because we do not control the price of all the oil we use.

Our prices include not only domestic prices, but also the OPEC cartel prices because we are dependent upon them. The Senator is not advancing any way to break the cartel.

We have to send the message to the cartel that we are interested in our future energy supplies, rather than playing into their hands by rolling prices back.

So if the Senator will just tell me how price controls break the OPEC cartel, I would like to know.

Mr. HOLLINGS. If we could go forward with this national program that Congress has been trying to promulgate, I am very confident it would break the cartel.

If we would compete economically with our grainstuffs from Oklahoma, with our technology, and military weaponry, that is a direct way.

No one said this is, in and of itself, going to break the cartel, but it is surely going to break America if we do not.

That is the point, if the Senator cannot see that.

I will say why our domestic refinery production is down. We had that yesterday afternoon with the distinguished business leader from Illinois. He had enough goodness, and finally ended up agreeing that if he headed up an oil company he would call his board together and say, rather than what the Senator from Oklahoma (Mr. BELLMON) said on TV, an abundance—he was talking of an abundance on CBS this morning—we have a shortage, and I hope we can agree on that. The Geological Survey, the Academy of Sciences and every-

body says we have a 30-year supply, give or take 5 years.

If we have a shortage, we will call it the Weicker-Hollings Oil Co. Make us both members of that board to see if we cannot vote together. If we have a shortage, WEICKER and HOLLINGS did not organize the business to go out of business in 30 years, and as a result we are going to supply our orders as much as we can with foreign oil.

It will cost more, but we will get more. It does not hurt us economically.

Why have a drain-America-first policy if there is a world shortage?

So we supply it from foreign sources, we take the profits, go into Nigeria, go into Indonesia, go into Venezuela, trying to find new sources of supply, trying to get into the new markets, but above all, let us not kill the goose who laid the golden egg, do not break OPEC because we never had it so good.

With respect to the price of Alaska oil, witnesses in the pipeline case said the entire life of the field is $4 a barrel. North Sea oil is $3.75 a barrel. And, boys, we are getting $13.50.

Mr. BARTLETT. May I say——

Mr. HOLLINGS. Wait a minute.

That Arab cartel has really got us in clover, so we will run around with all the speakers, life free enterprise and free market. We know there is not any there, and cannot be one as long as there is OPEC.

Mr. GARN. Will the Senator yield?

Mr. HOLLINGS. No, I would like to complete that thought.

We want to spread that free market and free enterprise, but we will drag our feet and as a result of refinery production, even though the oil has gone from $3.40 a barrel on new oil to $13.50, the price cannot apply.

The price program cannot work; the price has gone up on all new oil.

They could have all those great incentives they never dreamed of, getting $13.50 a barrel. Domestic refinery production is down to 500,000 barrels, and the imports of foreign oil are up 531,000 barrels. The President has got to know, that with the compromise and gas already going from 35 cents to 62 cents to 67 cents it has already gone up 30 cents.

We have compromised 9 million people into unemployment. We have compromised this Congress and the Government into a $69 billion deficit. We have had $2 of the $3 Presidential program, or two-thirds of his program, and we look around. Domestic refinery production is down and the imports are up and he is saying:

> I want compromise, give me 45, 60 days, give me anything not to put me under the shotgun, all on the line, so next year when we are all running as candidates we can categorically say that was the best we could do, Congress and the President agreed on that.

He will have satisfied that issue and we will have adopted this miscarriage of abortion. That is what we will have done.

Mr. GARN. Will the Senator yield?

Mr. HOLLINGS. I yield to the Senator.

Mr. GARN. The distinguished Senator from South Carolina has still not answered the question of the Senator from Oklahoma on how price controls do all of this.

I think the Senator just gave a beautiful speech on sustaining the President's veto. He outlines how much more dependent we have become on outside oil, from 17 percent 2 years ago when this embargo started to 40 percent today, and if we want to have inflation and recession and depression, and all of those things mentioned—we will put this on minority time if Senator FANNIN will yield me some time.

Mr. FANNIN. I yield such time as the Senator desires.

Mr. GARN. That is what we will have. We are looking at the short run. For 2 years Congress did nothing. Mr. Nixon did not have an energy program because he was so busy trying to save himself and Congress did nothing because they were trying to get him.

Now we have energy bills introduced and when the President of the United States says that this Congress has done nothing on energy, we do not have to believe him. There is proof.

Two bills have become law on energy and we have become more and more dependent.

So if we really want this country hung up, let him dictate prices, do anything they want. We are 40 percent dependent and it is going to continue to go up.

I am not in favor of immediate deregulation. I look to the President to try to get this together.

Mr. HOLLINGS. To get this by November 1975——

Mr. GARN. Arbitrarily hold down prices and we continue to do it and we do not have to be foresighted, we can look back and see what happened in the last 2 years, and it will get worse and worse and worse.

The President suggested some decontrol and the Congress, to show the political nature in the Presidential politics, I do not know how many American people know the first 90 days were a rollback, so we could have gone back in August and taken a rollback in prices and then said to the President that we do not like the other 36 months or 39 months, but we surely like the first 3 months, because it is a rollback before decontrol starts.

Mr. HOLLINGS. Is the Senator in favor of that?

Mr. GARN. Rather than a 6-month continuation with the present allocation and control.

I would have favored that 39 months and we could have had our cake and eaten it, too. We could have taken the first 3 months and then come back and had this debate on the rest of the program, but Congress did not want that.

The distinguished majority leader has been trying to work out a compromise and I think the American people deserve more than they are getting.

I am not concerned about Republican and Democrat or President and Congress. We have one heck of a problem and it is not a matter of supply or a matter of price at this point; it is a matter of where it is coming from.

There is plenty of oil, and if we do not get off that heroin addiction, I hope I am not around when the people 5 or 6 years from now control the economy.

That is the heart of it, as far as I am concerned.

I am not in favor of immediate decontrol. I think the effect on the economy would be more than we could stand.

Mr. HOLLINGS. But it has had some good effects.

Mr. GARN. I think Congress is irresponsible if they do not sit down with the President of the United States and work out an energy policy for this country and forget the politics of Republican and Democrat or who is going to be President of the United States next year.

I am a lot more concerned about being an American first. We have gone on 8 months debating this and have come up with nothing. I think the American people ought to be disgusted with the 94th Congress for our terrible performance in trying to do something. Looking beyond 1976, looking to the future of this country in solving an energy crisis is a lot more important than partisan politics.

Mr. HOLLINGS. Mr. President, I am glad the Senator has spoken on a rollback in prices, and we will have an amendment later for that particular score and see to what degree he supports it. He was not here when I listed the 19 bills we have passed since the first of the year. We have been working in a bipartisan way, I might say, trying to promulgate that program, and we have had a lot of good bills passed.

I will yield now to the Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from South Carolina. I want to be sure to be on the floor for any comments directed toward me, though I have to leave the floor in a few minutes.

I say this in summation: To use the old expression, there is just no such thing as a free lunch. We have a problem, and we have to bite the bullet. The manner in which we bite that bullet is clearly going to cause some pain and anguish in this country. Anybody who tells anything different to the American people just is not telling the truth.

I want to again pay my compliments to the distinguished majority leader, as I said in my opening comments. Two years ago, when this crisis first started, he and I stood in this Chamber and advocated mandatory conservation. That is the type of thing I am talking about when I say bite the bullet.

Mr. HOLLINGS. I did, too, at that time.

Mr. WEICKER. I pay my compliment to him.

But the fact is that this is not legislation of first impression, or that we do not know what is going to happen. We have lived 2 years with controls in the United States and an OPEC cartel. The combination of the two, of the cartel and the controls on our own prices, has given risen to unparalleled prices in fuel, decline in oil production, and unparalleled unemployment. I suggest to the Senator it is all right——

Mr. HOLLINGS. Is this on the Senator's own time?

Mr. WEICKER. This is on the time of the minority.

I am saying today the time has come not only to go ahead and resolve our energy crisis, but to go ahead and gut OPEC, if you will, to where they cannot call the tune here in this country.

There it is. Is anybody satisfied with continuing the OPEC cartel with controls? We shall not do anything. We are not going to legislate for the OPEC nations. The only thing we can do is take care of our part of the problem. If we do, believe me they will change their policies.

As I said, if we want to get the quickest response of all, just go ahead and decontrol and also put on mandatory fuel conservation. A combination of those two would really rile them. But apparently there are not enough guts on either side to go ahead and take both of those programs together. For anybody to stand before the American people and sort of imply that we should continue controls in light of this history defies logic and it defies the facts.

I am not going to stand up here and say that, necessarily, decontrol is not going to hurt, any more than the mandatory fuel conservation, but I do repeat what I said: there is no such thing as a free lunch. The people of New York City got free lunches for many, many years, and what a famine there is there now. The time has come to go ahead and give some very tough answers around here. I think we will find for both of us, Republican and Democrat, it will be enormously rewarding.

With the Senator's permission, unless there are some further comments, I would like to go to where I can pay for my lunch.

Mr. HOLLINGS. Mr. President, for just a minute on my own time, I have a couple of comments. Let us get right to the nitty-gritty. Everybody on that side who votes to sustain says, "No, not now." I do not want to decontrol. I want to do it gradually. Everybody agrees to that.

Mr. WEICKER. I do not. I want to decontrol now.

Mr. HOLLINGS. I thank the Senator. I will seek his vote on the next bill. Well, we are making progress.

But everybody generally says, "Controls must have done some good because we do not want immediate decontrol." Is that not logical? The controls must have done some good.

Here is what they have prevented and what is bound to occur when the Senator talks about a free lunch. I think there is some argument about that, but it is better than no lunch at all. That is for the 8.2 million unemployed right now and the many of the 600,000 to 700,000 who are going to lose their jobs if we sustain the veto and nothing occurs after that. If that is the law of the land, if the President gets his position that he took in January, that he flew around the Nation for in February, that he insisted happen by April, but now does occur in September, here is what will happen—

Mr. WEICKER. How many unemployed do we have now?

Mr. HOLLINGS. 8.2 million.

Mr. WEICKER. Those 8.2 million went out of work when we were under controls.

Mr. HOLLINGS. No. They occurred under the OPEC cartel. The controls kept it from going up to about 9 to 10 million. That is what was projected, incidentally, by Alan Greenspan. He said by the end of the year we could well have 9 percent unemployment or 10 percent.

Be that as it may, decontrolled oil goes up $16.3 billion. That is joining the Arabs; that is not giving them free enterprise. The Arab sheiks wil look at this debate and they will laugh all the way back to their tents.

The price of oil goes up $16.3 billion, and in an economic war look at the colleagues and the associates and the assistance that we are getting from the United States Senate.

Interstate natural gas goes up $3.9 billion. Coal goes up $3.6 billion. Natural gas liquids goes up $2.9 billion. It is a direct increase of $26.7 billion.

Everyone has agreed—the Congressional Research Service, the Joint Economic Committee, the economists testifying before our own Budget Committee—that it is a 50 percent ripple effect of $13.3 billion, or $40 billion. That is $200 for every man, woman and child in this country.

What did the President sign in May after we debated in March and April about the rebates and the tax reductions as an incentive to get the economy turned around? This is what we tried to get—even a little bit less—$100 for those we mailed the checks to. So what we gave, let us say, in June and July we are going to take away now come September in the name of character, courage and biting the bullet.

That is pure nonsense. It reminds me of that insurance contest where an insurance company in our State was looking for a slogan. Finally the winning slogan for the Capital Life said, "The Capital Life will surely pay if the small print on the back don't take it away."

That is exactly what the Congress has politically done when they vote to sustain this veto.

It is all for the unemployed, all for the economy. I gave the rebates, I gave the incentives in June and July. But when I got back with candidate Ford coming back, the trail is getting hot, we are getting rid of Ronald Reagan, and we are heading for the barn for the next 4 years. So let us all join ranks and put a $40 billion bill on the American people and take $200 from every man, woman, and child in the name of courage and biting the bullet.

That is exactly what we have.

We are on limited time now. I will yield to my distinguished colleague from Nevada.

Mr. CANNON. I thank the Senator for yielding to me.

Mr. PRESIDENT. I will vote today to override the President's veto of S. 1849, the bill which extends the price control and allocation authority of the Petroleum Allocation Act for 6 months. To vote to sustain this ill-advised veto is to invite inflationary disaster and economic chaos. In vetoing the extension of price controls on petroleum products this administration enunciates its support for a total decontrol policy and the disastrous results that will follow.

Mr. President, I will outline a brief summary of what I see as compelling arguments against deregulation, although I could not outline these any better than the distinguished Senator from South Carolina has just enunciated.

I could speak at greater length about the $40 billion annually this action will cost American consumers as well as the huge profits the oil companies will enjoy. I believe Americans perceive this result quite clearly. I also think most of my colleagues in this body, as well as those I represent in Nevada, know that I am not one to impose unreasonable or unnecessary controls upon any segment of our economy. I have studied the arguments on this issue very carefully, including the profit statements filed last year by the major oil companies, and I am convinced that the industry can live with reasonable controls and still show a very healthy profit margin.

I think the President has received poor advice from those in the executive and I very much regret that he has remained so constant in adhering to their recommendations. It was distressing for me to learn from a General Accounting Office report that more than 200 former employees of oil corporations now hold major policymaking positions in Federal agencies responsible for the Federal Government's energy policy. I think we should question the advice and recommendations these former oil officials give the President.

I hope we can succeed in our effort to override the President's veto. It will be tragic if this Nation's energy policy is to be determined by a little over one-third of this body. Should we fail to override, I can tell you that I will not support the so-called compromise we hear so much about. It appears that the compromise in the wings is nothing more than the 30-month decontrol program that the House wisely defeated earlier this session. I do not perceive that as an acceptable compromise to the American people as it provides for a gradual rise in oil prices until after the next Presidential election when prices are set to soar to the ceiling.

It is true Congress has done considerable in dealing with the energy crisis under difficult circumstances. Concrete accomplishment has been most difficult because of the basic differences that exist among the majority in Congress and the administration as to the utilization of price controls. There should be no illusions about our efforts, Congress clearly has not done enough and the American people are rightly upset with the Congress and the administration. The way to move decisively now is to defeat today this veto thereby demonstrating to the administration that the people we represent do not support the total deregulation of the oil industry at this crucial time in the energy crisis.

Mr. President, I want to outline to this body the reasons I will vote against removing the controls:

First. There has been no evidence submitted which demonstrates that full price decontrol will result in either increased domestic production or decreased domestic consumption of oil. Deregulation provides no assurances that the huge profits would be directed at searching for new source of supply; consumers can only be assured of even higher prices.

Second. Prices will rise sharply across the board. Consumers will pay higher prices for food, clothing, medical care, gasoline, home heating oil, air and other forms of transportation. It will be difficult for any one segment of the economy to escape the inflationary ramifications of removing price controls.

I have referred to air transportation, Mr. President. I perceive this deregulation as virtually destroying the air transportation industry in this country as we have it today. This is going to force us closer and closer to the day of nationalization if we are going to have a viable air transportation system in this country.

Gasoline, fuel oil, and other petroleum products under the administration's plan will gradually rise to another 7 cents per gallon in the months ahead. I am advised that after the 1976 Presidential election is over, the price will be at least 11 cents more per gallon from what it cost today.

The cost to the U.S. consumer is estimated at $40 billion more each year as a result of deregulation. And we should not overlook that as domestic oil prices climb so will the cost of coal and natural gas. The consumer will feel the squeeze in his electricity bills and in the price of every product or service that depends upon fuels for energy or industrial raw materials.

Third. Decontrol means a higher unemployment rate no matter what statistical data one uses. Most estimates of jobs lost range between 640,000 to 1,000,000. The Library of Congress study probably provides the most impartial data available and that estimate indicates one million people will lose jobs as a result of the administration's decision. Once again the hardship falls upon those least able to carry it.

Fourth. Total deregulation means the end of competitive protections for small, independent producers who will gradually be driven out of the market by the major oil companies. Instead of having more competition in the petroleum industry, the consumer will have less. Independent companies will pay more for old oil but there will be no increase in cost for the major producers. Therefore, the major firms will successfully eliminate from the market many of the independent refiners. Independent service station operators are having a great deal of difficulty surviving in the market as it is now, but with elimination of controls their situation will be even more difficult, if not impossible. The cost and supply advantages that accrue to the major companies as a result of deregulation means that many more independent service station operators will be forced out of the market entirely. We know that since the peak of the energy crisis the number of independent stations dropped from 226,000 to 193,000. If the veto is sustained, we can expect an even larger number of stations squeezed out of the marketplace.

Fifth. Decontrol means the expiration of allocation authority outlined in the Emergency Petroleum Allocation Act. We will have no mechanism to insure that oil products will be available to sparsely populated States such as Nevada. A mandatory allocation program is essential if there is to be an equitable distribution when further shortages are experienced. Controls over propane will also expire. In order to minimize unemployment in the industries dependent upon natural gas as well as fairly allocate to household consumers, we must have a continuation of the allocation authority.

Sixth. The administration's decision to insist upon total deregulation insures that the major oil companies will enjoy record profits in the months ahead. There is no existing mechanism to tax such windfall profits and channel them back to consumers. Once deregulations is in effect the outlook for such a windfall profits tax is rather unlikely.

In closing I would point out that there are other alternatives available to the administration other than the total deregulation called for in the President's veto. Senators know all too well that the Allocation Act provides the President with authority to raise the price of old oil as well as draw up regulations phasing out the old oil price category entirely. And we also know that such presidential action does not require congressional approval. The administration has not taken such action on its own authority because it wants the Congress to become a partner in adopting a policy that benefits only the largest integrated oil firms. When the gas reaches 70 to 75 cents a gallon and the utility bills truly become unbearable, this administration wants to place the blame at the steps of the U.S. Congress. They want us to be partners to the inflationary policy. This senator will not enter into such a partnership. Nor will I be forced ing a position of accepting or rejecting a proposal without the opportunity for input. That is what we are being offered, and quite frankly, such is not my concept of compromise.

I thank the Senator for yielding.

Mr. HOLLINGS. Mr. President, just one comment, and then I shall yield the floor.

The Senator from Nevada is chairman of the Aviation Subcommittee of the Committee on Commerce, and the particular experience in that area, I think, can be repeated in many different ways. But I think it is very significant that while we are talking about the actions necessary to sustain and stimulate free enterprise competition, what in essence we are doing is take a formative industry and step it toward nationalization.

We did not want to take over the railroads, but we had to move in with Amtrak.

We did not want to take over a lot of these things.

Now, we have heard from Paul Ignatius and the witnesses who appeared before the Aviation Subcommittee, and they said at the time the President announced his program in January it would be a billion dollar impact to that industry alone, that had to sustain that kind of impact just last year, and if they had tried to save it this year they would have to discontinue 600 flights and lay off 50,000 employees.

As the distinguished chairman of our Aviation Subcommittee knows, that is a step towards nationalizing another industry all in the name of "courage, biting the bullet, the children in the future, and I am not politic, and too many candidates around, and I am here looking for the people."

One other thing, and then we will yield just for a moment, and that is the proposition, an idea this is constantly extended that somehow since others have high oil prices, why not us?

We were talking about international payments. I wish I had time to go into the veto message, the balance of payments, and the economic condition of this country.

Yes, we have had the advantage of manufacture of cheap energy. We have not had, necessarily, an advantage of productivity. In some industries, yes. The West Germans, the Japanese, and all, have taken over, in many instances, on productivity.

Certainly, we would not equal labor costs in Japan, and would not want to. We want better working and labor conditions.

With the one advantage we have, of cheap energy, they come around here with the idea let us have gradual high prices for energy so that we can no longer compete, so that we no longer can have a strong economy, and so that we no longer can face up to the OPEC cartel.

With that, Mr. President, I yield to the distinguished Senator from Utah on his time.

Mr. GARN. Mr. President, I thank the distinguished Senator from South Carolina.

It has been mentioned that those of us who favor phased control must agree that controls had been good.

I dispel the Senator from any idea that the Senator from Utah thinks controls have been good. I do not agree with that. They have caused us to go from 17 to 40 percent dependent, and if we continue controls—the Senator talks about high prices and inflation—when we are 60 percent dependent and we are controlling 40 percent and the Arabs are controlling 60 percent, they can set any price they want, and that is the nub of this argument.

From that side of the aisle, I have not heard yet one way that we are going to get off that heroin addiction where they can set the price on the majority of the oil. We are already at 40 percent.

That is what the argument is about. Are we going to control our prices in this country or are the Arabs going to control it?

Mr. President, I yield to the Senator from Maryland.

Mr. BEALL. Mr. President, will the

Senator from Arizona yield me 2 minutes?

Mr. FANNIN. I am pleased to yield 2 minutes to the Senator from Maryland.

Mr. BEALL. Mr. President, I rise today in support of the President's veto of the 6-month extension of oil price controls.

If the veto is not upheld today, the Nation is not likely to have a comprehensive energy policy for the next couple of years. Presently, Congress has no energy program, and the impact of this inaction is a continually decreasing domestic energy supply and a continually increasing dependence on foreign energy exporters. A decontrol program, phased in over a period of 39 months, coupled with the elimination of existing oil import fees, will have a minimal impact on the American consumer.

Mr. President, I might say, parenthetically, that I sat in the hearings of the Energy Task Force Subcommittee of the Committee on the Budget for a period of 2 weeks, and we heard economists of every stripe imaginable and almost to a man, regardless of their ideological differences, acknowledge the fact that if we are going to deal effectively with our energy problems we have to have decontrol of old oil in some form.

I have, therefore, joined with other Senators in proposing a bill to extend oil price controls for 45 days, which in my opinion will give Congress all the additional time it needs to address itself to the oil pricing issue and to come up with a comprehensive energy program. The lack of a national energy policy is the worst thing facing American consumers. Congress must stop talking about this issue and act.

For too long now, the Congress has waffled on the subjects of energy and price controls without coming to a decision. In spite of all the flamboyant rhetoric on this matter by various groups, all that the Emergency Petroleum Allocation Act does is give the Congress 6 more months to continue to do nothing on energy. I make it clear, Mr. President, that I do not favor the immediate decontrol of oil prices. Decontrol needs to be phased in over a period of at least 3 years. But this bill which the President has vetoed has nothing to do with solving energy problems. All it does is put off, for 6 more months any substantive decision by Congress. Consumers in this country simply cannot afford to wait that long while Congress musters enough courage to come to grips with the energy problem.

Many States, including my own State of Maryland, are facing serious shortages in natural gas this winter. Our domestic oil production continues to decline, while our dependence on foreign oil increases. The congressional response to this serious problem has been to submit over 1,000 bills and hold months of hearings by 65 subcommittees. Yet all that has resulted from this flurry of activity has been a request for 6 more months of status quo, with more bills, more hearings, and more inaction. It is time to stop talking and begin to enact some meaningful legislation on behalf of the American people. I believe that 45 days is enough time.

Therefore, I think that the only way we will get the kind of action we need out of this Congress is to sustain the President's veto.

Mr. President, yesterday an editorial appeared in the Baltimore Sun newspaper, which addressed itself to the question of sustaining or overriding the President's veto of the Emergency Petroleum Allocation Act.

I might say the editorial suggested it was in the national interest to sustain the President's veto.

I ask unanimous consent that the full text of the Baltimore Sun's editorial, "Energy: Now or . . . When?" be printed in the RECORD immediately following my remarks.

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

ENERGY: NOW OR . . . WHEN?

Overriding President Ford's veto of the six-month extension of oil-price controls is one absolutely wrong way for Congress to assert itself on energy policy. The President has moved energetically to force the country toward some coherent energy policy, but his powers to act decisively have been few. One of them, the tax on imported oil, survives only because the administration has appealed a court decision striking down the duty. To override the President's veto would surely weaken the executive's hands farther and would probably delay the decision until well into the presidential-primary silly season. For this price, the country would get six more months of an unacceptable status quo.

That exchange might be supportable if it were the only choice other than a sudden and potentially jarring end of controls, just as the nation is simultaneously struggling with lingering inflation and shakily working out of a deep recession. But it is not the only choice. The President has publicly agreed to a 45-day extension of controls, during which he and Congress would work on a compromise plan to deregulate oil prices over more than three years. The right course for Congress is to accept that 45-day extension—and use the time thus gained not merely to compromise with the President on decontrol but to complete work on more comprehensive energy measures now moving through both houses.

Those bills still differ on many points, but both would control oil prices at levels substantially higher than are now permitted, and allow for variation in prices where costly techniques are needed to get the remaining oil from depleted reservoirs or from the sea, Alaskan Arctic reaches or other hard-to-get places. Neither of the main bills, nor any amalgam of the two likely to be worked out in conference committee, is likely to be entirely acceptable to the President. But completed action on them would at least represent a clear congressional position on energy. Congress's inability to produce such a position has contributed much to Washington's continuing paralysis on what all sides recognize as a top-priority national problem. If a Congressional energy position could be formulated, the legislative and executive branches would at least know what differences they had to resolve.

A vote to override the veto is a vote to help Congress, and particularly its Domestic leadership and presidential aspirants, get off the political hook without ever seriously addressing themselves to the difficult balances that must be found, especially between gasoline prices on the one hand and the risk of new Arab blackmail on the other. Inherent in the President's proposed 45-day extension of existing oil-price controls is a continuation of pressure on the Congress to produce a coherent policy on energy, and particularly a policy on oil. The 45-day period would end by November. That is not much time in which to expect the Congress to do what it has failed to do for more than a year. But it is just about all the time that is left, if any energy policy is to be worked out between the two branches in cooperation. Otherwise, since the executive and legislative branches also happen to be the Republican and Democratic branches, this critical question of national policy will be exposed to the immense potential for mischief and dispute that is native to any presidential election year. The best that could then happen would be a delay of at least another year and a half in achieving a policy. The worst would be a hardening of partisan positions that could prevent any coherent policy at all.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, time has been allocated to both sides here which will take us up to 3 p.m.

I suppose, in all candor, it is only fair to say that with no more Senators in the Chamber than there are right now, no one's mind is really going to be changed. So I suppose we are talking essentially for the record.

What I am about to say is for the record, because I have never felt stronger about an issue. I have only been here 8 months, and all the Senators in this body I know suffer from some of the same agonies I have suffered from, that is, being able to see both sides of the issue and being able to understand compelling arguments on both sides.

But I can also truthfully say that, as far as I am concerned, I have not at any time had any problem in my own conscience in opposing the President's proposal to decontrol the price of all petroleum products.

As has been said before and certainly has been said in this Senate Chamber many times in the last 6 months, there really are not any controls now. Under the bill which the President vetoed yesterday, anyone who wants to go out and explore for oil can do so and sell whatever he finds at any price any given buyer is willing to pay.

But more than that, if a man or a producer happens to own some old oil, the price of which is controlled at $5.25 a barrel, for every new barrel he finds he can decontrol the price of one of the old barrels.

I will go back to this in a minute and compute it.

First of all, when the OPEC cartel was established in 1973, they set the price of oil exported to this country at $11.40. Later on, the President chose to impose a $2 import fee on all imported oil, which made our imports cost us $13.40 a barrel. That $2, which the President imposed on imports, went into the U.S. Treasury at an annual rate of about $2 billion.

But what did the American producers do? They immediately raised the price of all decontrolled oil which now stands at 40 percent of all our production in this country. They raised the price of their product $2 a barrel to meet the

import price. The only difference is the same consumer was paying that $2, but the $2 was not going into the U.S. Treasury. On the contrary, it was going into the major oil companies' pockets.

Be that as it may, to continue with the computation, this raised the price 40 percent, or roughly 40 million barrels of production a day in this country, to $13.40 a barrel.

So if we are talking about giving the oil companies incentive to go out and find more oil, take the $13.40, which is what they can get for it now; but more than that, compute the difference of $5.25 and $13.40 and add that to the cost of the new barrel. This gives the major oil companies, or anybody else who is an explorer, between $20 and $21 a barrel—$8 more than the OPEC price.

With respect to incentive, last year the price of oil in this country went up 75 percent and production went down about 7 percent. Does that not contradict the whole incentive argument?

The President makes another point. He talks about curbing consumption. He says that if we raise the price of oil through decontrols, the people will use less. There are two points to be made on that.

One, his own witnesses have testified before our committee, the Committee on Interior and Insular Affairs, that demand is relatively inelastic. The only reason consumption is down in this country right now is that we have 9 million men and women out of work who are not driving to work, and we have 30 percent of the plant capacity in this country lying idle and not using energy.

More importantly, another contradiction on the President's second point is that he says if we decontrol oil, the price of gasoline will go up only about 3 cents a gallon and that is not enough to hurt, anyway.

So he says, on the one hand, that oil prices must rise to curb consumption, but it is going to rise only 3 cents, so it cannot possibly relieve consumption.

What does all this mean? One thing it means is that we are going to see a massive transfer of wealth in this country from the working people, the poor people, and that wealth is going into the hands of a very select group of stockholders and major oil companies.

When the OPEC cartel was first established, every columnist in the country and every politician in the country talked incessantly about how devastating this massive transfer of wealth would be from the western developed nations to the third world. We started talking about how we are going to recycle it. How we are going to talk the Arab States and the other OPEC members into sending the money back to the United States so that the additional $22 billion a year we are paying for imports will come back and at least help us straighten out our economy? Some of it did come back.

But what happens if controls are reversed? Look at the chart at the rear of the Chamber. It can be seen that the oil companies in this country are going to reap $12 billion a year in profits above what they are going to reap if controls stay on. There is the revenue figure from FEA: $12 billion a year out of the pockets of the working people of this country, into the pockets of the oil companies.

Mr. President, I never have argued that energy prices are not going to have to rise in this country. The real issue is over what period of time and how fairly are they going to rise?

I come from Charleston, Ark., with a population of 1,500. We do not have subways, and we do not have a bus system. The people in my community commute 23 miles every day to Fort Smith, Ark., to work in the plants at from $2.50 an hour to $5 an hour. They do not enjoy that commuting any more than one would think they would. But last year, as prices soared, the working men in the community began to crawl into the back of pickup trucks—8 and 10 men in the back of a pickup truck—to commute to and from work, because we do not have a transit system and because these men love their families and have to feed them. These are the people from whom we are going to transfer $12 billion a year into the pockets of the major oil companies.

The President says, "Let us phase out price controls." I suppose if we are unable to override the President's veto today, we will have to do something to try to protect these people. It is a sad commentary that we have become so careless and insensitive to the people who really make this Nation go.

Thomas Jefferson said many things, but he never said anything more dramatic, more cogent, more poignant than that a democratic system can only survive with the consent of the governed, and the consent will be given only so long as the people have confidence in their government. When they see the U.S. Senate acquiescing in what has to be one of the most irresponsible acts ever perpetrated by any President, how can we ask them to have confidence in us?

Mr. HANSEN. Mr. President, will the Senator yield at that point for a question?

Mr. BUMPERS. I yield on the Senator's time.

Mr. HANSEN. I am happy to accept it on that basis.

My good friend, the Senator from Arkansas, says, quoting Thomas Jefferson, that the hope for the survival of democracy depends upon the consent of the governed and their wishes. This is implicit in what he said. I am sorry that I cannot quote him precisely, but I think he understands what I mean.

I invite the Senator's attention to the fact that the most recent Harris poll shows that the persons who were queried on this issue, on the issue of decontrol, by a vote of 2 to 1, said, "Let's decontrol." I think they had in mind the fact that we want jobs held by Americans, that we want the activity for the search of oil in this country to be undertaken by Americans, that we want the gross national product of this country to rise and not to add further to the gross national product of the OPEC countries.

Mr. BUMPERS. May I respond to the point about the Harris poll?

Mr. HANSEN. My question is, Does not the Senator from Arkansas believe that the American people are pretty perceptive in listening not to demagogs who talk about poor people? I do not mean to include the Senator from Arkansas as a demagog. There are some, however, who are candidates for the Presidency who, in my opinion, are demagogs, and I will not identify them because only seven of us have not yet announced our intentions to be interested in the Presidency. [Laughter.]

Is it not a fact that the American people are not as dumb as some may think they are, that they know what the facts are? They know that energy is expensive; that if we are going to have more energy, we have to pay more. They would rather pay more to Americans to increase jobs here, as much as 700,000 more, with a gross national product increase in excess of $25 billion by 1977.

Mr. BUMPERS. To my distinguished colleague from Wyoming, for whom I have the very highest regard, who is my colleague on the Committee on Interior and Insular Affairs, where we talk about this everyday, I say this: One, the Harris poll, to which the Senator has referred, asks, "Would you favor decontrol if it would result in a significant increase in production?"

Mr. HANSEN. A good, honest question.

Mr. BUMPERS. I think that is about as loaded a question as I ever heard.

Obviously, everybody is for more production; everybody is for more oil. But let me tell the Senator about a Gallup poll that was taken at the same time, which showed that 58 percent of the people in this country think they are being ripped off by big business, especially the oil companies.

Mr. HANSEN. What was the question there?

Mr. BUMPERS. "Do you think big business is charging you a fair price for their product?"

Fifty-eight percent of them answered, "No."

That goes back to the Thomas Jefferson quotation. As that figure goes up, the danger of democracy's demise increases.

I make one other point. So far as the working people of this country are concerned, completely aside from what they will have to pay if fuel prices go up, as most of us think they will—and that is a feature in this bill, the allocation feature—when the Arab oil embargo went into effect in October of 1973, from that time until this day, 33,000 independent service station operators have gone broke or have been forced out of business.

In October 1973, there were 226,000 independent service station operators in this country. Today there are 193,000. Every independent refiner, every independent distribtuor, every independent service station operator who came before our committee last week said, "For heaven's sake, save the allocations, because without them, there is no way for us to survive."

Mr. FORD. Will the Senator yield at that point?

Mr. BUMPERS. I am glad to yield.

Mr. FORD. I want to make two points on what the Senator has said.

One of the finest citizens in my com-

munity, who had been a dealer with a major oil company for over 30 years, was given his notice last week that he was out of business; they were going into the self-service business and the big major was taking over.

Our distinguished colleague from across the aisle asked about demagogs or made some reference to demagogs. I wish he were still on the floor instead of in the chair. I should like to quote an individual that I do not think he thinks is a demagog, Mr. Zarb. Mr. Zarb made a speech in Louisville, Ky., less than 2 weeks ago, explaining the President's program of decontrol: Take the prices off, we will take care of the farmers, we will take care of off-highway users, we are going to apply 90 percent windfall tax to this extra money, and we are going to give it back to the little folks.

But our distinguished colleague was talking about demagogs, and the people of this country are not naive. They know that 90 percent is not coming back to them after it gets through the sieve here in Washington. I cannot understand the intelligence of that side of the aisle supporting that type of program.

Mr. BUMPERS. I thank the Senator for his comments. I am sorry to see that my colleague has taken the chair. I do not want to take unfair advantage, but I do want to a make a couple of comments about the Harris poll. In a July sampling of 1,497 persons, the Harris survey asked this question: "Would you favor or oppose deregulation of the price of all oil produced in the United States if this would encourage development of oil production here at home?"

Of course, that is a relative matter. How much will it encourage them and how much more will they find? As I have already pointed out, production in this country went down 7 percent last year, with prices increasing 75 percent.

Here is what Pat Caddell of the Cambridge Survey Research, Inc. of Cambridge, Mass., said: He said the Harris figures contradict the surveys he has conducted on the same topic. Mr. Caddell said: "Our studies on energy basically show that the public is resistant" to paying higher prices for energy. "Partly, that is due to the belief that the 'energy crisis' is a conspiracy of the major oil companies."

The belief that there is a conspiracy among the major oil companies, that there certainly is no energy crisis and such crisis as exists has been contrived, is a common belief among the people of this country.

Finally, I was about to address myself to the proposed phaseout, and to the fact that the President said he has compromised time and time again. His precise words on television this morning were, "I have offered to compromise again and again and again."

Mr. PASTORE. Will the Senator yield on that point?

Mr. BUMPERS. I am happy to yield.

Mr. PASTORE. Only this morning, I happened to step into this Chamber and I heard the Senator from Connecticut make some accusation that we turned our backs on the energy crisis and went home in August. Let me tell the Senators, that is about the best thing we did. We went home to meet the people. That is what I did. Except for 2 days, I spent the entire month of August in my own State of Rhode Island and I talked with the people—not from behind an iron fence surrounded by Secret Service men, but walking up Main Street and talking to them, eyeball to eyeball. I am saying that the complaint in Rhode Island is that the price—the price—is too high, not that the commodity is not there. We can buy all the gasoline we want if you have the 75 cents per gallon.

We can buy all the home heating oil we want if we want to pay 50 cents, and we were only paying 16 cents in 1965.

Now we are hearing about the concessions made by the administration. Let me say it is almost an obsession on the part of this administration that the only answer that they have is to raise the price, raise the price, and take it off the back of the consumer. That is the plan.

In October of last year, when John Sawhill stood before the people on the Today show and suggested that there be a 15-cent gasoline tax, rebatable, do you know what the President did? He fired him that month. He said there would be no gasoline tax. In October, the President said there would be no gasoline tax.

I know October was in the octave of the election and they were playing against the election in November.

Then they came up here in January with a plan for immediate decontrol. Yes, we did not accept the plan, but that is the biggest favor we ever did for the President of the United States, because we saved him from his own folly. We saved him from his own folly because there would have been a disaster in this country if we had accepted that plan.

Mind you, Nixon raised it from $4.25 to $5.25 for oil that was in production before 1972. And the oil companies are making a profit. Now they want to raise the price of oil up to the OPEC level. That is what they are trying to do.

And what did they say in the Cabinet room when we went there? They said, "The only reason we do that is we do not like the two-tier system."

I said, "All right, you do not like the two-tier system. Why not take the low price? Why bring the low price up to the high price? Take the high price and bring it down to the low price. Then we do away with the two-tier system."

I had an easy answer for them. So the President thought this thing over and Zarb helped him and Simon helped him and Kissinger helped him, and everybody helped him. Finally, they said, "My goodness gracious, our plan was a phony in January, so we will come up with a new one in July."

And they came up here with one in July. But what did they do? They waited and gave us something in 5 days and we had to make up our mind in 48 hours. What did the House do? The House repudiated it.

All we are saying on this bill—and I, for the life of me, cannot understand why any Democrat cannot vote to override. All we are saying is, give us 6 months and let us see what we can do.

I went back home and when I talked to the people, I said, "Well, what they are trying to do is promote independence."

And my people said, "What? What? What does this mean, you are trying to promote independence? If you want to promote independence, cut down the supply, but do not take it off the backs of the poor."

I know if we made it $1 a gallon for gasoline. I do not think any Member of the Senate would drive less. I think we can all afford it. But how about that fellow who works in the lavatory? How about the barber downstairs? How about the waitresses? How about the people who sweep the floor? Can they pay the $1? Of course they cannot pay the $1.

How about those Rhode Islanders who have to go to Groton, Conn., to work at the Electric Boat Division of General Dynamics, every single morning, traveling 50 miles? How are they going to pay $1 a gallon? That is what this is all about.

The only way the Republicans can ever solve a problem is wham and whack and hit the consumer over the head. That is the only solution they ever have.

I say this: If there is a crisis in this country, and eventually there will be if it is not here now, we have an unemployment crisis—over 16 percent of my people are out of work in Rhode Island, the highest level in the Nation. I am not bragging about it. I say it with a sorrowful heart. But I am saying here that the answer to the problems of America is not by zooming, zooming, zooming up that price. The time has to come when we begin to use level heads.

What does the President want to do? He wants to graduate this thing and he wants to lower the price of the new oil. They want to take the old oil from $5.25, shoot it up to about $10.50, whatever the case may be. And they have it all figured out that nothing is going to happen until after the next election.

Now, is that not just too cute for words? Nothing is going to happen until after the next election. Talk about being phony, and that is how it is all figured out.

When I said, "Look, are you going to take the tariff of the $2 off?" The answer was, "No."

I undertand the President is considering, maybe for strategic purposes, that he will take it off within a month or so. What is this? What is this? Why do they not let us in on the confidence that is necessary?

When we tell them now that the President has the authority under the law to raise the price they say, "Oh, yes, that is true, but we want a partnership with the Congress." When it comes to raising the price they want a partnership with the Congress. Then when we ask for a delay of 60 days they say, "No partnership; no partnership."

The trouble today is that this has become a government-by-veto and the people had better understand what the veto is all about. This idea that the Democrats cannot do anything because they cannot override a veto, do you know you

need a two-thirds vote to override a veto? You need a two-thirds vote.

What have we got in this country today? We have the minority dragging the majority by the nose, and that is what it amounts to.

So I say without any sorrow, without heavy heart, but a gay smile on my face I am going to vote to override the veto and I will be proud of it.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, my vote to sustain the President's veto of S. 1849, the bill extending price controls on domestic oil for 6 months, is cast with the expectation that we will enact a short-term extension of controls so that we can make a final attempt to reach a compromise with the President on this important issue.

I do not now—nor have I ever—favored immediate total decontrol of oil prices. But if this veto of S. 1849—the congressional "cop out" on the energy crisis—will finally jar Congress into positive action on the energy front, then it will serve the interests of the Nation, the consumer, and the oil producer. Surely with this vote behind us, we can begin to fashion a compromise phased decontrol formula which will start us on the road to energy independence without doing harm to the Nation's fragile economic recovery.

It is for this reason that I have joined as a primary sponsor of S. 2299, the bill to extend through October 15, 1975, the existing controls over domestic oil. This should be more than enough time for Congress to come to grips with the energy crisis.

For 2 years now we have been confronted with a serious energy problem. For more than 5 years, we have been aware of the approaching problem. During this time, gasoline prices have more than doubled and our supplies have been periodically threatened. Yet Congress has not attempted to address the problem during this time in a comprehensive manner.

I believe we should face it now. I believe we should set aside the next 45 days as a period dedicated as much as is possible to full-time focus on the energy question. We should encourage joint committee sessions to iron out various opinions which exist within the committees that have jurisdiction over various segments of the energy question and will be developing legislation which becomes a part of comprehensive national energy policy.

We should cut the rhetoric—the politics—and emphasize the compromise with the goal of developing a comprehensive legislative package within the next 45 days.

Hours and hours of hearings have been conducted. Literally thousands of pages of testimony have been printed. Facts and figures have been accumulated and various programs have been espoused. The ground work is complete. What we need now is a decision—a commitment from Congress that this is where we this Nation should follow. I have little stand on energy and this is the policy doubt that this decision can be made in a careful and scientific manner within the next 45 days.

THE COST OF DOING NOTHING

I have heard about the "high cost of the President's program." I have heard about the "high cost of foreign oil," the "high cost" of certain other proposals which have been offered.

But I have not heard much yet—nor have the American people—about probably the most expensive proposition of them all—the cost of pursuing the course the Congress has followed for the past 2 years, the cost of doing nothing.

Every day that goes by without passage of a meaningful bill to increase domestic oil production, the consumer pays.

This year, the United States will pay approximately $25 billion for the oil it is forced to import. In less than a decade, unless we act responsibly and promptly, that annual cost could rise to $60 billion and that could mean a loss of jobs to American workers.

Our failure to act in the past has meant higher prices at the gasoline pump in the present. And our failure to act in the present will inevitably mean still higher prices at the pump in the future. It will also mean a steadily deteriorated balance-of-payments problem, retarded economic growth, diminished job opportunity for many American workers and more problems for all American consumers and the loss of valuable time which can never be recouped in the struggle for energy independence.

RETURN TO FREE MARKET

The sooner we return to a free market in energy, the sooner we will attain domestic energy independence and free our economy from the artificial price increase whims of the OPEC cartel. Only then will the full force of the marketplace shield the American consumer from ever-increasing, noneconomic energy prices.

Surely, within the next 45 days we will be able to work out a reasonable phased decontrol formula which will provide the economic incentive for increased domestic petroleum exploration. At the same time, we should be able to revise the cumbersome petroleum allocation system which has confused the industry and cost consumers millions of dollars. Such achievements will give the industry a solid regulatory framework within which to operate. One that will foster economic growth and, coupled with equitable conservation measures—put the Nation on the track to national energy self-sufficiency.

Mr. President, I listened with interest to the distinguished Senator from Arkansas and the distinguished Senator from Rhode Island. I heard the Rhode Island speech in February when the distinguished Senator was saying, "Give us just 30 days or just 60 days." Now he is saying, "Give us 6 months."

I have yet to hear any positive indication of a program coming from that side.

I find it easy to criticize what the President suggests, and have done so myself, but I think we are faced now with the proposition of will we do anything at all in this Congress until after the election in 1976. There will be a lot of energy directed toward that, but I am not certain toward much legislation.

It seems to the Senator from Kansas, who has some reservations about and does not favor immediate decontrol, that it should be logical to Congress if the veto is sustained, we will immediately pass a 45-day extension. It seems to the Senator from Kansas that the climate is right and the pressures are there and the American people are at least expecting some action before the end of the year; that we will, in fact, bring together all the work Congress has done—and Congress has done a great deal of work, whether it be the Finance Committee or the Interior Committee or what, there has been a great deal of constructive effort made by Members of Congress in both parties on some 8 or 9 or 10 committees of the Senate and as many on the House side.

But it is not enough to suggest that all we need to do is extend it for an additional 6 months. I can recall—the Senator from Rhode Island hints that we should not increase the price of gasoline, and certainly the Senator from Kansas would like to share that view. But it was not many months ago that the Democrats in the House were talking about a 23-cent gas tax or a 27-cent gas tax. So I would suggest it is not just fair to fault the President of the United States. It seems he has indicated more than once, and has demonstrated more than once, his willingness to cooperate as soon as the leadership in Congress, the Democratic leadership in Congress, shows its willingness.

The junior Senator from Kansas is of the opinion, with the cooperation of the leadership, Democratic and Republican leadership, in Congress and with the cooperation of the President in the 45-day period following the sustaining of the veto perhaps all this different material we have been able to accumulate can be used. But it is not enough for any Senator to stand up and say, "Give me more time." We have suggested that for 2 years. The result has been an increase of about $22 billion annually in the oil bill and a greater dependence on foreign oil.

It seems that sooner or later we must face up to the realities, and I would say the Senate Finance Committee, shortly before the August recess, did report a bill, a phaseout bill, that had a windfall profits tax. It was not a perfect bill, but it was a start in the direction, and I think, perhaps in the 45 days following the vote this afternoon, we can come up with some constructive legislation.

Finally, I want to say, the Senator from Kansas wants to say, there are problem areas. There are the independents and there were 3,000, as indicated earlier, who had gone out of business under controls, and there may be more going out of business under noncontrols, but there should be concern expressed for the independent marketer, the independent retailer, those who use propane, in this interim period where we have no program, and that is the reason for sug-

gesting, as the Senator from Delaware has and others of us, a 45-day extension.

I conclude by saying that, perhaps, this is not an easy vote; perhaps it does bring us closer to coming to grips with the problem. But it would seem to this Senator if we extend it for 6 months then we are getting into next spring, and it is easy to extend it then beyond the convention time, and then we will extend it until after the election, and in the meantime we could have had two very severe winters that would have a very sharp impact on what happens in America.

But having been a frequent critic myself of programs offered by the other side, and some by this side, I only suggest again that we can all stand up and find fault with the President's program. But I have yet to hear anyone on that side who plans to vote to override say anything about a positive program.

What is that program? What is your program? You do not have a program.

Mr. BUMPERS. Mr. President, I would like to say if this body plans to consider a 45-day extension immediately after this vote I am not aware of it. That is the first I have heard of it. I heard the President say this morning that he would sign a 45-day extension but, of course, he has got a 6-month extension on his hands, or had one, and had the opportunity to sign it yesterday and declined.

But there is one point that simply escapes me that keeps being made on this side of the aisle, and that is that somehow something is going to happen if the President's veto is sustained; that Cinderella is going to arrive.

I do not understand it. What is going to happen? We are still going to be importing 40 percent of this Nation's oil supply from the OPEC nations. Does anybody in this Chamber doubt for one moment that as long as we are getting 40 percent of our oil supplies from the OPEC nations, it is they, not us, who will be setting the world price and the price of oil in this country? Does anybody doubt after watching the major oil companies put $2 more on domestic production simply because the President put $2 on imports, does anybody doubt if the OPEC nations raise the price of oil to $100 a barrel tomorrow, that oil would go to $100 a barrel in the United States?

We talk about if the President's veto is sustained somehow or other a competitive thing is going to happen and we are all going to be happy.

Finally, one point needs to be made. The Senator from Rhode Island said it, perhaps, more eloquently than I can. But as a part of this so-called compromise the President keeps offering, which he says he has offered again and again and again, he says:

> I am willing to accept a windfall profits tax and I want a plowback provision, and then I want to rebate some of this excess profits tax that the United States takes in to the poor people who are having to pay it.

First of all, can anybody conceive of this onerous two-tiered pricing system being more convoluted than the President's proposal for a windfall profits tax and a rebate provision and a plowback? Can anybody here conjure up what the administrative expense of it is, to say nothing about how equitable it will be?

The money is going to come out of the pockets of the consumers, and it is going into the U.S. Treasury. These are the excess profits they are going to make starting tomorrow, $12 billion annually. We are going to put an excess profits tax on that amount.

But let me tell you that is only part of the story. What about the other billions of dollars the consumer is going to pay in increased airline fares, increased food costs? What about the poor farmer who is going to ripped off unmercifully, and already is paying two or three times for fertilizer what he was paying 2 years ago; what is the excess profits tax to take care of him?

All this does is to put it into the U.S. Treasury and out of the consumers' pockets.

This is the compromise the President has continued to offer this body again and again and again and I say it is not acceptable to me personally.

During this whole debate I have not impugned the motives of a single person on this side of the aisle, they have a right to think or say what they want to. But my honest belief is that this has to be construed, if we sustain the President's veto this afternoon, that it is an outrageous breach of faith with the American people.

The PRESIDING OFFICER (Mr. DOLE). Who yields time?

Mr. BARTLETT addressed the Chair.

Mr. FANNIN. I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma will be recognized for 5 minutes.

Mr. BARTLETT. Mr. President, my good friend, the distingiushed Senator from Arkansas, hypothesized what would happen if we sustain the President's veto.

The first thing that would happen is that we will be sending a message around the world that we are willing to do something about our own supplies and that we want to price our own supplies in a free market.

When I was recently in the North Sea area talking with people, representatives of the free world countries from all over the world, they could not understand why we did not take aggressive leadership in sending messages to the OPEC countries that we are dissatisfied, that we do not like the high prices.

There really is no energy plan that I see advanced by the majority party. There is a plan to keep prices controlled, to keep prices low and to deal with the so-called obscene profits, to reduce the profits. But as far as keeping prices low, this is self-defeating as was brought out by the Senator from Connecticut, because we do not totally control the prices.

The OPEC countries receive more leverage to control prices when we produce less and import more. Then we end up paying, totally, a higher price.

As far as the poor are concerned, which the Senator mentioned, this gives them less opportunity to have a higher standard of living in this country because they will not have a greater share of the available energy.

We need to look, I think, at the basic problem of our short supply and what we are going to do about it. The best way to take a big step today is to sustain the President's veto, because this would open up the opportunity for increased drilling and exploration, the chance to develop our own supplies.

I think the Senator from Arkansas, and perhaps the Senator from South Carolina, mentioned the advantages and the option of utilizing other nations' reserves and saving our own.

Mr. BUMPERS. Will the Senator yield for a question on my time?

Mr. BARTLETT. Yes, I certainly will.

Mr. BUMPERS. What is the difference in the price that a producer or an explorer is going to get for oil he finds after today if the President's veto is sustained, what is the difference in the price for a barrel of oil he finds after today and the price for a barrel he finds today while controls are still on?

Mr. BARTLETT. That is not the right question to ask, but I will answer the question.

The price is the same. But the Senator is not asking the right question. The right question is, how can we increase the incentive to find more oil.

Mr. BUMPERS. That is my very point, how much more incentive will he have?

He can charge any price the traffic will bear right now for any oil he finds. If that is enough, how can we increase it by decontrol, because he will still be able only to charge what the traffic will bear after decontrols?

Mr. BARTLETT. As the Senator from Arkansas knows, this business is not like manufacturing. The person who is going to wildcat does not know if he is going to receive any price for any oil, because he does not know if he is going to find any. He knows, if he follows statistics, that only 1 out of 8 to 10 wells drilled in wildcatting will make a discovery. Therefore, obviously, he has to have a drilling program incorporating a number of wells, based on revenues he can count on, income coming from production, not just from the prospects of drilling a well.

He could not get the financing. He could not go to a bank and say:

> I have a very good geological prospect here, if I am successful I will get a good price, and if it is productive it will pay out.

The bank would not give him the money, because the chances are, notwithstanding the fact that he is basing his drilling proposition on good geology, that the well will be dry. Therefore, it takes more than just the prospect of an adequate price. It takes enough money in order for, collectively, all the drilling operations in this country to find enough oil.

We are drilling and operating about one-third of the wells we need to operate in order to be successful.

I started to raise the question about the option of saving our energy and utilizing some other countries.

The problem with this, of course, is that we do not develop our own so we do

not have it readily available. Also, in the process we have become completely dependent, which has a very high penalty. It has a penalty of high prices and low supplies, greater dependency, and finally we get down to a matter of national security.

I would like to mention quickly one other thing that bothers me very much. There have been accusations made about high profits, "obscene" profits.

I do not think these accusations have been proved. Yesterday, at our committee we had a very enlightening discussion from the chairman about the needs of more domestic energy. At the time we were marking up a bill, the National Energy Mobilization Act, which he called the last of his important energy bills, he brought out the fact that one of the reasons for this bill is that there is not enough drilling, that there is not enough capital, and that we need to put the Federal Government in the energy business in order to do the drilling that is necessary.

Well, it looks to me as if he is wanting it two ways. On the one hand, he advocates controlling prices, reducing profits, which of course makes it impossible for free enterprise to do the amount of drilling that is necessary. Then, on the other hand, to open up the door for the Federal Government, because there is a need for more capital to do the amount of drilling that is necessary.

This is clearly inconsistent and is a manipulation of the facts to, apparently, achieve the purpose of nationalization of the oil industry.

I think this would be a disaster because I think that this Government would deliver oil just as efficiently and successfully as it delivers the mail.

Mr. FORD. Will the Senator yield for a question?

Mr. BARTLETT. Yes, I yield to the Senator.

Mr. FORD. For two quick questions.

Mr. FANNIN. On his own time.

Mr. FORD. Will the Senator give me a couple of minutes?

Mr. JACKSON. I yield to the Senator.

Mr. FORD. How many independent proprietors are there in the State of Oklahoma?

Mr. BARTLETT. I do not know the number offhand. We have a number.

Mr. FORD. How many major refiners are there in Oklahoma?

Mr. BARTLETT. We have a number.

Mr. FORD. How many in numbers, does the Senator know?

Mr. BARTLETT. I actually do not know the number.

Mr. FORD. The Senator does not know the number of major refiners; 66, I know that. The Senator does not know how many major refiners, and what will that do to the independent refiners in Oklahoma?

Mr. BARTLETT. I will say what this will do. The interesting thing is a lot of Americans believe the idea that eliminating controls will help the majors. But really, eliminating controls will help the consumers. Some companies have enjoyed large subsidies, at the consumer's expense.

Amerada Hess, for example, had a subsidy, $147 million in 8 months. Also, Koch Industries has benefited substantially.

But fortunately these two companies are now saying they do not like controls, because the consumers are paying more. They courageously placed a big advertisement to this effect in several major papers.

The problem with this bill is that some major companies receive benefits. There are some independents receiving benefits at the expense of the consumer, and there are, on the other hand, some independents who may need some help.

Mr. FORD. The Senator knows very well the independents are going to be less and less and the majors stronger and stronger. The Senator from Arkansas asked a question, how much more per barrel if we sustain the veto today will the driller receive tomorrow than he is receiving today, and the Senator stated none, but the President is saying to take 90 percent, a 90-percent-windfall profit away from that individual, and does not that very fact indicate that we are taking away incentive?

Mr. BARTLETT. Is the Senator talking about the windfall profits taking away incentive?

Mr. FORD. I am talking about having money to drill, when the President is saying, take away 90 percent of that, does that not take away incentive?

Mr. BARTLETT. I am not sure I understand the question, but if the question is, do I favor the windfall profits tax, I do not, and I think if we do have one we should have 100-percent plowback.

Mr. FORD. The Senator is not in favor of windfall profits tax?

Mr. BARTLETT. No, because I do not think there is need for one.

There has been a survey made that showed for the 30 companies that are followed by Chase Manhattan Bank that they are investing for exploration, drilling, and all the rest more than their profits.

Mr. FORD. Then the Senator is against a windfall profits tax?

Mr. BARTLETT. Yes.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. How much time remains for each side?

The PRESIDING OFFICER. Each side has 10 minutes remaining.

Mr. BUMPERS. I will yield a couple of minutes to the Senator from Louisiana.

Mr. LONG. Mr. President, the existing program does subsidize. This program, which is a controlled program, was not put there for the purpose of subsidizing the small refiners, but it does. It was not put there for the purpose of subsidizing the small retailers, but it has that effect. I can understand their concern. I discussed this with Mr. Zarb yesterday. He assured me that this administration would do everything in its power to continue those subsidies as long as they can be justified. The administration favored a 3-year phaseout bill.

While sitting here I just received a letter a few minutes ago, signed by the Acting Secretary of the Treasury, bearing out Mr. Zarb's comment. To assure competition and avoid a sudden adverse impact on small refiners, the administration requests that legislation be enacted to continue these subsidies and that they gradually be phased out over 3 years which, of course, is the period during which the administration favors phasing out the controls.

In addition, Mr. Zarb told me that the administration is going to recommend legislation similar to that which was enacted for the independent automobile dealers. It would prevent the small independent retailers from being adversely affected by losing the subsidies they enjoy as a result of this control program.

Furthermore, Mr. President, I am pleased to say that the administration approves of the legislation recommended by the Finance Committee for tax on any windfall profits that might be made out of this situation. It is good to know that is the case.

While I have the floor, I would like to say that we had our committee analyze these very astronomical so-called costs.

The PRESIDING OFFICER. The 2 minutes have expired.

Mr. LONG. Will the Senator yield 1 more minute?

Mr. FANNIN. I yield.

Mr. LONG. This has been referred to as a so-called $26 billion impact of decontrol.

We find, like anything else, when you use the computer the answer is no better than the assumptions you cranked into it. The assumption was that the $2 import fee was going to remain, a very important fact. If you eliminate that, and if you take into effect certain other things—such as the fact that a lot of natural gas is under control and would remain so—this $26 billion figure reduces down to $7.85 billion.

I shall put this in the RECORD.

Those figures are badly in error because their assumptions are badly in error. For example, their assumptions assume that the $2 a barrel import tax would continue.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter I have mentioned from the Acting Secretary of the Treasury and the revised analysis by the Library of Congress on the impact of decontrol.

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

SECRETARY OF THE TREASURY,
Washington, D.C., September 10, 1975.

Hon. RUSSELL B. LONG,
Chairman, Finance Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Should the Senate vote today to sustain the President's veto of S. 1849, price controls will not be reimposed. While the President has indicated that he would still attempt to compromise on a phased plan, a windfall profits tax will be necessary if this effort fails.

In the event this occurs, we believe assistance should be provided to small farmers and independent refiners to ease the transition to a free market.

FARMERS

Farmers are faced with rising production costs generally and fuels represent about three percent of the cost of farming.

To reduce any added inflationary pressures on food, the Administration requests that a direct tax rebate be provided on the increased price of gasoline and diesel oil as a result of decontrol.

The rebate, which would amount to about six cents per gallon, should be aimed at the smaller farmer. This could be accomplished by either a gross income or a maximum rebate limitation.

While a full rebate to all farmers could cost about $450–500 million annually, a limitation to those that need it the most—small farmers—could cut this cost to $100–150 million.

SMALL AND INDEPENDENT REFINERS

Small and independent refiners have received some form of protection since 1959.

Under the Mandatory Oil Import Program a "sliding scale" was used to provide greater than proportionate shares of imports.

Under the Old Oil Entitlements Program, provision was made for a "small refiner bias" which effectively duplicated the maximum subsidy under the oil import program (about $.74 per barrel for refineries of less than 10,000 barrels per day and decreasing to zero for refineries greater than 175,000 B/D).

To ensure competition and to avoid a sudden adverse impact to small refiners, the Administration requests that legislation be enacted to continue these subsidies and that they be gradually phased out over three years.

Such protection could cost $225 million in the first year.

These rebates should be provided out of the revenues collected from a windfall profits tax on old oil. The basic approach of the Finance Committee's windfall profits tax is acceptable to the Administration. We will be happy to work with the Joint Committee staff to make the appropriate modifications.

It is also essential that the remaining revenues raised by the windfall profits tax net of the refunds to farmers and small refiners be returned to the American consumer. The rebates should not exceed the revenues raised by the tax and should be directed primarily to individuals.

We would welcome the opportunity to review these proposals with you and develop the detailed mechanisms to be used.

Sincerely,

STEPHEN S. GARDNER,
Acting Secretary.

IMPACT OF DECONTROL OF CRUDE OIL PRICES

The Congressional Research Service of the Library of Congress issued, under date of August 6, 1975, a paper entitled "Analysis of Senate Finance Committee Deregulation Windfall Profits Tax." This paper contains several portions analyzing the impact of decontrol on petroleum prices, coal prices, and unregulated natural gas. It also projects the ripple effect of such price increases on the economy. The Congressional Research Service was requested to recalculate the impact of decontrol assuming removal of the $2.00 import tariff in conjunction with decontrol and with certain modifications in their assumptions as to price leadership effect of higher crude prices on natural gas liquids, unregulated natural gas, and coal.

The original and revised portions of the August 6th paper are set forth below, with explanation of the requested modification of assumptions used in the August 6th paper.

ORIGINAL

5.1 Status quo and decontrol costs for crude

At this juncture, the average crude cost is composed of the composite of controlled old oil, imported crude and uncontrolled domestic oil. Our national crude bill is composed of these elements:

Old crude=5.4 mbd×365×$5.25 equals	$10.3b
"New crude=2.9 mbd×365×$13.50 equals	14.3b
Foreign crude=6.5 mbd×365×$14.50 equals	34.4b
Total	59.0b

This $59.0 billion, divided by 5.4 billion bbls annual crude consumption, yields an average crude price of $10.96 bbl.

Under immediate decontrol, old oil would by 1976 jump to $13.50, an increase of $8.25/bbl, equal to a $16.3 billion escalation (5.4 mbd × 365 × $8.25) in the price of crude and hence in oil fuel users bills. A barrel of crude will now cost $59.0b plus $16.3b at 5.4 bil. bbls equals $13.94, a jump of $2.98/bbl, or $7.1c per gallon of typical refined product.

This assumes a one-for-one crude cost pass through to refined production. In any case, consumers will be paying $16.3 billion more annually for the same amount of crude.

Source: Lib. Cong. CRS August 6 Study.

REVISION

The Congressional Research Service was requested to recalculate the increase in the average crude price if it is assumed that there is decontrol accompanied by removal of the $2.00 tariff, and also assuming there is a decline in production of "old" crude of 300,000/bd in 1976. (See note below)

Our national crude bill for 1976 is composed of these elements, assuming continuation of controls, and the $2.00 tariff, but assuming a reduction of "old" crude by 300,000 barrels per day and a corresponding increase in foreign crude by 300,000/bd:

old crude=5.1 mbd × 366 × $5.25 equals	$9.8b
"new" crude=2.8 mbd × 366 × $13.50 equals	14.3b
foreign crude=6.8 mbd × 366 × $14.50 equals	36.2b
Total	60.2b

This $60.2 billion, divided by 5.4 billion bbls annual crude consumption, yields an average crude price for 1976 before decontrol of $11.15/bbl. Assuming decontrol, and removal of the $2.00 tariff, our national crude bill for 1976 is composed of these elements:

Old crude = 5.1 mbd × 366 × $12.00 equals	$22.4b
"New" crude = 2.9 mbd × 366 × $12.00 equals	12.7b
Foreign crude = 6.8 mbd × 366 × $12.50 equals	31.1b
Total	66.2b

This $66.2 billion yields an average crude price, after decontrol and removal of the $2.00 tariff, of $12.26/bbl, a jump of $1.11/bbl, or an increase of 2.6 cents per gallon of typical refined product. As in the August 6 study, this assumes a one-for-one crude cost pass through to refined production. In any case, consumers will be paying $6.0 billion more annually for the amount of crude, assuming decontrol accompanied by removal of the $2.00 tariff.

Source: Library of Congress Congressional Research Service calculations, based on Committee staff assumptions stated above.

Note: Basis for application of 300,000 bd decline rate to 1976.

Since recent estimates indicate the decline rate in old oil is about 500,000 bd per year, it is reasonable to apply a 300,000 bd decline to 1976. Source: Finance Committee Hearings on H.R. 6860, July 14, 1975, p. 441; Hearings before Subcommittee on Energy and Power of House Interstate and Foreign Commerce Committee on July 28, 1975, page 1 of FEA analysis "The Economic Impact of the President's 39 Month Decontrol Proposal."

ORIGINAL

4.0 A role for natural gas liquids

NGL production is assumed to stay constant at its current 1.6 mbd production level throughout this analysis time frame.

We have also assumed that price increases will average $5 per barrel, increasing from roughly the present $5 area to about $10 per barrel with decontrol. This assumption is made in light of very sparse and nonhomogeneous data on current prices, and as such, represents a crude estimate.

4.1 Producer revenues from NGL decontrol

The gross revenue calculation for NGL decontrol is 1.6 million barrels per day times 365 times $5, which yields $2.9 billion annually in producer revenues and consumer costs.

Source: Lib. Cong. CRS Aug. 6 Study.

REVISION

The Congressional Research Staff was requested to recalculate the increase in producer revenues from NGL decontrol using the assumption that price increases in natural gas liquids as a result of decontrol will be the same as the increase in the average price of crude under decontrol, or $1.11 per barrel equivalent. As recalculated the increase in producers' revenues and consumer costs is $650 million (1.6 million barrels per day × 366 × $1.11).

Source: Calculations by Lib. Cong. CRS per Committee staff assumption.

Basis for Relating NGL price increase to crude price increase—FEA indicates the relationship of controlled and uncontrolled natural gas liquids to total domestic NGL, while complicated, is approximately the same as the relationship of controlled and uncontrolled crude to total domestic crude and should have a parallel price increase on decontrol.

ORIGINAL

5.2 Effect of decontrol on intrastate natural gas

Oil fuels price leadership can be expected to steadily escalate unregulated natural gas to a new Btu parity level with average priced crude based fuels. Assumptions here are:

11 bil. mcf/year in unregulated gas sales;

A gas/oil Btu equivalence rate of 1 mcf=.17 bbl; and

30% of gas is sold under contracts which prohibit price hikes.

Hence we can calculate that decontrol will increase the cost of natural gas by $3.9 billion yearly (70%×11b Mcf×.17×$2.98).

Source: Lib. Cong. CRS Aug. 6 Study.

REVISION

The Congressional Research Service was requested to recalculate the effect of decontrol on Intrastate natural gas using the assumption that only 40% of unregulated natural gas sales are affected by price leadership of oil fuels and that unregulated natural gas sales are 7.3 bil. mcf/year. Under these assumptions decontrol will increase the cost of natural gas by $0.6 billion yearly (40%×7.3b Mcf×.17×$1.11).

Source: Calculations by Lib. of Cong. CRS, based on Finance Committee assumptions.

Basis of 40% assumption: 1) 30% of intrastate gas is sold under contracts prohibiting price hikes; 2) gas in intrastate sales is affected only by competitive conditions in the state where it is produced, evidenced by new contracts executed at prices substantially below the average price of crude measured by equivalent BTUs; 3) natural gas used by utilities and heavy industry competes primarily with No. 6 residual oil, which oil is already priced at or near the world market price and should experience very little price increase with decontrol; 4) residential and small commercial sales of gas are subject to State regulation; and 5) the 1973 increase in price of

crude had limited impact on intrastate gas sales prices.

Basis of 7.3 bil. mcf total for unregulated sales: The Federal Power Commission news release No. 21456, June 6, 1975, indicates total regulated gas (including a small amount of unregulated gas) was 12.9 bil. mcf for 1974 and declining. FEA indicates unregulated natural gas is about 38% of total natural gas production in 1976 of 19.1 bil. mcf.

ORIGINAL

5.3 Effect of decontrol on coal

A similar calculation is in order for coal as has been performed for gas above. The parameters at work here are:

600 mil. ton/year in domestic coal consumption;

4 to 1 Btu parity rate with oil; 1 ton of coal=4 barrels of heavy oil fuel; and

Because coal is an inferior fuel to oil and because of the action of long term contracts, this Btu convergence process will only be 50% effective in 1976.

The oil price effect on coal may be calculated therefore as $3.6 billion (600 mil tons X 4 X 50% X $2.98).

Source: Lib. Cong. CRS Aug. 6 Study.

REVISION

The Congressional Research Service was requested to recalculate the effect of decontrol on coal prices, using the assumption that only 25% of coal sales are affected by oil fuels price decontrol. Using this assumption, decontrol will increase the cost of coal by $0.6 billion yearly (25% X 600 mil tons X 4 X $1.11).

Source: Lib. Cong. CRS calculations based on Finance Committee Staff assumptions.

Basis of 25% assumption: 1) Over 80% of coal used by utilities is under long term contracts (Source: Federal Power Commission news release No. 21621, August 7, 1975); 2) Coal used by general industry is similarly under long term contracts; 3) Coal used in coking is not competitive with crude oil prices because of its special qualities; 4) coal used as industrial fuel competes primarily with No. 6 residual oil, which is already priced at or near the world market price and should experience little or no price rise with decontrol.

5.4 Cost consolidation

The aggregate price increases per the original August 6th analysis, and per the revision based on removal of the $2.00 tariff and modification of price increase impact on NGL, unregulated natural gas and coal, is as follows:

	August 6th Analysis	*Revision*
Crude oil	$16.3 bil.	$6.0 bil.
Natural gas	3.9 bil.	.6 bil.
Coal	3.6 bil.	.6 bil.
NGL	2.9 bil.	.65 bil.
Total	$26.7 bil.	$7.85 bil.

These amounts are the annual cost of fuel increases to consumers in 1976, the first full year in which all decontrol impacts are felt. Quite obviously, removal of the $2.00 tariff and more reasonable assumptions as to impact of crude oil price increases on prices of related products results in a much more limited impact of decontrol. As shown under Para. 5.1, there is an increase of 7.1 cents per gallon of typical refined product upon decontrol, using the assumptions of the Library of Congress Congressional Research Service in the August 6th analysis, and only 2.6 cents a gallon increase in refined products under the assumptions in the Revision. (Calculations by Library of Congress CRS in both cases.)

The aggregate increase of $26.7 billion under the August 6th analysis directly adds over 1½ percentage points to the price level of a $1.6 trillion GNP, which is amplified, using a 50% ripple effect, to $40.05 billion, or 2½ percentage points of inflation. On the other hand, the aggregate increase of $7.85 billion under the Revision directly adds less than half a percentage point to the price level of a $1.6 trillion GNP, which is amplified using a 50% ripple effect, to 11.7 billion, or about ¾ths of a percentage point of inflation. These do not take into account the impact of tax rebates under a windfall profits tax.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. MANSFIELD. Will the Senator yield for the purpose of my asking some questions?

Mr. BUMPERS. I will be happy to.

Mr. MANSFIELD. If the veto of the President is upheld, what will happen to the airlines?

Mr. BUMPERS. Mr. Ignatius testified before the Committee on Interior and Insular Affairs about a week ago that this would cost about $1.3 billion.

Mr. MANSFIELD. Would that mean the elimination of some routes?

Mr. BUMPERS. It would undoubtedly eliminate some.

Mr. MANSFIELD. Will it mean the laying off of employees?

Mr. BUMPERS. 40,000 employees would be discharged.

Mr. MANSFIELD. What would be the effect on the independent refiners, if the veto is upheld, especially along the northern tier, who depend upon the majors for what they get?

Mr. BUMPERS. All of them, as well as the executive secretary, testified that they expected to be eliminated in the next few months. It is not only that, but the trend would be so irreversible, once decontrol goes into effect, and the adverse effect on them would be so devastating that before the Congress could really realize what happened to them, they would be out of business before we could rectify it.

Mr. MANSFIELD. What about the marketers, the service station operators?

Mr. BUMPERS. We had one gentleman who displayed two leases, one for $9,000 a year and next year's lease for $18,000 a year, plus what he said was unbelievable pressure to sell more gasoline.

Mr. MANSFIELD. What is the FEA posted price on gasoline at the moment? Does the Senator have any idea?

Mr. BUMPERS. 59 cents.

Mr. MANSFIELD. I must have gone to the wrong station because premium was 67.9 cents and ordinary gas was 64.7. They were both FEA posted prices. What is going to happen to the price of gasoline if the veto of the President is upheld?

Mr. BUMPERS. Nobody can answer that. The President keeps talking about 3 cents.

Mr. MANSFIELD. Is it going up or down?

Mr. BUMPERS. It is going up. Most estimates are that it will go up at least 7 cents.

Mr. MANSFIELD. The OPEC countries are meeting on the 24th of this month. When they met last spring they said at their fall meeting, the one coming up, they were going to consider raising prices by approximately one-third. What will that do to the price structure for the ordinary working person?

Mr. BUMPERS. I could not say in dollars and cents, but I can say that the price of domestic production will rise accordingly.

Mr. MANSFIELD. I thank the Senator. I hope we understand the economic facts of life. Too many Members on the other side have said they are not in favor of abrupt decontrol but they want to support the President and they will vote to uphold the veto. The Senator from Kansas indicated that we were spending too much time and energy looking toward the next Presidential election.

As a matter of fact, we spent an awful lot of time on energy legislation. I believe every energy bill has been reported out except the one which the Senator from Washington (Mr. JACKSON) started to mark up on yesterday, creating an energy production board.

The trouble is that we have passed six or seven bills of major significance in the energy field, but they are lying fallow in the House. We are caught up with it. We have a program. We want a little more time. The way to get enough time is to vote to override the President's veto.

Mr. CRANSTON. Will the Senator yield for a unanimous-consent request?

Mr. BUMPERS. I yield.

Mr. CRANSTON. I ask unanimous consent that Ann Wray of my staff and Mark Schneider of Senator KENNEDY'S staff have the privilege of the floor during the consideration of this legislation.

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

Mr. BUMPERS. I have one question, and if any of those who will vote to sustain the President's veto would like to answer it on their time, I would be happy for them to do so.

Since the first of the year, we have enjoyed an international trade balance. It runs perhaps as high as $2 billion during the first 8 months of this year.

After decontrol, if all domestic production rises to the OPEC price, which it certainly will, and continues to meet the OPEC price, and we still can maintain a balance of payments favorable to the United States, why should we not buy OPEC oil? Any other policy is really a drain-America-first policy, is it not, as long as it is all at the same price?

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. I yield 3 minutes to the Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that George Jett and Bruce Thompson of my staff be granted the privilege of the floor during the consideration of the energy bill.

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

Mr. ROTH. Mr. President, I regret that I am addressing this Chamber this afternoon on whether or not the President's veto of S. 1849 should be sustained or overriden. I had hoped that a compromise solution to extension of price controls could be accepted earlier this week to avoid this confrontation.

I intend to vote to sustain President Ford's veto. However, I do not support

immediate and total decontrol of oil prices. And I have consistently voted against this position.

I believe it is clear that immediate and total decontrol of all oil prices could have an unacceptable inflationary impact on our already struggling economy and would threaten thousands of jobs when unemployment already totals 9 millions of Americans. This result must be avoided at all costs and it is apparent from his veto message that the President shares my concerns and seeks a short extenion period for price controls to work out the framework of a phasein price decontrol policy.

After our vote on S. 1849, I will move for immediate action on my proposal to extend controls for a "45-day cooling off period" if the President's veto is sustained. At this time 30 Senators have joined in support of this compromise and I am confident it will have the support of a large majority of the Members of the Senate and the House.

A 6-month extension in my view is too long. It will not move us toward the goal I believe a great majority of us seek—a viable compromise energy plan which stops our heavy reliance on high-priced foreign oil and increases our domestic production of energy.

It is clear from the last 8 months of confrontation that no acceptable solutions will be forthcoming until the President and the Congress can establish a common ground for agreement on energy. We were close to this result before our August recess and what is needed is a short period to pull together the key elements of compromise being considered at that time.

Mr. President, I believe the American people are looking to the Congress for action now on drawing the various points of view together on a national energy plan. I believe the first step is to reach compromise on a short interim extension of price controls which will convince the American public of our resolve to work this out quickly. It will also prove to OPEC that our decisions are not dictated by their leadership but by what we know to be the best for the future of our Nation.

Mr. President, I should like to point out an editorial which appeared in the New York Times of September 9, 1975, entitled "And One to Sustain." The editorial reads as follows:

President Ford's indicated willingness to accept a 45-day extension of oil price controls removes any compelling reason for the Senate to vote tomorrow to override his veto of continued controls. The national interest in fashioning a comprehensive program for energy conservation and development will best be served if Congress uses the proposed extension to cooperate with the White House in a gradual phase-out of controls, coupled with a dependable plan for reducing United States dependence on imported petroleum.

Unfortunately, most of the evidence thus far suggests that the dominant Democrats in Congress—and most Republicans as well—regard any fundamental approach to saving oil, such as sharply higher taxes or rationing, as too politically dangerous. Their proposed six-month extension of controls is simply an evasion of responsibility. All year long the Capitol Hill leaders have been asking for "just a little more time" in which to come up with a program their members will support. The 45-day truce represents yet another test of their sincerity.

As I have indicated, Mr. President, if the President's veto is sustained, later this afternoon I intend to seek the authority to bring up my bill to provide a 45-day extension.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JACKSON. What is the time situation?

The PRESIDING OFFICER. Each side has 4 minutes remaining.

Mr. FANNIN. I yield 2 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, the central issue here, I think, is whether or not the United States is going to try to achieve as great a degree of divorcement from dependence on foreign sources as possible. The fact of the matter is, the OPEC countries make an enormous profit on the oil that they sell. It probably, on the average, costs them 50 cents a barrel to produce it, but it costs a heck of a lot more than that in the United States.

The question is, are we going to give the money to the Arabs, or to American workers and American industry?

It is said that perhaps OPEC will raise its price. That is all the more reason for us to free up the price of oil in this country. It would bring us upward of 750,000 additional barrels a day. Why? Because, through secondary and tertiary recovery, you cannot produce oil for $5.25 a barrel.

The problem is that our friends in the consuming States years ago locked themselves into a political position that is now economically untenable, and they feel unable to back down from it. We have had a lot of impassioned speeches here today that I am sure impressed the galleries, but I say to the Senate, if you want to think in terms of long-term stability of price, if you want to deliver the American people from the bondage of the Middle Eastern oil barons, you had better free up the American oil industry.

We have heard a lot of stuff about major oil company profits. Eighty percent of the oil found and produced in this country is produced by independents. They sell it to the major oil companies.

The only thing this Congress has done in the way of significant oil legislation has been to kill the depletion allowance, and when we did that, we sent American drilling activity into a decline.

If you want to become dependent on external sources, maybe Texas, Louisiana, and Oklahoma could secede from the Union and join OPEC, because it seems to me that what you are doing is saying, "We are going to pillage your resources at a price we choose to pay."

I heard my friend from Rhode Island make a very impassioned speech. Is he willing to have refineries in his State? Is he willing to have drilling offshore in his State?

I submit that the Northeast has not faced up to the need for increased domestic production. They refuse to have refineries, and they refuse to have drilling off their shores. They insist that we in the Southwest take the risk of pollution and that sort of thing, and sell oil and gas to them at a price they choose to pay.

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

Mr. TOWER. No, I will not yield.

Mr. PASTORE. The Senator mentioned my name.

Mr. TOWER. I am merely responding to what the Senator said.

Mr. PASTORE. I have an answer for the Senator.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. The Senator from Washington has 4 minutes remaining.

Mr. JACKSON. Mr. President, it has just been said that we must free ourselves from the bondage of the cartel. The issue before the Senate, Mr. President, is very clear. That is, if the veto is sustained, we will place our free enterprise marketing system in this country in bondage to the OPEC countries. That is the issue. It is very simple.

The only reason why we have had price controls and fuel allocation is because of OPEC and the oil cartel. We did not put them on for the sake of putting on controls. We put those controls on so that the American market price would not be dictated by the oil cartel; and our prices were raised under the law.

The facts are—and they are very clear on this point—that the President has full authority under the law as it existed up until August 31 to increase the price of oil without coming to Congress, as long as he does not decontrol it. The hitch is that the President of the United States is unable or has not seen fit to test his own regulations. His own regulations require that if he increases the price of the old oil, he must justify it. The President knows he cannot justify it under these regulations, and he is asking the Congress of the United States to turn around and do legislatively that which he cannot do administratively under his own regulations.

Mr. President, I think the issue is clear. If we do not override the veto, we are going to have one of the greatest transfers of wealth in history.

Mr. President, we will have ever-increasing energy prices that can only serve to benefit a foreign cartel and major oil companies. We will assure our continued vulnerability to energy and economic blackmail from abroad, and our continued inability to move the country out of the current recession at home. Our only choice is to vote to override this veto now, this afternoon.

In his veto message, Mr. Ford unequivocally states that an extension of price controls "would cost needed jobs and dollars." And yet, his administration has offered not one scintilla of evidence to document this contention. To the contrary, even FEA estimates show that decontrol will cost some American workers their jobs. And studies by the Congressional Budget Office, the Library of Congress, distinguished independent economists and several congressional commit-

tees point to a sharp jump in unemployment caused by decontrol. As many as a half million to a million men and women may lose their jobs because of the President's veto. The decontrol of oil prices will also force the consumer price index sharply upward: 1.3 percent in 1976 and 2.5 percent in 1977. The hallmark of this administration is fast becoming "fewer jobs and higher prices."

Yesterday the President spoke of dollars as well as jobs. He did not say where these dollars would go in the event of decontrol. Mr. President, let me address myself to that issue briefly.

The major integrated oil companies will realize staggering profits from decontrol. In fact, the enormous profits the industry received in 1974 at the courtesy of the OPEC cartel will be duplicated and even exceeded if price controls are lifted. The American consumer will pay for these profits. However, the blame in this case rests squarely, not on OPEC, but on the President and the supporters of his program.

The top seven oil producers will receive nearly $8 billion in additional revenues as a direct result of decontrol, which will cause the value of crude oil inventories and reserves to soar virtually overnight. The top 20 companies will receive $12 billion from Mr. Ford's veto. Who will pay? American consumers.

They should call it a pocket veto—because that is where it is going to hit the American public.

Mr. President, decontrol will result in fewer American jobs, not more. It will result in higher prices for consumers, not lower prices. To contend otherwise suggests one is oblivious to reality. It reminds me of something Henry Adams said:

The art of practical politics is ignoring the facts.

If that is the case, Mr. Ford is the Nation's premiere practical politician.

Yesterday's veto message also addressed the question of compromise. But it is all too clear that compromise for Mr. Ford means only how fast and how steep energy prices should rise. What kind of a compromise is this? And what kind of a solution to our energy problems? It will not expand petroleum supplies. In fact, the average price of a barrel of domestic crude oil has jumped from under $4 in 1973 to over $8 in 1975. But during the same period domestic oil production declined. Nor will higher prices—rationing by price—effectively curtail consumption. Gasoline prices have jumped from 38 cents to 60 cents, nearly 25 cents per gallon, since 1973. Despite this abrupt increase in price, demand for gasoline this summer was at an all-time high.

It is reasonable to ask at the outset why the President came to Congress to ratify the higher prices he and the oil industry want. Mr. Ford had authority to increase old oil prices unilaterally before the Allocation Act expired; he will have that authority again if the veto is overridden.

Section 4(a) of the act simply requires that the President promulgate a regulation providing for the allocation of crude oil, residual fuel oil and refined products at "prices specified in—or determined in a manner prescribed by—such regulations."

The regulations President Nixon promulgated to implement this provision exempted new oil—oil discovered after May of 1972—from all price controls. They also allowed producers to free one barrel of old oil from controls for each barrel of new oil they produced or discovered. The act itself exempted from controls all oil produced from stripper wells.

Today, 40 percent of all domestic oil has been phased out or exempted from price controls. Further phased decontrol continues automatically as reservoirs are depleted and the production of controlled old oil declines and the production of uncontrolled new oil rises. In effect, the regulations promulgated by President Nixon will result in phasing out price controls for 80 percent of all old oil over the next 6 to 10 years.

Mr. President, I am troubled that if Congress sustains this veto, beyond its dire economic consequences, the public and press will be led to the erroneous belief that the Nation possesses a national energy policy, albeit one which rests almost entirely on higher energy prices. Nothing could be further from the truth. The House now has a comprehensive energy bill before it; the Senate passed a number of major energy bills before the August recess. I fear that these important initiatives will be lost, and the sense of urgency which accompanied their passage, merely because the administration has so narrowly confined energy policy debate to the issue of price.

Mr. President, energy independence cannot be bought; it must be won. This will require implementation of the kinds of programs upon which the Congress has worked long and hard: Expanding research and development in alternate energy sources, mandating fuel economy and conservation standards, creating a system of strategic petroleum reserves and increasing utilization of coal.

I strongly urge my colleagues to override the President's veto and to get on with these important tasks.

The PRESIDING OFFICER. All time of the Senator from Washington has expired. The Senator from Arizona has 2 minutes remaining.

Mr. FANNIN. I yield 2 minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, the question has been asked, what will happen if such and such takes place? I ask again, what has happened?

We have controls. It is that which the Senator from Washington and others seek to continue. We have had controls for the past 2 years. So the proper question is, what has happened in the past 2 years? The airlines: Curtailments and unemployment. Unemployment throughout the United States, the greatest in history, or close to it. The price of gasoline soaring. And on and on.

What will happen? I can only imagine that what will happen will be considerably beyond the record of this country under controls. That is the record; that is not speculation.

Mr. President, I think it is very clear that when we were confronted with a crisis as far as price was concerned, we had two alternatives. Price is determined by both supply and demand. We did not have the guts to do anything about demand. We did not do anything to cut down on consumption.

The solution that both the Republicans and the Democrats wanted was to raise prices. Increasing tariffs was originally a Democratic policy.

We are unwilling to do anything about demand, but we do have a chance to go ahead and do something about supply, about getting more of the commodity on stream.

If we do nothing about supply, if we do nothing about demand, we are stuck with the situation we have today and God knows I do not want that for me or my kids.

The PRESIDING OFFICER. Time has expired.

Mr. HUGH SCOTT. Mr. President, we are currently engaged in a crucial decisionmaking process which will profoundly affect our country's energy policy. Our decision will, quite naturally, have far ranging effects on the various segments of our Nation. As we debate the issue, I would like to bring to my colleagues' attention the plight of the independent producers, refiners, and retailers.

As we all are aware, the independent's produce and retail a substantial percentage of our total petroleum capacity. Without their efforts, our energy situation would be even less optimistic. Their plight illustrates the wisdom and necessity of President Ford's proposed gradual decontrol of oil prices. There can be little question that the price controls have badly hindered our country's drive for energy independence and that they must be removed. At the same time, the sudden shock of immediate decontrol may cause tremors that would break apart the financial structures of many of the independent companies. Mr. Thomas Anderson, executive director of the Pennsylvania Service Station Dealers Association, advises me that there is a strong possibility that the dealers may get caught in an economic squeeze. If, for example, the average retail price of gasoline would rise slower than the increased cost of crude oil, independent dealers would have greatly increased costs without the necessary concomitant rise in revenues to cover those costs. Otherwise the independent refiner faces the same pressures. Considering the limited financial resources of many of these companies, it would be only a matter of months, perhaps weeks before the specter of bankruptcy would appear.

Such a development would increase our unemployment problems on three different levels. First would be the employees of independents themselves. Second, would be the employees of the industries dependent upon the business of the independents either at the supply or the production end. Third, would be the loss of

energy and the concurrent forced closing of industries that are starved for fuel.

Mr. President, these real, economic problems are too important to be ignored. We must move now to protect the independent producers, refiner and retailer. I urge my colleagues in the Senate to accept President Ford's realistic compromise of a gradual phaseout of oil controls.

(Additional statements submitted in connection with the veto of S. 1849:)

Mr. MUSKIE. Mr. President, today we face the moment of truth in the year-long struggle between Congress and the President on energy prices in America.

A majority of Congress wants to control domestic petroleum prices. The President wants to cut those prices loose. The Senate must override the President's veto if the American people are to be spared unnecessary and unfair increases in petroleum prices and indeed for virtually everything they buy.

We have heard the arguments that we do not need to block the President's plan to decontrol oil. Supporters of high energy prices argue that if we support the veto of our bill to continue price controls on oil, the President will support a 45-day price control bill followed by a 39-month plan to gradually increase oil costs to Arab price levels.

But what is the President really saying? This congressional bill he vetoed would have held oil prices near their present level for 6 more months while we complete our work on an energy policy. The President offers us an extension of only 45 days. With 6 months, I believe we can develop a policy which meets our energy needs at a much lower cost to every American than the sky's-the-limit oil price policy the President advocates. If we show weakness in this vote today, we will be telling the President he can have his way on his wrong-headed plans for a rapid escalation of oil prices.

The people from my part of the country have earned the reputation of "Yankee traders" because they know how to make a bargain, and they recognize the costs of a bad one. We will not have a strong bargaining position to protect the American consumer from the President's energy policy if we lose this vote today. We need to show the administration that Congress is not willing to accept the administration's decontrol plans.

We do need a new national energy policy, but we need it on terms which protect the American consumer. The President does not offer such a policy. Congress should reject his veto of price controls. The outlines of a reasonable energy plan are emerging in the Congress. But that plan will never be enacted if we do not send the White House a message that we mean to hold the line on energy costs and energy company profits.

Mr. President, I ask unanimous consent to have printed in the RECORD a white paper on the consequences of decontrol.

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

WHITE PAPER: IMPACT OF VETO OF PRICE CONTROL AND ALLOCATION AUTHORITY

LEGISLATIVE SITUATION

The Congress sent S. 1849 to the President on August 28, 1975. This legislation, which extends the petroleum price control and allocation authority embodied in the Emergency Petroleum Allocation Act of 1973, passed the Senate by a vote of 62–29 and the House by 303–117. The price control and allocation authority of the Allocation Act expired on August 31, 1975. The President has repeatedly announced his intention to veto any extension of the Allocation Act unless the Congress accepts an oil policy which involves elimination of drastic reduction in Federal regulation of the oil industry and an end to price controls over some definite time period.

If he wishes to do so, the President must transmit to the Congress his veto of S. 1849 on or before midnight, Tuesday, September 9. A vote in the Senate to override the veto of the President is expected to be the first order of business following receipt of such a veto message.

The Administration is still hopeful that an agreement can be obtained with the Congress on oil decontrol. However, independent of the form of the agreement which finally emerges, compelling arguments exist for the continuation, at least temporarily, of the fundamental price control and allocation authority embodied in the Allocation Act. It is now clear that the only way that this authority can be retained is by overriding the President's veto of S. 1849.

OIL PRICE IMPACT

If Mr. Ford's veto of the Emergency Petroleum Allocation Act is sustained, its *direct effect* will be to increase the average price of gasoline, fuel oil and other petroleum products about 7 cents per gallon.

Temporary market conditions and "jawboning" in the Administration—together with, perhaps, collussion by the major oil companies to reduce the political impact of decontrol—may postpone its full price impact on consumers for a period of time. Notwithstanding any such "restraint", however, the higher prices of crude oil will inexorably be translated into higher retail prices. If crude oil cost increases are tilted more heavily towards gasoline prices—as has been the case in the past—gasoline price increases of from 10 to 12 cents per gallon are very likely.

With the expiration of price controls, domestic oil will cost U.S. consumers at least $16 billion more annually than if controls are retained—an increase equivalent to the rise in the cost of *all* domestic fuels during 1974.

A secondary effect of sharply rising domestic oil prices will be to pull up the prices of coal and that natural gas which are not subject to price controls, because oil is the only practical alternative for industrial consumers of these fuels, which are in short supply. These higher prices for fossil fuels will be passed through to consumers in their electric rates and in the prices of every product or service that depends upon fuels for energy or industrial raw materials.

A major price increase will worsen unemployment and undermine financial stability in industries that are already disproportionately distressed, like automobiles and the airlines, resulting in lost production, lost income for workers and higher costs for the support of the unemployed.

ANALYSES OF ECONOMIC IMPACT

The Bankers Trust Company of New York has estimated that "coupled with a moderate rise in the foreign price of oil, the sudden decontrol of old oil prices would next year transfer about $35 billion per annum away from consumers to energy producers, the Federal government and OPEC nations."

A study prepared by the Library of Congress found that energy price increases could trigger a $40 billion inflationary contribution to the domestic economy next year, triggering an increase of 2.7 percentage points in the general price level and adding 1.5 percentage points to the rate of unemployment. This would mean a job loss of over one million.

Using macroeconomic models developed by Chase Econometrics, the staff of the Subcommittee on Energy and Power of the House Commerce Committee has estimated that sudden decontrol coupled with an OPEC price increase implemented this fall—an increase which nearly all analysts expect to materialize—will, by the end of 1976,

Reduce real GNP by $28 billion ($51 billion in current dollars);

Add 640,000 to the ranks of the unemployed;

Increase the Consumer Price Index by 2.7 points; and

Reduce housing starts by 280,000 units and automobile sales by 950,000 units.

The House Commerce Committee study further delineates substantial shifts in profitability among industries. Profitability in the mining sector—which includes crude oil production—is drastically increased at the expense of nearly all other segments of the economy. Some of the largest losses in profitability are projected for the

Primary metals;

Manufacturing;

Textiles;

Papers;

Transportation; and

Commercial sectors of the economy.

The net result of these impacts will be an increase in inflation—perhaps to double digits—rising unemployment—to over nine percent—a larger Federal deficit, and effective cancellation of the stimulus provided by the Tax Reduction Act of 1975.

COMPETITIVE IMPACT

By putting independent refiners and distributors at a disadvantage amounting to several dollars per barrel relative to the integrated major oil companies for the crude oil upon which their products are based, decontrol will cause a permanent structural change in the industry—in the direction of increased market concentration. Rising crude oil costs and consumer resistance to higher product prices will tighten the squeeze on refining and marketing margins. The major integrated companies, unlike the independents, will be able, however, to offset any reduced margins in "downstream" operations with higher profits on crude oil production. The end result would be a serious blow to the competitive position of the independent sector.

The squeeze between crude oil prices and the market will also lead the majors to pressure their independent branded dealers. To this end station rents will be increased, other contract terms will be revised to the disadvantage of the dealers, and thousands of distributors who cannot move more product at a lower marketing cost per gallon will be put out of business.

MANAGING POTENTIAL SHORTAGES AND PRICE IMPACTS

The only existing authority to prevent or mitigate the adverse impacts of raising oil prices and to allocate scarce supplies has been the Emergency Petroleum Allocation

Act. Overriding the veto is the only immediate, practical way to restore this authority.

The severe shortages of natural gas which are projected for this winter will place enormous pressure on the supply and price of substitutes for natural gas: fuel oil and propane. Substantial increases in propane prices accompanied by shortages are almost certain to occur, and without the Allocation Act, no Federal authority will exist to prevent, for example, rural residential consumers of propane and farmers from suffering severe hardship.

Meanwhile enormous profits will accrue to the major integrated oil companies. No mechanism is in place for taxing and returning these enormous windfall profits to consumers. Once controls have definitively been ended by Congress' failure to override a veto of the Allocation Act, the enthusiasm of pro-industry members of Congress and of a pro-industry Administration for such a tax will greatly diminish or disappear altogether. The prognosis for enactment of an effective windfall profits tax will therefore become very uncertain.

Regardless of any "understanding" between the Administration and the Congressional leadership for subsequent reimposition of controls (which would then be phased out), failure to override the veto would (a) weaken or remove the support of industry and pro-industry Members for any compromise, and (b) severely undermine Congress' bargaining stance in writing such a compromise.

ADMINISTRATION OPTIONS

The Allocation Act currently grants the President ample authority to raise the price of old oil, or to formulate regulations phasing out the oil oil price category entirely, without any requirement of Congressional assent. But the Administration's own guidelines for preparation of inflation impact statements require an analysis justifying any such moves. Administration representatives have admitted that such an analysis cannot be made. Because of this, the Administration is presently insisting upon all or nothing—Congressional collaboration or gradual decontrol, or total immediate decontrol. It is clear that the Administration cannot utilize the Allocation Act to raise old oil prices and provide a justification that satisfies its own guidelines. Because of this the Congress is being asked to let the Act expire and, at the same time, to acquiesce to total imposition of an oil policy which benefits only the largest integrated oil firms.

Existing regulations under the Allocation Act already provide for an automatic increase in crude oil prices, as domestic supplies of "old" oil at $5.25 per barrel are depleted and replaced by higher price new oil and imported oil. Under these regulations, the *average price* of crude oil to U.S. refiners would move up toward the new oil price at a rate of about 6 percent per year—even if there were no OPEC price increase and no scheduled decontrol, and even if the illegal import fee is removed. Over the last 2½ years crude oil prices have increased by more than 2½ times. A further 6 percent annual increase in the average price of crude oil is *the most our economy can safely absorb*. Total, immediate decontrol will mean an average price increase of well over 25 percent—four times as high—over one, two or three months, and prices will thereafter rise in perfect synchronization with any OPEC price increase.

Instead of seeking collaboration with the Congress to establish a reasonable pricing policy within the framework of the legislative process, the Administration has chosen to present a series of decontrol plans which must be accepted or rejected without amendment. These plans have been rightly rejected, because they are inadequate and unwise. Because of the Administration's tactics, the consumers of the country are now faced with the worst of all possible options—immediate decontrol. Only the prevention by the Congress of the implementation of this option will preserve an opportunity for an orderly development of policy in which both the Executive branch and the Congress contribute on equal footing.

SUMMARY

The Administration is proposing that the Congress ratify a situation in which

A rising rate of inflation is rekindled;

Economic recovery is severely threatened;

A substantial concentration of economic and financial power in the largest integrated oil companies is virtually certain;

U.S. energy prices will be set not by a free market but by a cartel of foreign governments;

Domestic production will not be substantially increased, domestic oil consumption will be only marginally curtailed (other than as a result of the economic slump) and, therefore, no progress towards greater energy independence will result at all commensurate with the damage that will be done; and

Any realistic opportunity for the Congress to collaborate with the Administration in the enactment of a rational and equitable oil pricing policy will be lost through Congressional default.

COOPERATION NOT CONFRONTATION MUST BE PRACTICED BY THE CONGRESS AND THE ADMINISTRATION AS WE ACHIEVE PHASED DECONTROL OF OIL PRICES

Mr. RANDOLPH. Mr. President, precisely because the welfare of the American people is closely tied to national petroleum policies, the need for thoughtful actions on phased decontrol of oil prices is imperative.

Since the inception of Project Independence, the United States has become more, not less, dependent on imported oil. Domestic oil production has declined from 9.2 million barels of oil per day in 1973 to about 8.2 million this year. Concurrently, crude oil imports increased from 3.24 million barrels per day up to 3.47 million barrels per day between 1973 and 1974.

International crude production remained virtually constant. Oil production by the 13 member states of the Organization of Petroleum Exporting Countries—OPEC—was 11.2 billion barrels in 1974 compared to 11.3 billion barrels in 1973. The proportion of energy supplies imported by the United States thus has increased in percentage as well as in total amount.

The United States is now the largest importer of OPEC supplies. In the first quarter of 1975 the United States imported 24.8 percent, almost one-quarter of OPEC supplies, compared to 20 percent for Japan; 14.7 percent for Germany; 10.1 percent for France; 9.2 percent for the United Kingdom; 8.4 percent for Italy; and less than 3.0 percent for Austria, Belgium, Canada, Denmark, Netherlands, Norway, Sweden, and Switzerland.

Even more important, in 1974 Russia, not Saudia Arabia, became the world's leading oil-producing nation at 3.4 billion barrels of crude oil. By comparison, the 5-percent production decreased in the United States caused us to drop to second place at 3.2 billion barrels.

Mr. President, I ask unanimous consent that the recent Bureau of Mines figures on World Crude Oil Production be printed in the RECORD.

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

1974 FIGURES ON WORLDWIDE CRUDE OIL PRODUCTION, IMPORTS, AND EXPORTS RELEASED BY MINES BUREAU

In 1974 Russia became the world's leading oil-producing nation, Japan quadrupled its oil imports from the People's Republic of China, and Western Europe managed to cut its crude oil imports by a million barrels a day, the Interior Department's Bureau of Mines said.

These are some of the important trends that emerged from 1974 yearend statistics on world crude oil production and distribution compiled by the Bureau. According to the figures:

The Union of Soviet Socialist Republics (U.S.S.R.) produced 3.4 billion barrels of crude oil and field condensate (a crude oil co-product), a nine percent increase that put the U.S.S.R. in first place for the first time.

The U.S. fell to second place among oil-producing nations as output dropped five percent to 3.2 billion barrels.

Although Japan reduced her imports from the Middle East and Indonesia, her imports from the People's Republic of China jumped from 20,000 barrels per day (bpd) in 1973 to 78,000 bpd in 1974.

Total Western European imports plunged to 13.7 million bpd in 1974 from 14.7 million bpd in the previous year.

Total 1974 world crude production of 20.5 billion barrels remained virtually unchanged from the 1973 total of 20.4 billion barrels.

The leveling off of international crude production in 1974 was caused primarily by the very slight drop in production by the Organization of Petroleum Exporting Countries (OPEC). This federation of 13 countries produces and exports the bulk of the world's crude petroleum, and controls international oil prices. Last year, OPEC produced 11.2 billion barrels of crude, compared with a 1973 total of 11.3 billion barrels.

Despite the fact that total world crude oil production was little changed, six countries registered production gains of over 20 percent in 1974. They were the People's Republic of China, Poland, Taiwan, Gabon, Congo, and Mexico.

More important changes occured in international crude distribution patterns, the Bureau said. Although Western Europe and Japan cut back their 1974 crude imports by a million bpd and a hundred thousand bpd, respectively, the U.S. increased its crude imports from 3.24 million bpd in 1973 to 3.47 million bpd in 1974. Crude oil accounts for about half of all U.S. petroleum imports; unfinished oils, plant condensates, and refined products make up the rest, and U.S. imports in these three categories fell sharply in 1974. Western Europe and Japan—the world's other major importing sectors—import mostly crude oil.

Changes in world crude oil distribution patterns last year can be attributed to higher oil prices and the oil embargo initiated by OPEC, the economic situation in importing countries, as well as energy conservation measures imposed by importing countries, the Bureau said.

The attached table shows 1973 and 1974 crude oil movements by major producing and consuming areas. Also attached is a map illustrating movements of crude oil in 1974 from major producing areas to consuming areas.

More detailed figures on world crude oil production in 1974 were published in the Bureau's "Petroleum Production Annual," which is issued each year in the Bureau's Mineral Industry Survey series. A free copy can be obtained from the Branch of Publications Distribution, Bureau of Mines, 48000 Forbes Avenue, Pittsburgh, Pa. 15213.

CRUDE OIL MOVEMENTS TO MAJOR CONSUMING AREAS

[In thousand of barrels per day]

Origin	Destination: Western Europe (estimated) 1973	Western Europe (estimated) 1974	Japan 1973	Japan 1974	United States 1973	United States 1974
Middle East:						
Saudi Arabia	3,650	4,250	937	1,081	462	438
Iran	3,800	2,200	1,645	1,275	216	463
Other	2,330	3,030	1,251	1,355	125	215
Subtotal	9,780	9,480	3,833	3,711	803	991
Africa:						
Libya	1,700	1,250	23	76	133	4
Nigeria	1,175	1,225	98	86	448	697
Other	1,250	1,070	10	15	201	272
Subtotal	4,125	3,545	131	177	782	973
Western Hemisphere:						
Canada					1,001	793
Venezuela	240	195	10	8	344	319
Other	5	30	2		114	113
Subtotal	245	225	12	8	1,459	1,225
Southeast Asia:						
Indonesia			741	668	200	284
Other			167	163		1
Subtotal			908	831	200	285
Soviet Union	550	450	22	5		
Peoples' Republic of China			20	78		
Total	14,700	13,700	4,926	4,810	3,244	3,474

Mr. RANDOLPH. Mr. President, if the present deadlock on oil price decontrol is allowed to continue for another 6 months, the American consumer will suffer more and more. As domestic oil production goes down and down, it will be replaced by higher cost imports. And balance of payments deficits will go up and up.

On the other hand, the elimination of oil price controls will not return us to a free market. Rather it will turn us toward oil prices established by an international producers cartel. The principal difference will be in the price of domestic, not imported, energy supplies.

With the United States faced with oil price decontrol, I am reminded of prophetic words of George Santayana when he said—

Those that do not understand history are doomed to repeat it.

On two previous occasions—World War I and World War II—the Federal Government intervened in the marketplace and established price controls on energy supplies to protect the public interest. In both instances, the justification was to foster the wise use of energy resources and to protect the independent sector of the industry.

With the advent of World War I, the U.S. Fuel Administration was created to allocate available energy supplies on the basis of end-use priorities. Price controls were established on coal and coke, but they did not extend to oil. Nevertheless, when President Wilson abrogated all regulations on May 15, 1919, the economy was thrown into turmoil due to the climate of uncertainty facing the oil industry.

Concurrently, with the support of the Congress, including Senate passage of a resolution on May 17, 1920, the Harding administration encouraged American oil companies to develop overseas supplies, because of their lower comparative costs. There then ensued more than a decade of worldwide overproduction from Arabia, the Soviet Union, and Venezuela. As a consequence, domestic oil prices were driven to new lows. Thus in 1932, President Hoover imposed oil import tariffs. By that time, however, the United States' economy was in the midst of a general depression.

When President Roosevelt entered office in 1933, the United States was faced with excessive petroleum production and declining prices. A number of attempts were made to stabilize production. With the advent of World War II, however, the United States entered a period of domestic oil shortages and price controls not unlike today. Our country's oil reserves were being depleted faster than replacement supplies could be found.

Following the establishment of crude oil price ceilings by the Office of Price Administration, the oil industry was discouraged from the development of new supplies. On December 4, 1944, the House Committee on Small Business expressed alarm at the declining rate of discovery of new wells. Chairman WRIGHT PATMAN, in his report to the Committee of the Whole House on the State of the Union, deplored an obvious trend toward ownership of producing wells in the hands of a few large, integrated concerns. The picture portrayed by the House committee was one of the independent producer confronted with—

(1) Frozen price on a depressed basis.

(2) Greatly increased tax on his income.

(3) Threat by government to remove from his tax base the depletion allowance. This has been a fundamental part of the money normally used for exploratory purposes.

(4) Greatly increased labor and material costs.

(5) Greatly increased replacement costs.

In the opinion of the Committee this had resulted in:

"(1) A decreased amount of money with which to retire his debts and replace his reserves of producible petroleum;

(2) A serious fear of his ability to maintain his position as a producer of petroleum.

Unable to obtain sufficient funds to retire his indebtedness or maintain his stock position on crude reserves, the independent was discouraged and willing to quit business.

Forced to rely solely on production operations as a source of revenue, many independent producers were absorbed by major oil companies. While in 1939 the independents accounted for 50 percent of the U.S. crude oil production, by 1944 their share had decreased to about 40 percent.

In support for higher oil prices, the House Special Subcommittee on Petroluem, under the Chairmanship of Representative Clarence Lea of California, on July 3, 1945, recommended that the War Petroleum Administration be given unified control over the problems of supply, production, and price ceilings on oil and petroleum products. However, this did not occur and the Office of Price Administration was able to continue its strict control of oil prices.

As controls over production were gradually returned to the private sector by the Truman administration, national policies embraced regulated competition in order to avoid the economic problems that had characterized the industry prior to World War II. Unlike the period following World War I under President Wilson, a relatively smooth transition was experienced by the oil industry under President Truman's phased decontrol policies. His gradual phaseout of oil price controls fostered stability within the oil industry.

World War II served to establish the Federal Government's role as arbiter of the American economy. Moreover, it proved that such a relationship could be practical as well as efficient. While the Federal Government had exercised controls over domestic production and consumption during this period, the industry still was entirely private in character.

Mr. President, again our country is faced with oil price decontrol. The issue before us is an immediate repeal of oil price controls, rather than a gradual phaseout.

Oil price decontrol may well foster greater energy self-sufficiency, but this should be accomplished in an orderly fashion. Then, and only then, can we avoid serious consequences for the independent segments as well as the integrated segments of the oil industry. The destruction or crippling of any sector of the industry would be contrary to the long-term interests of the United States and to our economy.

When the Emergency Petroleum Allocation Act was enacted in November 1973, our country was faced with a severe shortage of crude oil and petroleum products caused by the OPEC oil embargo. The United States was threatened by a substantial dislocation in the availability of petroleum as well as severe economic and competitive pressures on independent marketers and refiners. The prin-

cipal purpose of the act was to assure that our country's priority needs for petroleum were met. The measure also undertook to allocate the remaining available petroleum supplies among consumers on an equitable basis compared to needs, and at equitable prices. Moreover, this was to be accomplished so as to preserve the competitive viability of the independent sectors of the industry.

The act enabled the Federal Energy Administration to respond to shortages with minimum impact on our economy, while preserving the market position of the independent segments of the industry. The resultant Federal program has produced an intricate, but known, structure of allocations and entitlements.

The record should reflect that Federal petroleum allocation programs actually originated 6 months earlier, in May 1973, under the Economic Stabilization Act Amendments of 1973—not under the Emergency Petroleum Allocation Act. On the other hand, oil price controls originated even earlier with President Nixon's wage and price control programs under the Economic Stabilization Act Amendments of 1971.

I repeat, Federal programs for the allocation of petroleum and price controls existed prior to the November 1973 enactment of the Emergency Petroleum Act.

Mr. President, after more than 2 years of oil price controls, because of the President's veto on S. 1849, we are faced with their immediate removal. We know from experience that the longer price controls remain in force the greater the resultant economic distortions. On the other hand, we also learned that similar adverse effects would be felt by the independent sector should controls be abruptly terminated.

There is considerable debate on the impact of oil price controls and decontrol particularly on the independent sector of the oil industry as well as the consumer. The independent sector is diverse and complex; there are about 19,000 producers of crude oil, 140 refiners, 25,000 wholesalers, and 200,000 retail gasoline stations.

A recent General Accounting Office report, prepared at the request of the Senator from Connecticut (Mr. RIBICOFF), concludes that under the present program there is an apparent deterioration in the market position of independent retail operators, who have decreased in number since 1972. On the other hand, the proportion of refiner owned and operated stations has increased.

Among the independent refiners, 4 large and about 120 small refiners compete with the major oil companies. Since the crude oil allocation program was initiated, major refiners have operated at a higher percentage of refinery capacity than have the independent refiners, both large and small. This is due in large part to the greater control, and thus access, that the major refiners possess over low-price domestic crude oil. The small refiners and large independent refiners could not afford to pay the higher prices for uncontrolled and higher priced new and imported oil and still compete with majors. As a result of the entitlement program, however, as of December 1974, the average crude oil cost for major oil companies was $9.27 per barrel, compared to $10.35 for large independent refiners and $9.02 for small refiners.

On the average, in 1974 the small refiners were operating above their 1972 levels; the four large independent refiners were operating below 1972 levels.

In summary, the impact of oil price control will vary considerably from company to company as set forth in a September 1, 1975, article in Forbes magazine. 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:

OIL DECONTROL: WHO WOULD BE HELPED, WHO HURT

You can't follow the fight over oil decontrol without a scorecard. Herewith our scorecard.

On Sept. 3 Congress will reconvene and resume its tussle with the Ford Administration over the Emergency Petroleum Allocation Act of 1973. If the Democrats fail to override the promised Presidential veto of a six-month extension that Congress passed, then the act will expire and "old" oil will start climbing from $5.25 a barrel to around $11. "Old" oil means oil in the U.S. produced at pre-1973 levels. Under decontrol, what the Arabs already have, the Texans will get.

Who among the major oil companies will benefit? Who will be hurt? It's a complex subject, but the table below will give you some major clues.

Unfortunately, there are some gaps in our figures. They cover 1974, the latest year available; current production figures may be lower or (improbably) higher. Several companies refuse to reveal their figures; in these cases we have fallen back on estimates from two able oil analysis, Robert Albrecht of Reynolds Securities and Geoffrey Hertel of Rotan Mosle.

What does the table tell? The first column on the left covers "Entitlements." If you want to know what entitlements are, read the box on the next page. Suffice it here to say that under the oil allocation act, entitlements were very costly for companies that had a good deal of old oil; Gulf alone was paying out money at an annual rate of $170 million before taxes in the first half of 1975. On the other hand, entitlements were good for those with little old oil. So decontrol will be good for the companies on the first half of our list and bad for those on the second half.

	Entitlements,[1] January–June 1975 receipts (millions)	Net income, January–June 1975 (millions)	U.S. crude oil production, 1974 — Total	U.S. crude oil production, 1974 — Old oil	Old oil, barrels per share	Latest 12-month net (millions)	Recent P/E	1975 price range	Recent price
These companies have been major recipients of entitlements payments:									
Amerada Hess	$118.1	$61.1	36,100	NA	NA	$167.1	4	23⅜–15⅛	17⅜
Atlantic Richfield	22.4	137.9	122,166	85,516	1.820	240.9	16	110 – 75½	106⅞
Ashland Oil	51.1	46.3	8,255	5,779	.250	112.2	5	24⅞–16½	20¼
Commonwealth [2]	43.9	(9.5)	0	0		(26.5)		12⅜–5¼	9½
Getty Oil [3]	11.5	109.4	90,520	65,174	3.500	254.5	14	198⅛–127½	192
Hawaiian Ind. Refiners Inc.[4]	16.9	(.198)	0	0	0	.672	41	12⅜–7⅝	7⅞
Koch [5]	23.9		NA	NA	NA	NA			
New England Petro.[5]	19.1		NA	NA	NA	NA			
Phillips Petroleum	26.8	165.9	45,076	33,808	.440	363.3	12	60⅜–37	56⅜
Standard Ohio	36.4	60.3	10,804	8,092	.296	126.1	22	85¼–44½	80⅝
Sun Oil	3.6	86.5	80,045	58,437	1.412	246.1	6	37½–29	33⅛
Total Leonard	11.6	2.5	NM	NM	NM	4.4	17	8⅛–4	5⅝
For these companies, the entitlements program has been a drain on income:									
Champlin [6]	[7]31.5	1.1	15,300	11,461	.500	92.3	26	82¼–62	65¼
Cities Service	[7]48.1	51.2	44,275	32,777	1.219	143.4	9	50½–36¼	44⅛
Continental	[7]22.9	147.3	68,620	10,841	.214	338.7	10	75 – 40¾	65⅛
Exxon	[7]53.7	1,125.0	264,260	171,769	.768	2,787.2	7	92½–65	86¼
Gulf	[7]86.7	355.0	146,329	121,436	.624	815.0	5	23⅜–17⅝	20⅛
Howell	[7]14.9	6.2	NM	NM	NM	13.4	4	24 – 10½	19⅜
Kerr-McGee	[7]33.2	66.5	9,125	7,848	.314	129.6	17	95¼–60	87¼
Marathon	[7]26.4	48.9	59,495	48,801	1.634	138.5	11	53⅞–29⅞	49¼
Shell	[7]72.7	222.5	183,230	133,773	1.980	596.7	6	57¾–39¼	54¾
Standard Indiana	[7]26.5	378.2	171,915	106,580	.727	849.5	8	53¼–36	46¼
Tesoro	[7]15.1	20.7	1,500	583	NM	44.7	2	20⅝–13¼	15⅞
Union	[7]66.4	82.1	85,520	72,708	2.325	135.5	7	50⅞–32⅜	48⅛

[1] Entitlements receipts and payments calculated from Federal Register.
[2] Income through 1st quarter, 1975.
[3] Does not include entitlements payments by Skelly oil, 70 percent owned by Getty.
[4] Financial data for Pacific Resources, of which company is subsidiary.
[5] Company privately held, no data available.
[6] Financial data for Union Pacific of which Champlin is subsidiary.
[7] Not available.
NA—Not available.
NM—No meaningful amount.

Now run your eye over to the third and fourth columns from the left. These tell, respectively, how much oil each company produces in the U.S., and how much of it is old. A company that produced, say, 10,000 barrels a day of old oil would, in theory, increase its revenues by $60,000 a day, or over $200 million a year.

Of course, under a Senate bill, 90% of that would be taxed away, but 25% could be recaptured by the company for spending on drilling and exploration. Moreover, Union Oil and several others have said they would raise prices only gradually. It's not possible to say exactly how much decontrol would do for any one company. But the more old oil, the merrier. (Don't forget about leverage: Exxon has a lot more old oil than Union Oil has, but on a per-share basis—column five—Union comes out way ahead.)

Decontrol, if it comes and when it comes, will be painful every time you drive up to a gasoline pump or turn up the thermostat on your oil-burning furnace. But if it achieves its twin goals, it will be worth it. The goals: 1) cut consumption and 2) increase production. As for the pain it renders your pocketbook, it is probable that there will be tax rebates to assuage the pain—paid for by a special tax on the added profit from old oil.

In any case, there isn't much time to waste. Since the inception of "Project Independence," the U.S. has become more, not less, dependent on foreign crude. U.S. production was 9.2 million barrels a day in 1973: this year it will be only 8.2 million. Meanwhile, consumption is going up and the Organization of Petroleum Exporting Countries becomes brasher and brasher.

Nobody expects immediate and total decontrol, but the futility of the present two-tier price system and the wastefulness of the present price structure are becoming more apparent day by day. Now it will be up to the oil industry to prove that a lifting of bureaucratic restrictions really *will* benefit the country as a whole and not just the lucky owners of "old" oil.

Mr. RANDOLPH. Mr. President, it is clear that oil price decontrol will be necessary. President Ford is correct in this regard.

The President has vetoed S. 1849, a congressionally approved extension of the Emergency Petroleum Allocation Act. This measure would continue oil price controls for 6 months, while the Congress evaluates the various proposals for decontrol. This legislation also contains a 6-month extension of Federal coal conversion programs, which I sponsored.

Looming in the background are probably increases in foreign oil prices on October 1 when the present OPEC price freeze expires. Clearly, phased decontrol would be more in the national interest. As noted by Assistant Attorney General Thomas E. Kauper last Friday before the Senate Interior Committee:

> To the extent that some segments of the industry may be adversely affected by decontrol, considerations of equity may dictate a gradual transition. A gradual transition would result in protection from the dislocation which might be occasioned by an immediate and jolting change in the economic ground rules under which the industry now operates. It appears to be the goal of all who are concerned with this problem, both in the Administration and the Congress, to avoid unnecessary dislocation. That being so, an orderly transition from a regulated industry to an unregulated one should be possible. * * * The final arbiter of industry and individual performance will be the marketplace, and I can think of no better or more objective judge.

The continuing clash—rather than consultation and cooperation—between the Congress and the White House over the decontrol of oil prices highlights a paralysis that has afflicted Federal efforts to forge a national energy program.

Numerous attempts to resolve the differences between the Congress and the President have failed. Certainly the American people are impatient because of the prolonged stalemate. The opportunity exists for formulation of a compromise plan for oil price decontrol.

According to a recent Harris Survey 54 percent of the American public favors oil price decontrol. What is needed is a joint congressional and executive branch program which identifies the goals and sets forth the means for achieving them.

As domestic oil production continues to decline and oil imports rise the case for oil price decontrol gets steadily stronger. It is unrealistic to hope that the United States can maintain itself indefinitely as an island of low-cost energy in a world of escalating oil prices.

World demand for oil is now at a level that places any seller in a very strong position. Thus even should OPEC weaken, it is unlikely that the international price for oil will drop substantially.

Decontrol when it comes will be painful but it will be well worth it if it achieves the dual goals of reduced energy consumption and increased domestic production.

Regardless of the outcome of the vote, we must attempt, through constructive cooperation, to agree on programs and policies to achieve energy independence and strength in America.

Mr. NELSON. Mr. President, the most serious question facing the Nation today is whether we will be able to bring inflation under control in this country while moving the economy upward from the trough of the deepest recession in 40 years. We have learned in recent months that the level of general inflation throughout the economy is powerfully affected by the prices of basic energy products, and these in turn all hinge on the price of oil.

Today we are called on to decide whether we will seek to maintain any responsible control over the price of oil and energy through the near future in this country. We know that inflationary forces generally are not yet under control, and that the American people and economy have been gravely injured by the impact of this inflation. The immediate alternative facing us is to hand control over basic energy price in America to an effectively monopolistic international producers' cartel, to see the price of "old" domestic oil begin rising—soon if not immediately—to match the cartel's "monopoly umbrella" price, and to risk a substantial new round of energy-induced inflation and inflationary drag on the weakened and barely convalescing U.S. economy.

In my judgment, the best interests of the country demand that we vote to maintain the degree of responsible control over the price of oil, at this time, that is provided for in the Petroleum Allocations Act. There may be valid reasons for providing some upward adjustment in the controlled price of "old oil," the only part of our total supply through which any moderating influence over oil costs generally has been maintained. But the detailed analysis of production costs and marketing conditions that would justify such a price increase has not been made.

The Petroleum Allocation Act gives the President the authority to raise the control price of domestic oil to whatever level can be justified as being in the national interest. If such a price increase can be justified at this time, the necessary analysis should be made and the case laid before the public.

The drive to eliminate all price control authority over oil is an effort to evade that responsibility.

Whatever the case that can be made for some price adjustment for U.S. oil, the total elimination of the control authority means that the monopoly-level world cartel price for oil will determine the cost of the entire U.S. domestic oil supply as well. We will have abandoned any possibility of exercising discipline over the inflationary impact of energy prices on the American economy, and will have given this control over price to an international cartel instead. The notion that this will increase our independence from the foreign oil producers is the opposite of the truth; we will in fact be mortgaging the American economy to their effective control over basic energy costs.

It is clear that a number of exceedingly damaging consequences are likely to follow in fairly short order.

First. The price of "old oil"—approximately two-thirds of domestic U.S. production, from wells in operation before 1973—will rise fairly rapidly from the previous control price of $5.25 per barrel to match the world monopoly price of approximately $13 to $14 per barrel currently.

Second. Gasoline prices are likely to rise by at least 7 cents per gallon, or as much as 10 to 12 cents if the frequent practice of slanting crude oil costs disproportionately to gasoline is followed.

Third. As estimated both by the Joint Economic Committee staff and by the Economics Division of the Congressional Research Service, the total consumer cost increase for petroleum fuels will run approximately $16 billion a year above present levels. The Bankers Trust Company of New York has estimated that "coupled with a moderate rise in the foreign price of oil, the sudden decontrol of old oil prices would next year transfer about $35 billion per annum away from consumers to energy producers, the Federal Government, and OPEC nations." If the President's apparently illegal $2 per barrel import duty on foreign oil is removed, the Federal Government's share of this would disappear, but the total will still be some $25 to $26 billion.

Fourth. Heavy demands for competing fuels—especially coal, unregulated natural gas, and natural gas liquids—such as

propane and butane—will cause their prices to rise to meet the "BTU equivalent" level with petroleum, and these cost increases will reach from $5 to $11 billion annually above present levels, depending on the degree of direct substitution among fuels. The total direct energy cost increases to the U.S. economy due to decontrol thus will run some $20 to $27 billion annually above current levels, even if their is no further increase by OPEC in the price of our imported oil—or if the expected OPEC price increase is offset by the removal of the President's $2 per barrel import tariff. This amounts to about $400 to $500 in directly increased energy costs annually to the average American family.

Fifth. Energy products are basic inputs to every other sector of the economy. Since most businesses use percentage markup over cost, price increases for energy tend to be compounded as products move through the stages of production. This "ripple effect" from energy inflation will cause increased inflation in virtually every other sector, but especially in electricity, foods, organic chemicals, plastics, transportation generally, and all heavy energy-using sectors.

The effect of energy inflation on food prices is particularly severe. The U.S. Department of Agriculture has estimated that some 10 percent of the entire energy use in the country goes into the food and fibre sector, from the direct inputs to the farmer through the processing, transportation, marketing and retailing of farm products. Any significant energy inflation means major food price increases as well.

The broad inflationary "ripple effect" triggered by energy price increases will bring the total reduction in consumer purchasing power attributable to oil decontrol up to an annual level of $35 to $50 billion. This amounts to a total cost increase for every American family that will range from $650 to $920 annually for the average family, approximately $400 to $500 in direct energy inflation and the remainder in the energy-induced inflation in other areas.

Sixth. The impact of massive inflation such as this, and its drain on consumers' purchasing power or "real income," simultaneously exerts a severe recessionary impact on the economy. This has been termed "energy inflation shock," and is now widely regarded as being primarily responsible for the unusual severity of the current recession. Using methodology developed by the prestigious Chase Econometric Associates, the staff of the Subcommittee on Power and Energy of the House Commerce Committee has estimated that total oil decontrol, coupled with another OPEC price increase this fall, would:

reduce current GNP by $51 billion;

raise unemployment by 640,000;

reduce housing starts by 280,000 units and automobile sales by 950,000 units.

Using data developed through the respected Quarterly Macroeconomic Model of Data Resources, Inc., the Economics Division of the Congressional Research Service has estimated that the rate of unemployment would be increased by 1½ percentage points, or more than 1 million jobs, through the "inflationary shock" directly and indirectly attributable to oil decontrol.

These probable consequences of oil price decontrol are so damaging to the American economy and would impose such harsh and inequitable new burdens on families and businesses at every level that we must regard them with the utmost seriousness. Our vote today is a key test of our seriousness and willingness to bring inflation under control in this country.

The severity of the damage that energy-induced inflation has done already to the American economy has not been sufficiently appreciated. There is in fact a tendency to discount it, when we should be paying it the greatest attention.

Seventh. According to the impressive recent findings of the Congressional Research Service, over the period from fourth quarter 1973 through second quarter 1975, the overall level of operation of the U.S. economy was cut back due to "energy-inflation shock" by an estimated $101 billion out of GNP annually. This represents an absolute dead loss of potential output and income—goods and services of every kind—never produced and hence lost forever.

Energy price inflation and its impact thus has been responsible for fully one-half of the depth of the current recession, since the economy is currently running about $200 billion annually below its productive capacity. It has caused the loss of 3½ million jobs, or 3.8 percentage points of the total current unemployment rate. It converted what would have been a relatively mild recession into the deepest economic slump since the Great Depression, with unemployment at more than double the average postwar level and an unprecedented 35 percent of the total existing industrial plant capacity standing idle. The sheer waste and loss this represents is enormous.

Eighth. The total "real income" loss to the U.S. consuming public since late 1973 as a result of the energy price increases, led by oil, and their resultant inflationary "ripple effect" and "energy-inflation shock" to the economy had reached an annual level by mid-1975 of approximately $197 billion. This represents the sum of output and income—GNP—lost indirectly through the worsened recession—$101 billion—plus the amount of consumer purchasing power or "real income" drained off directly by energy price increases as such—$51 billion—plus the further purchasing power drained off indirectly through the energy-related inflation in all other sectors of the economy—$45 billion.

Ninth. The inflationary loss of income to consumers was a pure windfall gain to energy producers; or a straight transfer of resources from the one to the other. Thus, the total sales of the top 46 U.S. energy companies increased by $90 billion in 1974 over 1973, as reported by Fortune Magazine. This enormous expansion of revenues represented virtually pure price inflation, since the volume of petroleum and natural gas sold over the period actually declined.

Tenth. The predictable price increase for "old oil" if it remains decontrolled—from $5.25 per barrel to about $13 to $14 per barrel, and totaling about $16 billion annually—will likewise represent a pure windfall to producers, unrelated to production costs. A recent study estimated the average production cost for old oil to be under $3 per barrel, including a 15-percent rate of profit.

Moreover, over 60 percent of the "old" oil in the country is in the hands of the 15 largest integrated oil and gas corporations. The windfall benefits, amounting to billions annually, will thus go almost entirely to a handful of giant producers.

The total and sudden decontrol of oil does not provide a basis for a sound and equitable energy policy for America.

It is far too likely that it will impose staggering and harshly inequitable new burdens on the consuming public.

It will drain billions of dollars of sorely needed purchasing power out of the pockets of families and businesses at all levels.

It will hand totally unwarranted windfalls of enormous magnitude to a relative handful of giant oil corporations at the expense of virtually every other sector of the economy.

It runs the unacceptably dangerous risk of dealing a crippling new blow to the present shaky recovery of the American economy.

Mr. PHILIP A. HART. Mr. President, it is no secret that often votes around here catch some of us ill-prepared. Maybe we have not done our homework. Maybe the facts are not available. Maybe there is no "right" vote. So we cross our fingers and hope that the majority view is correct.

None of us could claim to be in such an "iffy" situation today.

If we vote to sustain President Ford's veto of the 6-month extension of the Emergency Petroleum Allocation Act of 1973, we should know that our votes would wipe out most, if not all, of the little competition remaining in the petroleum industry. We would not only be voting for immediate oil price increases, but also for putting hundreds of thousands of independent refiners and retailers and producers out of business, and for ending competition which could discourage price increases in the future.

This is so. We know it is. We know it not because I say so, for granted, after 12 years as chairman of the Antitrust Subcommittee, I may be suspect as seeing anticompetitive ghosts everywhere. Nor do we have to believe it because the independent businessmen say so. It is not unknown for businessmen to overstate the harm a proposed legislative action may bring to them.

Rather, we know it is so because Congress in 1973 enacted the original statute in order to protect independent businessmen and consumers from the economic power of the major oil companies.

But, as you will recall, at first the FEA simply allocated crude oil supplies without implementing the section of the act requiring "equitable prices."

As a result, by summer of 1974, the independent gasoline retailers who had not been put out of business by a cutoff

of crude before enactment of the statute, were being forced to strangle themselves by selling gasoline at up to 10 cents a gallon more than major brand stations, because the only crude the majors would sell independents was high-priced foreign oil.

In fact, the situation was so bad that on July 30 last year, 27 colleagues joined me in calling on FEA head John Sawhill to hurriedly begin equitable allocation of the low-priced domestic crude to independent refiners.

Mr. President, today we are asked to believe that somehow over the past 14 months this situation has changed, that the majors do not have the economic power to hold down the price of their gas while independents are forced to raise theirs to cover higher crude costs. If that happens—and ironically the majors can do this by complying with the President's wishes—the result will be to drive independents out of business.

The irony is that administration officials, who are saying this is a competitive industry that should be decontrolled, apparently do not believe it either.

If they did, why would they float promises that "something will be done" to protect independent refiners under decontrol and "something will be done" to protect independent retailers?

If this were a competitive industry, such "somethings" would not be necessary.

But the administration is right about one thing: Without these "somethings," these independent businessmen would be out of business, because there is no competition out there to protect them—or their customers.

Mr. President, we do have the "somethings" in the way of protection for the independents in the act Congress voted to extend. It is not perfect, but it does have the advantage of being in place and of having had many kinks already ironed out.

It makes sense then to keep that which protects both independent businessmen, competition and consumers until we have a replacement in fact rather than in rhetoric. In my book, the something better is not more regulation—but more competition. Therefore, let us vote to continue the protection we have for another 6 months, and see if we find ways to interject the protection of competition into this industry.

Mr. President, I ask unanimous consent that the letter I mentioned, signed by 28 Senators, and an ad on the subject by independent refiners, be printed in the RECORD.

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

FROM THE OFFICE OF SENATE ANTITRUST AND MONOPOLY SUBCOMMITTEE

Twenty-eight Senators, led by Senator Philip A. Hart (D-Mich) have called on the Federal Energy Administration to give independent refiners a crack at some low-price oil now generally in the hands of the major oil companies.

In a letter to John Sawhill, administrator of FEA, the Senators explained that there is enough "price-controlled" oil to handle about 40 percent of the needs of all domestic refiners. The price-controlled oil costs about $5 to $7 a barrel less than the noncontrolled oil.

"Refiners have access to this controlled oil in varying degrees, but it is largely in the hands of major oil companies," they wrote. "Independent refiners' feedstocks consist disproportionately of nonprice-controlled oil, ranging as high as almost 100% in some Northern Tier areas dependent upon Canadian crude.

"Because of this disparity, independents are finding it necessary to charge five to ten cents more per gallon for gasoline than major oil companies."

Hart and the other Senators proposed allocating the low-cost oil through a ticket allocation plan—which would guarantee each refiner—independent and major—about 40% of his run in low-cost oil

The allocation tickets—or "entitlements"—could be bought and sold by refiners much like oil import quota tickets used to be.

The Senators pointed out to Sawhill that in passing the Emergency Petroleum Allocation Act of 1973, Congress specifically stated that any allocation program was to:

"preserve the competitive viability of independent refiners, small refiners, and nonbranded and branded independent marketers."

This requirement has not been met, the Senators told Sawhill.

JULY 30, 1974.

Mr. JOHN C. SAWHILL,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. SAWHILL: Several months ago, when petroleum products were in short supply, the issue of competitive pricing for these products was largely overshadowed by the issue of supply itself. Consumers, experiencing hardships in obtaining products, were willing to pay almost any price for them. Now that petroleum products are more readily available, consumers are once again making purchases on the basis of price considerations. Unfortunately, however, a disparity in crude oil prices, resulting from the Federal Energy Administration's policy of two-tiered pricing, is placing independent refiners and marketers at a distinct disadvantage as respects their major oil company competitors. Because of this disparity, independents are finding it necessary to charge five to ten cents more per gallon for gasoline than that charged by major oil companies. Obviously, this injures their competitive position in the marketplace.

In enacting the Emergency Petroleum Allocation Act of 1973, Congress specifically stated its intention that the regulations "provide for equitable distribution of crude oil and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry." The regulations were also "to preserve the competitive viability of independent refiners, small refiners, and nonbranded and branded independent marketers." In permitting the situation described above to continue, FEA is not fulfilling its responsibilities regarding this clear Congressional mandate to insure competitiveness in the oil industry.

The FEA reports that over 40% of total crude oil inputs to domestic refineries is price-controlled at a level averaging approximately $5.25/bbl., which is some $5–$7/bbl. lower than the cost of the remaining noncontrolled foreign and domestic crude. Refiners have access to this controlled oil in varying degrees, but it is largely in the hands of major oil companies. Independent refiners' feedstocks consist disproportionately of nonprice-controlled oil, ranging as high as almost 100% in some Northern Tier areas dependent upon Canadian crude. Obviously, some form of crude cost equalization is required to protect their competitive performance and insure equitable prices for all areas as required by the Emergency Petroleum Allocation Act.

Several proposals have been advanced to reduce this disparity of crude cost between independent refiners and major oil companies. Any workable proposal must equitably distribute the benefits of price-controlled oil with minimal disruption of supplier/purchaser relationships, and with little additional Federal involvement. A crude oil entitlements program such as was informally advanced by FEA seems to meet these requirements.

Through the device of entitlements, all refiners, regardless of size, would be given the opportunity to utilize a specified percentage of price-controlled "old oil." An adjustment favoring smaller refiners could be utilized to insure that they would be granted entitlements proportionately greater than the specified percentage. This adjustment would assist in limiting the number of small and independent refiners actually having to purchase entitlements.

Refiners who have a high proportion of nonprice-controlled crude oil to their total refining input would be able to sell their entitlements in order to reduce their weighted average composite crude costs. Conversely, refiners who have a high proportion of price-controlled crude oil would be obligated to purchase these entitlements in order to continue to process these feedstocks. The price at which entitlements would be sold would be based upon the difference between the uncontrolled oil price (including imported crude) and the controlled price. The net effect of these transactions would be to equalize crude oil prices among all domestic refiners and restore independent refiners and marketers to a price-competitive position.

We commend this proposal to your immediate attention, not only for the reason that it carries out the legislative purpose embodied in the Energy Petroleum Allocation Act, but also because of its basic simplicity. The attractiveness of this proposal is enhanced by the fact that it does not involve actual transfers of crude oil supplies, and therefore does not disrupt traditional supplier/purchaser relationships. In addition, this plan would involve little modification of the present crude oil allocation program currently administered by the FEA.

Sincerely,

Philip A. Hart, James S. Abourezk, Birch Bayh, Joseph R. Biden, Edward W. Brooke, Quentin N. Burdick, Clifford P. Case, Dick Clark, Marlow W. Cook, Robert P. Griffin, Floyd K. Haskell, Mark O. Hatfield, Walter D. Huddleston, Harold E. Hughes, Hubert H. Humphrey, Edward M. Kennedy, Thomas J. McIntyre, Warren G. Magnuson, Mike Mansfield, Charles McC. Mathias, Jr., Lee Metcalf, George McGovern, Walter F. Mondale, Frank E. Moss, Edmund S. Muskie, John O. Pastore, John V. Tunney, Harrison A. Williams.

Mr. WILLIAMS. Mr. President, today we are about to decide who will set the price of oil for the American public—the U.S. Government or the OPEC oil monopoly.

There is no question of "decontrol" before us today. It is a question of who will have control and who will set the burden on the consumer.

It is estimated that the inflationary

impact of letting the price of old oil rise will be $16.3 billion yearly for oil alone. If we consider the fact that natural gas and coal prices are related to the average price of all domestically consumed oil, the total jumps to more than $23 billion additional cost for consumers. Such increases would create intolerable burdens on the consumer.

Unless the Senate overrides President Ford's veto of the Emergency Petroleum Allocation Act, some 60 percent of our domestic crude oil production will be freed of controls and rise to the present monopoly price of over $13 a barrel. Those who would ask we sustain the President's veto have expended much effort to win supporters. The cumulative effect has been a barrage of confusing rhetoric and misinformation which avoids the real and immediate impact of decontrol.

If the administration wants to reduce consumption of oil products and reduce our dependence on imported oil, then I certainly agree with those goals. However, we will not accomplish them by suddenly decontrolling oil prices. That can only have a devastating impact on our economic recovery and aggravate inflation while worsening the depressed state of our economy. To encourage windfall profits under the guise of energy conservation and at the expense of every American is outrageous. Therefore, I urge a strong message to OPEC and our own people that this outrage will not be allowed. We will override this veto to protect our citizens and our Nation's ability to control its energy pricing policy.

Of particular concern is the direct relationship between rising fuel costs and food prices. As fuel prices increase, costs will rise for all segments of the food chain. Since food and fuel are major components of the Consumer Price Index, it is easy to see that another wave of inflation is imminent.

Even without oil decontrol, heating oil, electricity, and gasoline have continued to rise which automatically means higher prices for food as farm costs for fertilizer, fuel, and pesticides keep escalating. This process is amplified as these costs are compounded as food makes its way through the processing, transportation, refrigeration, wholesaling and retailing operations which all require large amounts of energy. It is clear that the hidden costs of decontrol will not remain hidden for very long.

The high-price energy approach to solving conservation problems is a guarantee for increasing levels of inflation and unemployment which we are now experiencing. Add to this the economic ripple effects and it is a simple matter to see why so many economists forecast a gloomy economic recovery. If we cannot control the ongoing increases of energy at home and fail to stabilize our economy at home, then we open the door for OPEC to continue establishing future energy pricing policies.

Apart from the certainty of higher energy prices, there is the probability that expiration of the allocation act will intensify economic pressures on independent refiners and marketers from the integrated oil companies that produce, transport, refine, and distribute petroleum. These independents, who have been competitors of the integrated companies in the past, lack the structure to absorb price increases. The major companies can afford to temporarily limit increases in refining and marketing because the loss will be compensated for by gains in crude oil production.

It should be painfully apparent that an energy price policy is being contrived which will create severe disruptions in our economic recovery. As consumers find themselves trapped between rising energy costs and a decreasing ability to offset the inflationary spiral, they turn to their elected representatives to oppose the actions of the administration which has fashioned these prices and policies. In their behalf, we should support the vote to override President Ford's veto of S. 1849.

Mr. EAGLETON. Mr. President, I will vote to override the President's veto of S. 1849, the Emergency Petroleum Allocation Act. I do not believe that decontrol of old oil prices will help us find a single barrel of new oil. In my opinion, the President's plan will serve only to swell the profits of major oil companies at the expense of the American consumer.

Let us not be misled into thinking that some sort of "windfall profits tax" would resolve this issue. It would not. All of the taxes that have been proposed so far are simply excise taxes, and if we oppose new taxes on gasoline then we should oppose new taxes on crude oil as well. Moreover, an excise tax does not differentiate between the producer of high-cost oil and the producer of low-cost oil. It would penalize the people we are trying to persuade to go out and find new oil.

Mr. President, I have read the President's veto message and his other statements in opposition to any continuation of the oil allocation program. Every argument made and every fact presented in those statements relates to the single question of price. But price is only one aspect of this program.

Just as important, in my view, is the allocation authority itself which assures every region of the country and every sector of the economy, a fair share of available fuel in event of shortages. That is why we established the allocation program in the first place and the need is still with us.

It began with the serious shortages that occurred during the winter of 1972–73 when thousands of businesses were forced to close because they were unable to obtain heating fuel. Schools and other municipal services were suspended for the same reason.

To help remedy the situation, I introduced the very first legislation to authorize allocation of petroleum products and that law became the basis for the present program. The problems that gave rise to that action are still with us and if anything will get worse in years ahead. With the prospect of a serious gas shortage this winter, demand for substitute heating oil is going to be extremely high and shortages inevitably will occur. We must have a program in being to deal with them.

The allocation program goes further, however, than simply protecting the right of every American to adequate fuel for daily needs; it also requires oil suppliers to make that fuel available at equitable prices. Thus, a major oil company cannot sell crude oil to one refinery at $5 a barrel and charge another refinery in the same region $10 a barrel. Even more than control of overall price, the requirement that pricing be equitable is a basic protection for independent refiners, jobbers, and dealers.

Finally, Mr. President, I want to stress that the oil allocation act is the basis for controlling the price and distribution of propane gas which is critically important to rural Americans. Without this, these people would have no protection against the kind of black-market operations that occurred in 1972–73 when retail prices tripled overnight and one counted himself lucky to find propane even then.

In sum, Mr. President, there are many reasons for opposing the President's veto other than the much debated question of oil prices. Whatever is ultimately done on that issue, I believe we must retain the allocation part of the program and continue existing controls on the price and use of propane.

Mr. PACKWOOD. Mr. President, what we are voting on today will determine the future of our national energy debate. Decontrol is the keystone of our energy policy. The American people have indicated their support for decontrol as reflected by a recent Harris poll. Congress and the administration have reached a general consensus that a program of phased decontrol coupled with a windfall profits tax and adequate rebates to the American consumer is the best approach to this problem. The question then becomes one of timing: When will we get on to the business at hand?

Decontrol would do three things:

First. Increase domestic oil production—by about 1.4 million barrels per day by 1985—because much oil that now cannot be sold for what it costs to produce will come to the market;

Second. Curb U.S. oil demands because as prices rise, industrial, business and individual consumers will conserve oil and seek alternative fuels; and

Third. Decrease of oil imports as more domestic oil becomes available and demand abates.

An adequate windfall profits tax on oil producers could be used to pay for across-the-board rebates to consumers. We will have time to mitigate any adverse impacts on particular segments of society through additional legislation, such as insuring that there is an orderly transition from price controls for small, independent refiners and retail service station dealers.

Unfortunately, we are not voting on a compromise decontrol plan. To my way of thinking, we are voting to determine

whether or not we will even consider a phased-in decontrol plan. Congress has the tendency to act only when pushed. A program of gradual decontrol could easily be enacted within 30 days. But, if the Emergency Petroleum Allocation Act is extended another 6 months, I predict no immeidate action on this problem. We will sit and dally ourselves into the middle of an election year when nothing will happen.

For these reasons, I will vote to support the President's veto of the 6-month extension, and if sustained, I will urge the adoption of a 45-day extension which I am cosponsoring. The President has already announced that he will accept this 45-day extension of the Allocation Act to allow adequate time for Congress to come up with some positive decontrol action. Mr. President, let us get on with it and stop these unnecessary, unproductive delays. It is time for Congress to act on decontrol.

Mr. BROOKE. Mr. President, it is with a sense of deep frustration that I cast my vote to override President Ford's veto of a 6-month extension of the Emergency Petroleum Allocation Act. From the moment the Congress disapproved the President's oil decontrol plan in July, I have pressed for the development of alternative energy policy proposals. Yet, the Nation still seems to be without leadership in the vitally important area of effective national energy programs. The time for action is long overdue.

The Democratic leadership has, so far, failed to offer any tough conservation standards or any reasonable fuel pricing policy. On the other hand, I cannot support the administration decontrol program. The estimated $28 billion inflationary shock to the economy would be too great. The 39-month phaseout period would be too short. The proposed final price ceiling of $13.45 would be unnecessarily high. In addition, the problem of oil pricing must not be separated in this manner from policy concerning the problem of natural gas pricing.

Mr. President, this issue must no longer be the victim of partisan political maneuvering. Therefore, I urge my colleagues to oppose the President's veto and then to turn at once to the business of formulating a tough, fair national energy policy.

We cannot allow this to take as long as 6 months. In fact, we need not even take 6 weeks. All of us know the issues and the options. It is time the Congress did the job we were elected to do. And I have no doubt that administration officials will deal openly and seriously with any reasonable suggestions we put forward.

I, myself, have long supported a particular set of policies which I would like to put forward once more for consideration.

First, we need an energy pricing policy which sets a ceiling price on domestic oil and new natural gas on a Btu equivalency basis. We must encourage oil and gas exploration. But we must protect ourselves from the pricing decisions of the OPEC cartel by establishing a fair maximum price. Legislation to accomplish this end has been drafted by Senator STEVENSON of Illinois as an amendment to S. 692. I am cosponsoring his bill, and I urge my colleagues to act promptly on this alternative energy pricing program when it comes before the Senate in the near future.

Second, we need a tough energy conservation policy to further reduce our dependence on both fuel imports and precious domestic resources. The Senate has already passed responsible legislation in the fields of automobile efficiency standards and strategic energy reserves. I trust stringent standards for energy conservation in buildings will soon become law. The Senate Finance Committee is currently working on tax incentives for conservation. I hope these will be limited and specific, as we need to direct our scarce resources without adding further loopholes to our already inconsistent and sometimes irrational tax system.

Since last winter, I have been urging the Congress to go beyond these measures and to enact a conservation tax on gasoline, which we so often use profligately, an excise tax on gas guzzling cars and a series of gradually increasing tariffs to encourage domestic production and refining.

These proposals are embodied in a package of legislation I presented to the Senate together with Senators PERCY and MATHIAS on July 15.

Finally, we must develop all our domestic resources intelligently. We must plan for controlled exploration of fossil fuels so that the environment of today is protected and the natural legacy of the future is assured. We must harness the combined genius of science and management so that alternative sources of energy are fully understood and made available to the public. These choices call for considered regulation and extensive financing. I am convinced that the Congress can assume responsibility for making these decisions now. The Nation has listened long enough to this important public debate. The time to choose is upon us.

OIL PRICE DECONTROL—IMPACT ON THE ECONOMY AND ON COMPETITION

Mr. McINTYRE. Mr. President, I shall vote to override the President's veto of the oil price control extension bill because I am deeply concerned that an abrupt end of the controls will result in a staggering blow to our economy, and a significant lessening of competition in the oil industry.

There have been numerous estimates made of the effect sudden and complete decontrol will have on our economy. Of course, no one can predict with certainty just how many jobs will be lost, just how much higher the rate of inflation will climb or just what gasoline or home heating oil will cost. But I am struck by the fact that all the estimates I have seen are gloomy. There is simply no question that a new rise in crude oil prices will not only directly result in increases in energy prices, but will also ripple through the entire economy at a time when we were just beginning to see some signs of recovery from the evils of inflation coupled with recession.

Let us look at some of those economic estimates:

The nonpartisan Congressional Budget Office, using the latest techniques of economic forecasting, terms sudden decontrol a "significant setback" for economic recovery and the battle against inflation. Their study, which even makes the assumption that the President would lift the $2 a barrel tariff on imported oil, thereby lessening the effects of decontrol, predicts the loss of 600,000 jobs by the end of 1977, a 4-percent rise in the wholesale price index, and a 20-percent decrease in the growth of our gross national product.

The House Commerce Committee Energy Subcommittee, after careful analysis, concludes that decontrol will result in a loss next year, of 640,000 jobs, a 2.7-percent increase in the Consumer Price Index, and such harmful ripple effects as a reduction in housing starts of 280,000 and an automobile sales decline of 950,000.

The Library of Congress, when requested to study the results of sudden decontrol, estimated a $40 billion inflationary contribution to the economy, coupled with a loss of 1.5 million jobs in 1976. Their study also predicts a 2.7-percent price rise next year, as a direct result of decontrol.

Finally, lest I be accused of using only Government figures, let me review the alarming analysis prepared by the Bankers Trust Co., one of the Nation's largest banks. In their Energy newsletter dated August 6, they conclude that if oil prices are allowed to rise quickly to the world price, the "impact on our economic recovery will be devastating and might not only delay the recovery, but could easily precipitate a worsening of the recession." The bank estimates a total cost to the economy of $35 billion, noting that this is 50 percent greater than the entire tax reduction passed by Congress earlier this year to stimulate the economy by returning purchasing power back to the consumers. As the bank's energy experts state: "Coupled with a moderate rise in the foreign price of oil, the sudden decontrol of old crude prices would next year transfer about $35 billion per annum away from consumers to energy producers, the Federal Government, and the OPEC nations."

Mr. President, in the face of such overwhelming economic evidence, how can we permit oil price controls to expire?

I realize, Mr. President, that President Ford does not desire sudden and total decontrol. He recognizes, as does the Congress, that the economic impact of such a move would be too devastating. But unfortunately, his veto of the bill to extend the controls will have that very effect we all wish to avoid. For it will leave the Nation without any price control authority until Congress and the President can come to an agreement on the form gradual decontrol should take.

Frankly, Mr. President, I do not know when such an agreement can be fash-

ioned. I would hope that a compromise can be worked out as quickly as possible. A number of my colleagues and I have been actively searching for a middle ground for some time, but with little success. Several months ago I outlined a plan to President Ford's energy chief, Frank Zarb. Until a compromise can be reached, however, it makes more sense to continue the controls. If we lift controls before enacting a gradual phaseout, the political pressures and the pressures of special interests, especially "Big Oil," may result in a long period without controls. In such a time, Mr. President, the dire economic consequences outlined earlier may well come to pass. We simply cannot afford to take that risk.

I have said repeatedly that I look forward to the day when price controls are no longer needed in the oil industry. I would welcome a free market in oil if all the factors necessary for a free market existed. Unfortunately, there is no free market in the oil industry, and there will never be one as long as an international cartel sets artificial prices and as long as domestic oil companies continue to engage in noncompetitive activity.

I have been concerned for several years over the lack of competition in the oil industry, Mr. President, and I am afraid that a sudden end of price controls will result in an even greater concentration of economic power in a few giant oil companies. Many independent marketers and other small businesses which provide a degree of price competition in the industry may be put out of business.

Listen to the words of an oil industry executive, Robert Yancey, of Ashland Oil, Inc:

> Almost all the rapid price increases in petroleum prices seen by the consumer today originate in crude oil production. These increases are politically motivated, bearing no real relationships to the cost of finding and developing those crude resources. So long as such prospects for manipulation within the producing sector continue to exist, then some method must be devised, and devised quickly, to prevent transfer of profits from this highly volatile area to subsidize downstream operations, or there will soon be no semblance of competition in any area of this industry. Needless to say, independent refiners and marketers with none of their own crude supply cannot long endure under the circumstances such as I have outlined here today.

Mr. President, we cannot allow the independent segment of the oil industry to be driven out by the major oil companies.

Mr. BAYH. Mr. President, despite the President's persistent talk of "compromise" on the issue of oil prices, the fact is that his veto of the bill to extend the Mandatory Petroleum Allocation Act has delineated a basic issue on which we should not compromise. That issue is whether this Nation can withstand the devastating economic consequences of turning over to the oil exporting countries and to the fundamentally noncompetitive multinational oil companies the power to set the price of all oil produced in the United States.

To me the answer to that question is self-evident. I shall vote to override the President's veto, to maintain price controls on the 60 percent of domestic oil production now subject to controls at $5.25 a barrel. I hope fervently that my colleagues will adopt the same position in sufficient numbers to overturn the President's veto.

I shall explain the reasons for my vote more fully in a moment. But first I think it is necessary to recognize the true nature of the "compromise" the President is offering in an attempt to garner votes on this issue. His plan to end Federal price control on oil, albeit phased decontrol, offers American consumers and industry no protection against the predatory pricing policies of the Organization of Petroleum Exporting Countries. His "compromise" is not on the basic issue at stake, whether or not there should continue to be Federal controls on domestic oil. No, if we compromise with the President then he, and the OPEC nations, and the oil companies, will have won this battle. For in the end they will realize their goal and the enormous profits that will flow from decontrol, whether sudden or phased.

The painful economic consequences of decontrol certainly will be stretched out over a longer period of time if the President succeeds in winning his "compromise," than if we have sudden decontrol. But I seriously doubt those who will be the principal victims of soaring energy prices—working men and women, small businessmen, people who can least afford it—will find much solace in the President's plan to administer his economic poison slowly, rather than in a single large dose.

Now let me explain specifically why I feel so strongly that the President's veto should be overridden.

Under no circumstances should this Nation tolerate a situation in which the price of domestic oil is effectively set by the Organization of Petroleum Exporting Countries—OPEC.

Already approximately 40 percent of the oil produced in the United States is priced at more than $13 a barrel, or four times the price of oil just 2 years ago. This so-called uncontrolled sector of the domestic oil industry is not uncontrolled at all; the price of this oil is established by the landed price of imported oil. It is not—and I repeat, not—the free market price of oil. Rather it is the price set by the most effective international cartel in history.

This problem is further exacerbated by the fact that the domestic oil industry, because of intense concentration and vertical integration, is itself basically noncompetitive. Free market forces that are absent in the oil market abroad are equally absent here at home.

If we permit that portion of domestic oil production now subject to price control at $5.25 a barrel to be "decontrolled," we would not achieve true decontrol. Instead, we would be turning over to the OPEC cartel the power to control the price of domestic oil. In doing so we would initiate a fresh round of major inflationary pressure and, at the same time, make it exceedingly difficult to recover from our worst recession since the Great Depression by robbing American industries and consumers of billions of dollars in purchasing power.

Mr. President, a crucial point that is missing in defense of the President's proposal is whether or not we need permit any rise in the price of the oil now being sold at $5.25 a barrel.

This so-called old oil, now selling for $5.25 a barrel, was in production prior to 1973, when it sold for close to $3 a barrel. By the end of 1973 the price of that oil, while under the Federal controls, had been permitted to rise to $5.25 a barrel despite the absence of a comparable increase in production costs. Mr. President, this is not oil that was found and developed after the rampant inflation of the past 30 months. It is not oil whose production was associated with the sharp price increase in drilling equipment. Indeed, the General Accounting Office long ago reported to the Congress that increased production costs did not justify the administration's decision to increase the price of "old" oil from $4.25 a barrel to $5.25 a barrel in December of 1973.

Because the cost of producing "old" oil has not increased significantly, to allow its price to rise even over an extended period of time—would provide a huge windfall to the major oil companies which produce the vast majority of this oil. This would entail a remarkable transfer of income from American consumers and industry to the multinational oil companies. The consequences of such an oil price rise and income transfer would be disastrous.

First, there is solid evidence of the relative inelasticity of the demand for refined petroleum products; an increase in price has little effect, in the short term, on demand. What a price rise does do, however, is increase the price of essentials such as gasoline and home heating oil, as well as countless other products that are made in whole or in part from derivatives of oil. The direct and indirect price increases resulting from the President's plan would exceed $10 billion next year alone, and by the end of the decontrol period the increase in all prices—including other energy sources—would be at an annual rate of more than $50 billion in 1975 dollars. It is painfully obvious that such price increase would stir a new round of inflation.

Second, even while stirring major inflation, a sharp rise in oil prices, especially in the 60 percent of domestic oil now priced at $5.25, would make it extremely difficult to achieve the kind of economic recovery required in response to our present recession. To understand the recessionary impact of a sharp rise in oil prices we need look no further than our experience in the past 2 years, when the price of imported and uncontrolled domestic oil soared upward.

Charles Schultze, the respected economist, has estimated that that round of oil price increases sapped $35 billion in purchasing power from the economy and was thus a primary cause of our present recession. In other words, since the demand for oil is relatively inelastic, con-

sumers do not respond to higher oil prices by buying fewer refined petroleum products; rather, they continue to buy oil products at the higher price, and are left with significantly less disposable income to spend on other consumer goods and services.

Looked at another way, if the President's decontrol plan is permitted to go into effect it will reduce the purchasing power of the American people for nonpetroleum products by an amount close to the antirecessionary individual tax cut now in effect. We would have to extend that tax cut through 1976 merely to offset the reduced purchasing power resulting from increased oil prices, and would then have to provide an adequate stimulus to the economy. Otherwise, we will face many months of unemployment at outrageous levels in excess of 8 percent. Otherwise, we will continue to face huge gaps between our actual and potential GNP, with far too much of our productive capacity idle for far too long.

It is equally tragic that the administration is so insensitive to the human costs of recession and so ready and willing to perpetuate that recession in order to increase oil prices.

Earlier, Mr. President, I said that the essence of the issue is whether we need permit any increase, whether phased or sudden, in the price of old oil. I think it is clear that it is neither necessary nor wise to follow that course.

Mr. President, for the foregoing reasons I shall vote to override the President's veto and urge my colleagues to join me in this important vote, lest we open the door for a deepening recession and rising inflation.

UNITED STATES NEEDS THE OIL ALLOCATION ACT

Mr. HUMPHREY. Mr. President, the Senate faces today the question of whether to override the President's veto of S. 1849 which provides a 6-month extension of the Emergency Petroleum Allocation Act. I have concluded that the vital interests of the Nation require that Congress override this veto, and I shall vote accordingly. Let me outline briefly my reasons for this decision.

First, it is now clear that the great oil price revolution of 1973—and we can truly call it that—has played an important role in causing our present prolonged recession, despite the fact that partial price controls on oil and gas have blunted its effect. Various studies show that a sizable portion of the huge increase in unemployment since late 1973 is directly traceable to the disruption caused by energy price increases. At a time like this when our economy remains deeply depressed, it is incomprehensible to subject it to another harsh energy price shock.

Second, decontrol of domestic oil prices now would increase our economic vulnerability to OPEC price boosts by freeing presently controlled domestic oil prices to follow them. Whatever price hike OPEC imposes in October, decontrol would make its impact on the U.S. economy about two-thirds greater. The administration has told the foreign oil producers that another substantial price increase would endanger the economic recovery of the world. Why then does the President wish to aggravate the impact of such a blow through domestic price decontrol?

Third, the administration's high price oil policy has proven itself ineffective in achieving our national goals. Oil product prices already have increased by some 50 percent since late 1973, but we continue to consume and import as much as ever despite the depressed economy. According to the Federal Energy Administration itself, immediate decontrol, even with the tariff removed, would cut oil imports in 1977 by about 700,000 barrels per day or only 10 percent. Is this energy independence? Is a 10-percent reduction in imports worth paying over $40 billion per year for? At this rate, these import savings would cost Americans $156 per barrel. I say that a carefully formulated program of conservation and enhanced production, such as Congress is now formulating, can yield greater results at much less cost. Just think what we could achieve if we put $40 billion per year into the development of electric cars, solar and wind energy technology and improved coal mining and coal burning technology, instead of adopting the President's approach of simply bludgeoning the consumer with higher bills for everything containing energy and then letting nature take its course.

Fourth, I believe it is vital to override this veto because the ramifications of oil decontrol will drastically increase the already massive Federal budget deficit. If consumers are hit with some $40 billion in increased bills from decontrol and OPEC actions, it will be necessary to pass an equivalent tax cut immediately in an attempt to offset the deflationary consequences of this loss in consumer purchasing power. But the windfall profits taxes discussed thus far, for instance the one proposed by the Senate Finance Committee, would collect only some $11 to $13 billion in new taxes from the windfall on crude oil, including the increase in regular corporate income tax collections. Unless this tax is revamped to collect a great deal more, we would be looking at an addition to the Federal deficit in excess of $25 billion for the needed tax cut. It should be noted that five-sixths of this loss in purchasing power will be traceable to decontrol and only one-sixth to OPEC.

Fifth, we cannot permit price controls and allocation authority for propane and heating fuel to lapse at a time when we face a winter season with a very serious shortage of natural gas. In my part of the country, citizens—especially residents of rural areas—are very apprehensive about getting enough propane for essential heating and industrial purposes. And for good reason. With the expiration of the Allocation Act, gas utilities and large industrial users are preparing to buy and hoard available supplies of propane at any price to see them through the winter. Furthermore, the Canadian cutback of crude oil exports to the upper Midwest confronts the region with a longer term prospect of oil product shortages. We cannot wait to see whether the winter will be a harsh one. Controls must not be allowed to lapse, and fair allocation of scarce fuel must continue. In this connection, I might add, the State set-aside program under the Allocation Act has been very useful in my State for overcoming bottlenecks in supply of all fuels, especially in the rural areas, but this element of local discretion and flexibility also would be lost if the act expires.

Sixth, a sharp rise in the price of crude oil traded within the oil industry, whether accompanied right away by corresponding product price increases or not, will eliminate some crude-deficient refiners and independent marketers from the industry and severely sap the competitive strength of those remaining. Whether or not the major companies show restraint on product prices, they will show no restraint in pricing crude oil to their competitors. This shift of financial power within the industry will place it to an even greater extent under the control of the major crude producers. Such a development is contrary to our national policy of maintaining effective competition and preserving a place for smaller, independent competitors in all phases of industry and commerce.

Mr. President, decontrol will deliver a staggering blow to our economy—a blow perhaps sufficient to stop our recovery. Study after study by the Congressional Budget Office, by economists testifying before the Interior Committee and the Joint Economic Committee, by DRI economic forecasters, by Wharton forecasters, by Chase Econometrics, and by the JEC staff all reach the same conclusions: oil decontrol will raise inflation by 2 or 3 percent; it will severely retard our tenuous economic expansion, and it will push at least 400,000 working men and women out of a job.

This is not idle speculation.

Decontrol could well mean a 7-cent-per-gallon rise in gasoline prices—a rise which may occur before Halloween.

Decontrol will give our domestic oil producers a price of $13.50 or so for each barrel of oil—when the administration's own studies by the FEA reveal that a price of $9 would yield the same level of oil production.

Decontrol means we will be assured of yet another year of nearly double-digit inflation—and decontrol will mean yet another year of falling real take-home pay for workers, who were better off in 1970 than they are today.

The picture I have painted is a sorry one. But it's a picture we can repaint by voting to override the President's veto.

And I urge all my colleagues to do just that and thereby avoid putting the future course of our economy and our energy price policy at the mercy of the OPEC nations.

Mr. RIBICOFF. Mr. President, I fully support S. 1849, continuing price controls over 60 percent of our domestic oil. Because this legislation is clearly necessary, I will vote today for its enactment, despite the President's veto. I will vote to override the President's veto.

The legislation is necessary to protect

the American economy from massive price increases that would lead to even greater unemployment, and even greater inflation.

It is necessary to protect the citizens of my State and other States who are especially dependent on oil. These people have already seen their fuel budgets rise much faster than the national average. They cannot afford to pay any more to heat their homes or light their buildings.

It is necessary to prevent the major oil companies from reaping windfall profits, and to protect the independents who may otherwise be driven out of business.

It is necessary to prevent OPEC from dictating to the American public what it must pay for 60 percent of its domestic oil.

The Congressional Budget Office study released on Monday by the chairman of the Senate Budget Committee estimates that immediate price decontrol will eventually result in the consumer paying 7 cents more for every gallon of petroleum products he buys, assuming removal of the $2 tariff on imports and an OPEC price rise of only $1.50 over the next 2 years.

The Congressional Budget Office also estimates that decontrol would increase wholesale prices nearly 4 percent by the end of 1977, and add just under 1 percent to the 1975 inflation rate. By the end of 1977 it would cause an additional 600,000 people to go without a job.

The Library of Congress has estimated the total cost of the price rise, including the effect on the price of other fuels, and the indirect or ripple effect on the price of other goods. Even assuming no OPEC price rises in addition to removal of the $2 tariff, it concludes that immediate price decontrol will cost the public an additional $37.1 billion a year in higher bills for fuel, for food, for medicine, and for innumerable other goods and services. This means an added annual cost to the budget of every family in America of around $675.

Other private experts have prepared other estimates. These estimates may vary in detail, but they suggest the same conclusion. Immediate price decontrol would cause very serious injury to the economy.

Such massive price rises will be especially hard on my State of Connecticut and the other New England States, since New Englanders rely on petroleum products for almost twice as much of their energy as the Nation as a whole.

New England has already seen its fuel costs rise 139 percent in 1974, compared to only 40 percent in the country as a whole. Its utilities already pay twice as much for its fuel as other sections of the country. At the same time, Connecticut and the rest of New England have already reduced their use of heating oil and residual oil by much more than the national average. People cannot reduce their use of fuel much more and still stay warm. Higher prices will force great sacrifices in my State, more unemployment, and more economic hardships. But it will not mean reduced consumption.

Immediate price decontrol will have other harmful consequences as well. The price of decontrolled old oil will quickly rise to the world price. Since this is set by a price-fixing oil cartel, decontrol will place American consumers more than ever at the mercy of OPEC.

Decontrol will mean vast new profits for the oil industry. A few major firms will thus add billions of dollars to their already large profits, while the position of the independents, who are dependent on the majors for their oil, may be priced out of the market. The fewer the independents, the more concentrated and less competitive the oil industry will become.

The high cost of decontrol cannot possibly be justified by its likely benefits.

Price decontrol will not necessarily increase the production of domestic oil. Oil prices are today over twice as high as they were less than 3 years ago. Forty percent of domestic oil is not now subject to price control. Yet production of uncontrolled domestic oil actually fell last year by over 600,000 barrels a day. Sharply higher prices may reduce consumption somewhat, but hardly enough to justify the high cost of a sudden price decontrol. By the Federal Energy Administration's own estimates, complete price decontrol will only cut imports by about 363,000 barrels a day.

There are other, less expensive, and less damaging, ways to reduce consumption and to start the country toward energy independence. The Senate has already passed many elements of the congressional program for economic recovery and energy sufficiency originally proposed last February by task forces organized by the majority leader of the Senate and the Speaker of the House.

When fully enacted, the congressional program will by 1985 reduce the Nation's reliance on imports for its energy from the present level of 20 percent to less than 10 percent. At the same time, the program avoids the sudden and massive price increases that immediate price decontrol would cause.

Instead, the program places greater reliance on direct mandatory conservation measures as a far surer, fairer, and less economically damaging way of insuring savings. The Senate, for example, has already passed a bill mandating a 50-percent improvement in auto fuel efficiency by 1980, and a 100-percent improvement by 1985. If we just increased new car efficiency to 22 miles to the gallon we would save 1.8 million barrels of oil a day by that step alone.

Until the constructive plan proposed by the Democrats in Congress has been given a chance, and shown wanting, I am not ready to concede that sky-high prices are the only answer to our energy problems. I do not believe we need to price Americans out of the energy market to solve our energy problems. There are other, more constructive policies this country can adopt to save energy.

I hope the Senate will vote today to enact this vital legislation into law and override the President's veto.

Mr. THURMOND. Mr. President, at 3 p.m. I shall vote to sustain President Ford's veto of the Emergency Petroleum Allocation Act extension. I am convinced the only way to persuade Congress to seriously consider a national energy policy is to sustain this veto.

Mr. President, only through deregulation can domestic supplies be encouraged to develop to the point of surplus, thus freeing us from dependence upon OPEC oil and causing a decline in domestic oil prices due to increased supplies. There is no way to regulate domestic energy prices and free ourselves from increased dependency upon imported petroleum at the same time.

In recent years domestic energy production has decreased significantly while energy demand has risen sharply and is expected to continue to increase. If there is no decontrol, this Nation will continue to rely upon insecure sources for energy supplies. Continued reliance on imported crude oil only tightens the rein OPEC countries have recently obtained. This reliance is a severe threat to our national security and leaves us susceptible to the economic problems which would be inherent in another oil embargo.

President Ford has made every effort to move forward with a bold National energy policy. Beginning with his state of the Union message in which he proposed far-reaching measures for the solution to America's energy woes, he has exhibited the patience of Job in dealing with a Congress which has refused to cooperate with him. Congress has made little progress in developing a comprehensive energy program or in giving the President the authority he needs to implement his proposed program. Recently, the President proposed a 39-month phaseout of domestic oil controls. Unfortunately, the House of Representatives rejected this proposal out of hand. As a result of the refusal of Congress to consider a reasonable compromise proposal, President Ford had no choice but to veto the extension of the controls on domestic oil.

If the controls are extended for an additional 6 months there is no guarantee that Congress will address itself to the energy problem during the next 6 months with any more fervor than before. In order to help Congress with this problem, President Ford has indicated he will support a 45-day extension of price controls if his veto is sustained. I support this idea. Forty-five days is sufficient time for Congress and the President to agree upon a fair, comprehensive, decontrol plan which will be in the best interests of all the citizens of our country.

Mr. President, I have been concerned about the effect of decontrol on the independent suppliers and jobbers in my State and across the country. I have been assured by Frank Zarb, chairman of the Federal Energy Administration, that independent suppliers and jobbers will be protected against unwarranted actions by the major oil companies.

Mr. President, this Nation cannot afford to wait indefinitely for a comprehensive energy program. Immediate action is needed to reduce demand and develop new energy supplies. This Nation cannot afford to be shortsighted on energy. If we are shortsighted, we will be

short of supply. I urge my colleagues to support the President's veto and to enact a reasonable phased decontrol plan which will meet America's long-term energy needs.

I ask unanimous consent that a memorandum prepared by the White House staff on the need for decontrol of oil prices be printed in the RECORD.

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

NEED FOR DECONTROL

WHY ACT NOW?

Since price controls on domestic oil were imposed in 1971, there has been a four-fold increase in world oil prices. As a result the U.S. paid foreign oil producing nations $25 billion in 1974 compared to about $3 billion in 1973—a seven-fold increase. This not only represents an outflow of U.S. dollars, but could support one million more badly needed jobs for American workers.

Since controls were established in 1971, our imports of oil have almost doubled. Further, in the last two years domestic crude oil production has dropped almost one million barrels per day and will continue to decline.

The last embargo caused a GNP loss of $15 billion and threw hundreds of thousands of Americans out of work.

In two years, with no action on this issue, imports from vulnerable sources could double. An embargo then could result in another one million American jobs in jeopardy.

Decontrol of domestic oil will start this nation in a new direction that will restore jobs, security, and eventually free this country from the yoke of the foreign oil producers.

Action on decontrol has been delayed for too long already. The President has already submitted several compromise proposals and has gone more than half way towards decontrol. Each has been rejected, but the Congress has offered no positive program of its own.

Unless the veto of the 6-month extension is sustained action will be stalled until after the 1976 elections. We must get on with reducing our import vulnerability now.

If the veto is sustained, and the Congress wants to compromise and enact a program like the President's 39-month decontrol plan, the President will sign a 45-day extension of the EPPA.

EFFECTS OF DECONTROL

Decontrol, even with removal of current import fees, will reduce imports by about 700,000 barrels per day by 1977. Higher energy prices have been documented to reduce demand.

Decontrol will provide an incentive for the use of increased high-cost recovery techniques in currently declining fields. These advanced recovery techniques would not be economic at $5.25 per barrel controlled prices, but could add about 1.4 million barrels per day of production by 1985.

Decontrol would remove a complex and burdensome regulatory program which was enacted to deal with an embargo and is unwarranted now.

ECONOMIC IMPACTS

If a compromise cannot be reached and complete decontrol continues, the President will take several actions to ease the transition.

The President will remove the current $2.00 import fee on crude oil and $.60 fee on petroleum products when his veto is sustained. This action will keep the average petroleum product price increase to about three cents per gallon.

Further, the President will take steps to ease the following potential problems:

He will ask for authority to allocate propane at reasonable prices to farmers, rural households, and other historical users.

He will seek authority to allow retail dealers to challenge in court any unfair practices by major oil companies.

He will request legislation to provide an incentive for small and independent refiners equal to their current benefits under the entitlement program, which gradually phases out.

The President will continue to press for a windfall profits tax on the oil industry with rebates of the revenues collected to the American consumer.

Mr. HRUSKA. Mr. President, President Ford has my support in his stand on oil decontrol. The President sent his legislative proposals on energy to Congress last January 30, 1975. In all the time that has passed since that date the Congress, contrary to the assurances of the Democratic leadership, has not been able to agree on an energy program. The majority has continually pleaded for another 3 months or another 6 months of delay to give it time to come up with some workable energy plan. But at the end of these periods there is still no program.

President Ford has made every effort to cooperate with the Congress in arriving at a solution to our energy problems. At congressional urging he has delayed placing tariffs on oil imports even though this Nation has continued to become more and more dependent on foreign oil. In July, the President not once, but twice, offered the Congress plans for phased decontrol of domestic crude oil. In both cases, the Congress refused to go along without even offering a substitute plan. Yet, since last January, when the President communicated his proposals to the Congress, production from domestic oil wells has continued to fall while imports have continued to increase. Mr. President, this Congress continues to insist on extending controls which discourage our own crude oil output. As a result, we are becoming more and more dependent on the Arab-dominated OPEC cartel. This greater dependency is an outright subsidy to the cartel producers at the expense of our own national security. The laws of economics, which cannot be repealed, tell us that this dependency on OPEC can only increase if we continue with controls.

The record is clear. The Democratic majority in the Congress has not been able to agree on a responsible energy program—an energy program that will encourage conservation, promote domestic production, and begin reducing our dangerous dependence on foreign oil imports. There is no real prospect that the Congress will ever agree on an energy program. The longer we delay, the worse our position becomes. It is therefore the intention of this Senator to vote for upholding the President's veto on S. 1849.

I will, however, support S. 2299, which will extend controls for another 45 days, so that the Congress will have yet one more chance to come up with a coordinated energy plan for this country. The record does not offer much hope, however, that the Democratic majorities in Congress will now be able to agree on a responsible energy program when they were unable to do so within the past 8 months. But I believe it is willing to try one more time. If this extra time does not produce agreement on a sound energy program, a program that will reduce rather than increase our dependency on the OPEC cartel as we are now doing, it will then be abundantly clear to the American people that the Congress is simply incapable of coming to a solution no matter how much time it has. Further delay cannot be tolerated.

OIL DECONTROL

Mr. HATFIELD. Mr. President, in 1973, the Arab members of the Organization of Petroleum Exporting Countries—OPEC—instituted an oil embargo against the United States, making an already tight U.S. supply situation even tighter. As inventories dried up and shortages began to appear, it became clear that the independent sector of the oil industry was threatened with extinction, and Congress passed the Emergency Petroleum Allocation Act to prevent widespread closure of small oil businesses. At that time, economic controls were still in effect generally, under authority of the Economic Stabilization Act, but that authority expired in 1974 for all services and commodities except oil. A clause in the Allocation Act provided for continued price control of petroleum and petroleum products.

Today we are still allocating petroleum—assigning suppliers to customers—and controlling its price under the Emergency Act, even though the shortages that required such allocation have long since disappeared. The petroleum marketplace is still locked into the straightjacket we put it in back in 1973, and the longer this freeze is in effect, the more distorted the marketplace will become as it fails to react to our changing energy requirements. We saw this kind of distortion occur with many other industries during the wage and price controls of the Nixon administration. The windfall profit created by the quadrupling of the price of OPEC oil was a temporary phenomenon, and any future windfall—if domestic crude oil is decontrolled—could be recaptured by appropriate tax legislation.

It is time that we begin to phase out controls. I supported the President's proposals for 2½- to 3½-year phaseouts, coupled with careful monitoring of the impacts in the marketplace and with ceilings that can be employed to see that the inflationary impact is minimized. Congress, however, has repeatedly rejected these gradual decontrol schemes, and the President, in turn, has vetoed a 6-month extension of the Emergency Petroleum Allocation Act. I voted to sustain this veto, but supported a 45-day extension of the act in order that there might be one more opportunity to work out a program for oil that is mutually acceptable.

If, in 45 days, the Congress does not accept some kind of program for ending the controls gradually, I will support another veto, this time without another 45-day reprieve waiting in the wings. The major concern of the Congress in the matter of decontrol should be the survival of the independent sector of the petroleum industry, for it they remain

viable businesses their competition with the major oil corporations will work to keep prices in line, as they have in the past. Further, among the majors, those with extensive onshore domestic production of crude oil will probably use their cost advantage over those which rely more heavily on imported and offshore — Outer Continental Shelf — oil, which should add competitive stimulus. Finally, a close watch of the profits of the majors, and legislative action if they are out of line is a key to acceptable decontrol. Right now, the industry profits, expressed as percentage return on investment, are back to preembargo levels—about at the average for all U.S. manufacturing.

In closing, I would add that I continue to have serious questions about conditions in the petroleum industry. Over the past months, I have introduced legislation to stop the drift toward greater and greater concentration of control over this sector of our economy in the hands of fewer and fewer companies. It is time Congress attended to insuring the free market remains free, and I feel it is coming down to either new antitrust legislation or future Federal controls. This is true not only in the oil industry, but in other industries where cooperative arrangements or sheer individual economic clout work to frustrate healthy competitive free enterprise.

Mr. KENNEDY. Mr. President, an override of the President's veto of an extension of oil price controls is essential if we intend to spur economic recovery without engendering a new wave of double-digit inflation.

The veto of the 6-month extension bill represents acceptance of total decontrol of all domestic oil prices. And that should not be surprising since it is precisely the position advocated by the President in his state of the Union message.

It is precisely the position advocated by the major oil companies that control substantial amounts of old oil. Unfortunately, it also is precisely the policy that will hit the Nation's economy with a $40 billion energy shock.

The high price—high tariff policy espoused by the administration is the wrong economic policy for a country with 8 million men and women unemployed and it is the wrong energy policy for America as well.

It is the right energy policy only for the major oil companies who would reap nearly $75 billion in windfall profits from decontrol between 1976 and 1980, according to the Library of Congress.

The President's veto means open season on the American consumer and on the American economy for the major oil companies. They may wait a day or a month or a year, but ultimately they will send prices right to the cartel-set world price. And the veto gives that OPEC cartel the power to set U.S. domestic oil prices. It also means that any price hike imposed by OPEC will have a 60 percent greater impact on the U.S. energy bill than if old oil remained controlled.

Instead of taking away power from OPEC to affect our economy, the President's veto gives them the ability to determine the price of every barrel of oil produced in the United States.

The President's veto rejects the recommendations of economists, consumers, farmers, and the small independent sector of the oil industry. Ask the elderly of Massachusetts what their most critical problem is and they will say that it is inflation in the most essential items of their budget—in heat, in food, in electricity.

And this veto assures even higher prices for these items.

If the administration is concerned about arresting inflation, does it not make more sense to try and hold down the rising level of fuel prices and food prices, rather than veto an education appropriations bill or a jobs bill? Does it not make more sense not to hit the Nation's economy with a $40 billion energy shock with decontrol if you really are concerned about inflation?

And, if the administration is really concerned about jobs, does it not make more sense to spend money for job programs and for vital public works programs such as rehabilitating our railroads, instead of forcing the Nation to spend $40 billion more on energy?

Without tariffs, I repeat, even without tariffs—the Library of Congress estimated that the $40 billion added energy cost of decontrol would produce another 2.7-percent hike in prices and cost approximately 1 million additional jobs.

Similar consequences have been cited by the Joint Economic Committee, the Congressional Budget Office, House and Senate Committees, the United Auto Workers, the AFL–CIO, and virtually every other outside witness.

The Library of Congress made its estimate not solely by using the available Data Resource, Inc., computer models and projecting future estimates. They also analyzed what in fact had occurred to energy and other prices in the 21 months from October 1973 to July 1975. And they found several discrepancies in the FEA estimates of the impact of decontrol.

First, coal and unregulated natural gas prices followed the lead of oil rising substantially over the time period studied. Second, there was in fact a 90-percent ripple as the added $51 billion in energy costs—nearly 70 percent caused by administration removal of controls on new oil, administration hikes in the price of old oil to $5.25 a barrel, and administration tariffs—produced a $45.5 billion increase in the cost of other goods and services.

And so, using the same analysis, the Library found that contrary to the FEA estimates the actual cost of decontrol will be some $21 billion in added direct energy costs and some $19 billion in added indirect costs.

It will mean some $200 more for fuel and fuel-related costs for every individual and nearly $800 for every family of four in Massachusetts and in the Nation.

Our economy cannot afford this shock. Our industries cannot afford this shock. I strongly urge that this veto be overridden.

DECONTROL OFFERS DISASTER

Mr. McGOVERN. Mr. President the vote on overriding President Ford's veto of oil price controls will be among the most important we will ever cast.

In his short time there Mr. Ford has transformed the White House into a veritable veto factory in his effort to dismantle people-oriented programs. Now he has used it again in an effort to sweeten the treasuries of monopoly, at the expense of ordinary people.

He claims this will help secure more oil. This is nonsense. The oil companies got a windfall of $90 billion more in sales over the past year, on smaller volume than the year before. Yet production went down. Now we are supposed to authorize billions more in blackmail payments, by giving the oil companies a wide open license to raid consumer's pockets. Again, blackmail will only bleed those who pay.

We have all noticed President Ford's efforts to identify with a distinguished predecessor, Harry Truman. This issue makes such poses an ultimate profanity against Mr. Truman's memory. I can imagine what he might say about it if he had the chance. But I cannot say it on the Senate floor.

Surely we must recognize that the monopoly power of the oil industry is an overriding reason why Mr. Ford has been able to deliver record unemployment and record inflation at the same time. And decontrol is a way to aggravate both problems still more. It will throw more people out of work, and it will also add more to the price of virtually everything we buy.

Of course Mr. Ford will have an answer to that. He will point to inflation and veto more bills for people. That is the disgraceful cycle he wants us on.

Congress is under pressure to come up with an energy policy. Well, this is the biggest energy policy decision we have yet had before us. It will shape energy policy for years to come. Instead of producing more, which would destroy the scarcity policy that makes them rich, the oil companies will use their inflated revenues to buy up other energy sources, to tighten their grip on a commodity we cannot do without. Then will come decontrol on natural gas, and then BTU pricing will bring coal up just as high. This veto is the beginning of a major policy decision to abandon the energy field and to let the public interest come last.

I cannot believe the Senate will go along with such an irresponsible scheme. I hope we will overturn this worst of Mr. Ford's many vetoes, and get on with the development of the kind of energy program the American people deserve—one that will secure the supplies we need at costs that are fair, and will end the strangulation of our economy by a few industrial giants.

Mr. TAFT. Mr. President, the vote we cast today on the motion to override the President's veto of the Emergency Petroleum Allocation Act of 1973 poses very serious questions on both sides of this complex issue.

Philosophically, I agree with the proposition that we must move toward phased deregulation of oil over 39 months or

more. Only by having the U.S. oil price reflect the world level will we be in a position to provide the incentives for increased U.S. exploration and deal effectively with the OPEC nations.

On the other hand, we face a critical question of runaway inflation. The most recent figures bring us once again near to double digit inflation. The average, middle income American simply cannot stand a renewal of our inflation rate of last year. Our oil policy must take the effect on inflation into account.

There can be no doubt that the best possible course of action would be for such a phased deregulation. I have cosponsored the legislation for a 45-day extension of controls to allow the Congress to once again come up with a compromise phaseout and windfall profits tax. However, I have come to the unfortunate conclusion that the majority leadership of the Congress is so lacking that we are simply incapable of acting on a permanent phaseout and windfall profits tax in 45 days, and I have some reservations whether or not the 45-day extension can be passed.

From the outset, I have said that there must be a windfall profits tax with plowback incentive. This is vital to permit the reinvestment of windfall profits and individual tax relief in the economy. We also need assurances and legislation to prevent the freezing out of independents and jobbers by major companies.

The administration is committed to these items, as indicated by the letter of FEA Administrator Frank Zarb, along with its attached materials, which I ask unanimous consent to print in the RECORD at the conclusion of my remarks.

In examining the record of this Congress, it is not easy to conclude that the prospects for these actions in the Senate are very good, or that they are even as good in the House. By the time the House completed action on the energy tax bill, it was a toothless tiger. If "Jaws" had the teeth of the House energy bill it would have been called, "Gums."

All in all, the potential for favorable solutions being enacted are not very good. But they offer more than the alternative stalling action proposed. With reservations, I shall, therefore, support the veto.

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

THE WHITE HOUSE,
Washington, D.C., September 10, 1975.

Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: At the Monday breakfast with the President you requested certain information in reference to pending considaration in the Senate of the petroleum extension act. I believe the attached material responds to your request.

It is our plan to propose and work for the enactment of legislation which will insure protection for the independent sector of the energy economy including independent marketers as well as retailers. In addition, we are submitting legislation and will take every other step possible to insure that available supplies of natural gas are equitably distributed this winter as well as work toward longer term solutions in that area.

We are preparing remedial legislation to assist farmers with their "off road" energy costs.

Of course we are fully prepared to go forward with a 45-day extension of the emergency allocation act to facilitate a more complete compromise with the Congress. As you know, the only way we can insure fuller progress in solving our energy problem in protecting the American consumer as well as the American worker from the negative impacts of increasing our consumption of oil from foreign nations is to have the President's veto sustained and then move forward.

Sincerely,

FRANK G. ZARB,
Administrator,
Federal Energy Administration.

NEED FOR DECONTROL

WHY ACT NOW?

Since price controls on domestic oil were imposed in 1971, there has been a four-fold increase in world oil prices. As a result the U.S. paid foreign oil producing nations $25 billion in 1974 compared to about $3 billion in 1973—a seven-fold increase. This not only represents an outflow of U.S. dollars, but could support one million more badly needed jobs for American workers.

Since controls were established in 1971, our imports of oil have almost doubled. Further, in the last two years domestic crude oil production has dropped almost one million barrels per day and will continue to decline.

The last embargo caused a GNP loss of $15 billion and threw hundreds of thousands of Americans out of work.

In two years, with no action on this issue, imports from vulnerable sources could double. An embargo then could result in another one million American jobs in jeopardy.

Decontrol of domestic oil will start this nation in a new direction that will restore jobs, security, and eventually free this country from the yoke of the foreign oil producers.

Action on decontrol has been delayed for too long already. The President has already submitted several compromise proposals and has gone more than half way towards decontrol. Each has been rejected, but the Congress has offered no positive program of its own.

Unless the veto of the 6-month extension is sustained action will be stalled until after the 1976 elections. We must get on with reducing our import vulnerability now.

If the veto is sustained, and the Congress wants to compromise and enact a program like the President's 39-month decontrol plan, the President will sign a 45-day extension of the EPAA.

EFFECTS OF DECONTROL

Decontrol, even with removal of current import fees, will reduce imports about 700,000 barrels per day by 1977. Higher energy prices have been documented to reduce demand.

Decontrol will provide an incentive for the use of increased high-cost recovery techniques in currently declining fields. These advanced recovery techniques would not be economic at $5.25 per barrel controlled prices, but could add about 1.4 million barrels per day of production by 1985.

Decontrol would remove a complex and burdensome regulatory program which was enacted to deal with an embargo and is unwarranted now.

ECONOMIC IMPACTS

If a compromise cannot be reached and complete decontrol continues, the President will take several actions to ease the transition.

The President will remove the current $2.00 import fee on crude oil and $.60 fee on petroleum products when his veto is sustained. This action will keep the average petroleum product price increase to about three cents per gallon.

Further, the President will take steps to ease the following potential problems:

He will ask for authority to allocate propane at reasonable prices to farmers, rural households, and other historical users.

He will seek authority to allow retail dealers to challenge in court any unfair practices by major oil companies.

He will request legislation to provide an incentive for small and independent refiners equal to their current benefits under the entitlement program, which gradually phases out.

The President will continue to press for a windfall profits tax on the oil industry with rebates of the revenues collected to the American consumer.

The PRESIDING OFFICER. The hour of 3 p.m. has arrived.

The question is, Shall the bill (S. 1849) pass, the objections of the President of the United States notwithstanding? The yeas and nays are mandatory under the Constitution.

The clerk will call the roll.

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

Mr. GRIFFIN. Mr. President, will the Senator withhold that?

A parliamentary inquiry, Mr. President. Would a vote to sustain the President's veto be "nay"?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. I thank the Chair.

Mr. JACKSON. 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. JACKSON. 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. JACKSON. Mr. President, a parliamentary inquiry. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays are mandatory under the Constitution.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 61, nays 39, as follows:

[Rollcall Vote No. 388 Leg.]

YEAS—61

Abourezk	Hart, Gary W.	Morgan
Allen	Hart, Philip A.	Moss
Bayh	Hartke	Muskie
Biden	Haskell	Nelson
Brooke	Hathaway	Nunn
Bumpers	Hollings	Pastore
Burdick	Huddleston	Pell
Byrd, Harry F., Jr.	Humphrey	Proxmire
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Ribicoff
Case	Javits	Schweiker
Chiles	Kennedy	Sparkman
Church	Leahy	Stafford
Clark	Magnuson	Stennis
Cotton	Mansfield	Stevenson
Cranston	Mathias	Stone
Culver	McClellan	Symington
Eagleton	McGovern	Talmadge
Ford	McIntyre	Tunney
Glenn	Metcalf	Williams
	Mondale	

NAYS—39

Baker	Goldwater	Pearson
Bartlett	Gravel	Percy
Beall	Griffin	Roth
Bellmon	Hansen	Scott, Hugh
Bentsen	Hatfield	Scott, William L.
Brock	Helms	Stevens
Buckley	Hruska	Taft
Curtis	Johnston	Thurmond
Dole	Laxalt	Tower
Domenici	Long	Weicker
Eastland	McClure	Young
Fannin	McGee	
Fong	Montoya	
Garn	Packwood	

The PRESIDING OFFICER. On this vote, the yeas are 61 and the nays 39. Two-thirds of the Senators present and voting, not having voted in the affirmative, the bill, on reconsideration, fails of passage.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Concurrent Resolution 44, 94th Congress, appoints the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Nebraska (Mr. HRUSKA) as members of the Joint Committee on Arrangements for Commemoration of the Bicentennial of the United States.

EDUCATION DIVISION AND RELATED AGENCIES APPROPRIATION ACT, 1977—VETO

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the President's veto message on H.R. 5901.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

> The House of Representatives having proceeded to reconsider the bill (H.R. 5901) entitled "An Act making appropriations for the Education Division and related agencies, for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes", returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was
>
> *Resolved*, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The Senate proceeded to reconsider the bill (H.R. 5901), the Education Division and Related Agencies Appropriation Act, 1977, returned to the House by the President on July 25, 1975, without his approval, and passed by the House of Representatives, on reconsideration, on September 9, 1975.

The PRESIDING OFFICER. Debate on the veto message has been limited to 20 minutes, to be equally divided between and controlled by the Senator from Massachusetts (Mr. BROOKE) and the Senator from Washington (Mr. MAGNUSON), the vote to follow immediately.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries and in the Senate Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged.

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. MAGNUSON. 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. MAGNUSON. Mr. President, we agreed to 20 minutes on debate before the vote to override the President's veto of the education bill, which will be divided, 10 minutes to myself and 10 minutes to the Senator from Massachusetts. I do not know whether anyone wants to speak against the bill or against the override proposition, but there will be time for them if they do.

Mr. President, I would like to say a few words at this time, before we vote on the education bill.

As you know, I serve as the chairman of the subcommittee which worked on this bill over the last 8 months. We all worked hard to make this bill a reasonable and responsible contribution to this country's educational system. It is not a new, fancy approach, but rather a commitment to programs developed over the last several decades. Naturally, not everyone agrees on the interpretation of this commitment. The President, in his veto message, views the education of school children in terms of budget deficits—even though many of the programs in the bill are being forced to operate at last year's level. The President views impact area aid—which is part of the bill—as a bad investment—yet, last year he signed the authorizing legislation which extended the program. I do not believe the President's own views are advanced by his position on this bill. More importantly, I do not believe his position is in the best interest or our children.

This vote could not come at a more appropriate time. Many schools are in the process of opening for the new school year. I am sure some of you come from districts where the schools are not opening. I am also sure that many more of you can point to schools in your State that are suffering severe hardships.

Granted, Federal aid to education is small by comparision to this country's total investment—it amounts to less than 7 percent of the total. That does not make it any less important. When it comes to helping the millions of children who are disadvantaged, the Federal dollar is important as a catalyst for progress, not as a handout. When it comes to the 7 million handicapped children in this country, I cannot think only in terms of budget deficits. I think in terms of the millions that are not getting a good education or the 1 million who are not going to school at all.

The real significance of this education bill is not what effect it will have on an inadequate budget over the coming months, but what the long-term benefit will be to the children—our future leaders. We must understand that education is the cornerstone, if not the whole foundation to a strong and prosperous society. We cannot build this foundation with the sort of unrealistically low investment the President is talking about in the veto message. Nor can we rely on short bursts of attention to problems. The children will not go away; nor will the problems that the school people and teachers face everyday.

For this reason, we must join with the House in overriding the President's veto. The House overrode the veto by a vote of 379 to 41. As far as I am concerned, this bill serves in our deepest national interest—our children. I want to advance their cause and I hope my colleagues here this afternoon will agree.

I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. Will the Senator suspend until I can maintain some order. The Senate will be in order. Senators will please take their seats or adjourn to the cloakroom.

The Senator from Massachusetts.

Mr. BROOKE. Mr. President, I urge my colleagues to do as the House of Representatives has done and to vote to override the veto of H.R. 5901, the Education Appropriations bill for fiscal year 1976.

At the time of the veto I stated that the reason the conference bill is over the budget by $1.3 billion is that the administration's requests were inadequate to begin with.

In the areas of grants for disadvantaged children, emergency school aid, handicapped, vocational and higher education and many more, the administration's requests were below the fiscal year 1975 appropriations, or less than realistically could be accepted.

Indeed as we began consideration of the fiscal year 1976 education appropriations bill we were working with total requests that were some $785 million below appropriations for fiscal year 1975.

When Congress finished its work and sent the bill to the President, that measure was some $560 million above the approved 1975 level.

Our increase of $1.3 billion over the requests must be viewed in that context.

We in Congress were working with budget requests that were not realistic and not adequate, particularly in this period of high unemployment and high prices. We could not accept them and we did not.

For example, the new impact aid law establishes "tiers" of eligibility for different categories of students. The law requires that if Congress wants to fund the first two "tiers," it must fund them in full. To assure this funding, Congress was required to add almost $500 million to the amount the administration sought.

With many schools just opening under court orders to desegregate, we know how important it is to provide adequate funds for the basic emergency school aid program which helps smooth the transition to unitary schools. Against this need, the administration asked only $75 million—exclusive of its request for civil

rights advisory services—for the entire country. Congress, I am glad to say, accepted my amendment which provides a level of $215 million for this essential State grant program.

In the area of higher education, the administration asked no funds for direct student loans, although Congress provided $321 million for them in fiscal year 1975, and the law establishes a mandatory minimum for this appropriation before a dollar can be spent on basic opportunity grants. Congress was doubly justified in restoring the fiscal year 1975 level of $321 million.

These are but a few examples of the repair work the administration's requests required.

I also point out that the education bill provides not only for fiscal year 1976, but also includes millions for next year's July 1 to September 30 transition period, after which fiscal years will begin on October 1.

And some $5 billion in the bill are for fiscal year 1977 since many education programs now are forward or advance funded. Included in these categories are disadvantaged grants, ESA, and handicapped, adult and higher education.

I would be remiss if I did not again stress the importance of education which the President rightly said was "one of the strong foundation stones of our Republic." More specifically, it is a strong foundation stone of our economy, for we all recognize that education is the essential ingredient to getting a decent job and to advancing in the world of work.

For the poor and the handicapped a good education can mean avoiding a lifetime of dependency on others. The billions in this bill will help such individuals; as they gain so does our beleaguered economy. And as we train people and put them into jobs, we can hope for offsetting reductions in the costs of welfare and unemployment benefits.

The funds in the bill also vitally needed by our States and local school districts which, because of the recession, have been forced to retrench on their own budgets. An adequately funded education bill can help local education officials deal more effectively with their financial burdens and avoid still further cutbacks in staff and program.

We believe we have developed a bill that is realistic and is commensurate with the needs of education at this time. We believe there is ample justification to override the veto and we urge such a vote.

Mr. President, the distinguished chairman (Mr. MAGNUSON) has said if there are any who wish to speak against the override then time will be allocated to them either in his 10 minutes or my 10 minutes for the minority.

I, at this time yield to the distinguished Senator from Maryland (Mr. BEALL) 1 minute.

Mr. BEALL. Mr. President, as the ranking minority member of the Labor and Public Welfare Subcommittee on Education, and as a member of the Budget Committee, I strongly urge the Senate to override the President's veto of H.R. 5901, the education division appropriations measure, which appropriates funds for all Federal elementary and secondary and postsecondary education programs.

There are three compelling reasons for the Senate to overturn the veto.

First and foremost, the education programs for which funds are appropriated in H.R. 5901 are important, and in many instances crucial, to existing education programs and their quality, not only for school districts in my State, but throughout the Nation.

My State, in major elementary and secondary education programs, would face the loss of approximately $14 million if the Congress fails to override the veto. Specifically, I call to the attention of the Senate what this loss means to specific elementary and secondary education programs in Maryland.

Title I of the Elementary and Secondary Education Act provides Federal assistance to help disadvantaged children. In Maryland, title I programs are expected to aid some 70,000 educationally deprived children. Further, the program employs over 300 teachers and some 2,000 teachers' aides.

Thus, the program provides both for educational opportunities for disadvantaged children and for employment opportunities for trained school personnel. Since title I is advanced funded, the veto would not affect the current fiscal year, but it would jeopardize the advanced funding concept for which many of us have labored in order to assure effective planning and maximum output for each dollar expended.

Impact aid is another program that is important to my State. Maryland would lose $11 million under this program if the veto is not overriden. Such a loss would be disastrous to some districts in my State and harm many others. The loss of such funds, which are allocated to school districts in recognition of the impact of Federal activity and the fact that Federal property is tax exempt, would result in increased tax levies to already overburdened local taxpayers, some of whom have already received substantial tax increases in their local jurisdictions. The only other alternative would be the local jurisdictions to reduce education programs or services. Neither of these alternatives is acceptable.

Congress last year passed a bill providing "reform" of the impact aid program. I for one believe that the administration should accept the "reform" Congress enacted and stop this business of proposing massive under-cutting of these programs which benefits so many school districts, some of whom depend on such funds for survival and others whose education programs would suffer if such funds were lost.

Another important Federal program that would suffer is aid to the handicapped. Along with Senator MATHIAS, I cosponsored legislation, enacted in 1974, to provide emergency assistance to school districts to comply, as in Maryland's case, with a court order to serve handicapped children, and also in general recognition that handicapped children have been neglected in the past. It is time for society to face up to this major education problem, but to do so will require money. Yet, if the veto prevails, Maryland will lose $1.2 million for this program.

Vocation education has been an area of great interest to me. Maryland receives some $9 million under the education appropriations bill for these programs. If the veto were sustained, we would lose $500,000. Given the rapidity of change in today's job market and the need to equip students with marketable skills, I do not see how we can decrease our efforts in vocation education. Such action would be shortsighted with adverse long-term consequences.

In addition, Maryland would lose over $150,000 for adult education programs and approximately $200,000 for school library assistance.

The sustaining of the veto would be a setback and reduced opportunity in higher education for Maryland. For example, work study funds which provide college students with an opportunity to "work" their way through college would be cut over $2 million.

College students and their parents are already feeling the pinch as a result of economic difficulties. I fear that the reduction in support of various student assistance programs may mean that some students would not be able to enroll or continue their postsecondary education.

The second important reason for overriding the veto is, contrary to claims made, this appropriations measure is not a "budget buster." As a member of the Budget Committee, I participated in the Budget Committee's deliberations. While H.R. 5901 is over the President's budget, it is well under the congressional budget. There are two reasons for these differences.

First, as the Senate Appropriations Committee so aptly stated in its report accompanying the Senate appropriations bill.

> For the most part the committee found the budget request to be either unrealistic or insufficient.

The administration's budget requests were often premised on the enactment of legislation which had no chance of passage and which should not have been enacted.

It also needs to be kept in mind that the administration's fiscal 1976 budget request for education was inadequate, representing an absolute decline of $655 million from last year's appropriations. The bill before the Senate today represents a modest 3.6 percent increase over the previous year's appropriations level. That increase, when one considers the inflation level that has plagued us, is not adequate to maintain current services. H.R. 5901 is both reasonable and required to help meet the education needs of the Nation.

The third compelling reason for Congress to override the veto involves priorities. The Budget Committee's spending levels, although not much different overall than the administration's, did represent a shift in national priorities. The

new budget process aims not only at making Congress more responsible fiscally, but also in making Congress a partner in priority determinations. The congressional budget, and H.R. 5901, reflect our priority determinations. We placed, and rightly so, a high priority on education. I believe the congressional action with respect to this education appropriations bill was fiscally responsible and right policywise. Assuring educational opportunity and removing inequities is and must remain a high priority of this Nation.

Therefore, I urge my colleagues to overwhelmingly override the President's ill-advised, educationally damaging, veto.

I am particularly pleased that the education appropriations bill includes funds for the national reading improvement program, which I authored. I ask unanimous consent that my testimony before the Appropriations Committee urging funding of this program be included in the RECORD.

I also ask unanimous consent that a chart prepared by the Maryland State Department of Education illustrating the importance of overriding the veto of the education appropriations bill for Maryland be printed in the RECORD.

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

STATEMENT OF SENATOR J. GLENN BEALL, JR.

Mr. Chairman, as the ranking minority member of the Education Subcommittee and as a coauthor, along with Senator Eagleton, of the National Reading Improvement Program, I welcome this opportunity to appear with Senator Eagleton to strongly urge the Committee to appropriate $25 million for this major national reading effort.

The Reading Improvement Program was enacted as part of the Education Amendments of 1974 and is designed to deal with what I have labeled the "Achilles' Heel" of American education—the large number and high concentrations of children in some of our schools with severe reading difficulties.

I am pleased that the Administration in their FY 76 budget contemplated funding this new program; however, I am disappointed that the Administration elected to discontinue in effect the former Right to Read Program. This certainly was not what Senator Eagleton or I contemplated. We are urging the Committee to appropriate $8 million to continue the former Right to Read effort and an additional $17 million for funding the projects under the National Reading Improvement Program.

The following facts and statistics indicate the magnitude of the problem and the need for action:

Approximately 18½ million adults are functional illiterates;

Some 7 million elementary and secondary children are in severe need of special reading assistance; and

In large urban areas, 40 to 50 percent of the children are reading below grade level. A 1969 Office of Education survey indicated 22 percent of the urban schools had 70 to 100 percent of their pupils reading a year or more below grade level.

These massive reading difficulties have been confirmed by surveys of teachers and pupils alike. Over and over again, parents, the general public, and the press across the nation have expressed concern with the poor pupil performance in the fundamental reading area. For example, a 1973 survey in my State found that "the people of Maryland believe that the mastering of reading skills is the most important education goal for the schools of the State."

Mr. President, after I had introduced the reading proposal, I received a letter from an individual from Texas who sent me a copy of an article from the "Dallas Morning News." I would like to read a couple of paragraphs from this article.

"At commencement exercises throughout the city recently, anywhere from 500 to 1,000 of Dallas' 9,000 graduating seniors, according to official estimates, walked across stages to be handed diplomas they could not read. Barely able to read, many will wind up with poor jobs or no jobs at all. Still in school, youngsters who are either unable to read at all or read only at the most elementary level can be found in almost every one of Dallas' 43 secondary schools. Dallas School Superintendent Nolan Estes has estimated more than 20,000 of the public school system's 70,000 secondary students read at least two or more years below grade level."

The National Reading Improvement Program is essentially preventive in nature. It is based on the premise that it is much easier to prevent reading difficulties than to remedy such difficulties once they occur. The program has essentially three parts:

(1) Reading Improvement Projects, under which grants are made to states and local educational agencies for projects designed to overcome reading deficiencies.

(2) Special Emphasis Projects, which seek to determine the effectiveness of intensive instruction by reading specialists and the regular elementary teacher. Projects under this part would (a) provide for the teaching of all children in grades one and two by a reading specialist, (b) the teaching of children in grades three through six who have reading problems by a reading specialist, and (c) an incentive Vacation Reading Program for elementary children who are found to be reading below the appropriate grade level.

(3) Reading Academies, which provide assistance to youths and adults who otherwise would not receive assistance and instruction.

Mr. Chairman, the reading program we are asking the Committee to support is the result of considerable study and two volumes of hearings. In addition, we conducted a fifty-state survey of the training required for teachers in the elementary area. While the National Reading Improvement Program will not be a panacea for all the reading problems, I believe that there is considerable evidence that this approach can and will make a substantial difference. A society, where technology and education are so important and where only approximately 5 percent of the public are unskilled, cannot allow the dangerous conditions, of massive numbers of children lacking the ability to read which affects both their capability to learn and to earn, to continue.

As a member of the Budget Committee, I am aware of the fiscal problems facing this country and the need for spending restraint. This is a program that addresses a critical problem that crys out for a solution. Support for this program has been widespread both from the education community and from the general public. In view of the limited opportunities available for individuals who cannot read, and in view of the burdens that such individuals often become to society, this program is one we must afford even in this difficult budget year.

I note, Mr. Chairman, that a 1974 special report on "Education USA" on reading noted with respect to the Right to Read effort that it "has become one of the most highly publicized and underfinanced federal efforts in educational history." That is true notwithstanding the fact that in 1969 Education Commissioner Jim Allen announced with considerable fanfare the launching of the Right to Read effort. Since then each of his successors have recognized and supported reading as a priority area. It is my hope that the Appropriations Committee will not allow this program to suffer a similar fate and instead provide the modest funds in view of the magnitude and importance of the problem as recommended by Senator Eagleton and me.

ESTIMATED LOSS OF FEDERAL AID TO EDUCATION IN SELECTED PROGRAMS IF THE VETO OF H.R. 5901 IS NOT OVERRIDDEN

Local unit	Loss of impact aid (estimated)	Loss of disadvantaged aid (estimated)	Loss of vocational aid (estimated)	Loss of school library aid (estimated)	Loss of adult education aid (estimated)	Total loss (estimated)
Total State	$10,992,000	$2,197,094	$400,000	$195,871	$150,609	$13,935,574
Allegany	8,000	44,670	14,490	4,321	4,077	75,558
Anne Arundel	2,300,000	111,373	29,982	14,624	9,816	2,465,795
Baltimore City	200,000	1,034,094	83,945	61,371	54,697	1,434,107
Baltimore	504,000	140,635	54,790	18,871	23,594	741,890
Calvert	68,000	28,999	4,742	1,315	1,073	104,129
Caroline		22,569	5,167	1,787	1,128	30,648
Carroll	82,000	26,754	7,340	2,341	3,899	122,334
Cecil	231,000	30,973	9,363	3,488	2,230	277,054
Charles	411,000	40,312	7,691	5,208	1,615	465,826
Dorchester	2,000	26,408	4,861	1,169	1,978	36,416
Frederick	326,000	40,087	13,620	4,078	4,069	387,854
Garrett		28,397	7,522	1,710	1,393	39,022
Harford	1,183,000	50,048	13,806	8,130	3,784	1,258,768
Howard	270,000	16,533	7,708	2,958	1,857	299,056
Kent		12,298	3,221	497	824	16,840
Montgomery	1,500,000	105,130	31,595	18,025	7,723	1,662,473
Prince Georges	3,000,000	199,227	51,255	29,752	12,739	3,292,973
Queen Anne's		14,285	4,701	837	1,145	20,968
St. Mary's	700,000	44,670	6,290	4,309	1,463	756,732
Somerset	1,000	26,235	2,862	1,496	1,320	33,033
Talbot		20,355	2,697	723	1,171	24,946
Washington	195,000	60,304	17,107	5,787	4,923	283,121
Wicomico	7,000	45,967	9,991	1,809	2,650	67,417
Worcester	4,000	26,771	5,254	1,264	1,441	38,731

Source: Maryland State Department of Education, Office of Federal-State Liaison, Aug. 25, 1975.

Note: Estimated losses of $1,204,665 in handicapped aid and $749,426 in public library aid are not included in the above because they are not distributed by formula.

Mr. BROOKE. Mr. President, how much time is there remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. THURMOND. Mr. President, who controls time on this bill?

The PRESIDING OFFICER. The time is equally divided between the Senator from Washington and the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I assure my colleague from South Carolina that Senator MAGNUSON and I would be perfectly happy to yield time to those wishing to sustain the veto.

I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, today, I find it necessary to vote to sustain President Ford's veto of H.R. 5901, the legislation making appropriations for the Education Division of the Department of Health, Education, and Welfare, and other related agencies.

It is disturbing to have to vote against a bill providing funds for education, since, throughout my public life, education has been an area in which my interest has been paramount. As an educator, State senator, Governor of South Carolina, and U.S. Senator, I have always tried to use my efforts to provide our citizens with programs offering the best educational opportunities.

Notwithstanding my commitment to the field of education, I cannot support this legislation which has a total cost of $7,480,312,952 and is a staggering $1,345,973,952 over the administration's budget for 1976. The bill provides an expenditure of $560,594,952 over last year's appropriation.

This country cannot afford to have another $1.3 billion added to the already projected deficit of $60 billion, based in the administration's budget. If the Congress continues its irresponsible course of continuing to spend, spend, and spend without any serious attempt to hold the line on expenditures, our Nation is headed toward economic ruin. All the rhetoric about fiscal responsibility cannot hide the hard fact that the Congress continues to spend without regard to available revenues.

We must realize that excessive Federal spending breeds inflation, and inflation, as we have just recently witnessed, leads to depressed economic activity. If we do not act in a responsible manner now, the country may be thrown into a serious depression which the Congress will not be able to buy our way out of—a practice which seems to be the most popular congressional method of solving difficult problems.

Mr. President, another disturbing aspect of the bill is the language used to restrict the use of funds to require forced busing. The final version of this legislation did not include the House language which would unequivocally prohibit any of the funds appropriated by the bill to be used to take any action to force the busing of students.

Mr. President, this Nation is sick and tired of busing to achieve racial balance. As the recent violence in Boston and Louisville illustrates, opposition to this disruptive practice is widespread and continues to grow. The Congress should heed the voice of the American people on this issue and adopt measures to end forced busing before it leads to further violence and disruption of the educational process.

I might say that the polls taken over the recess show that both races, white and black, are opposed to busing just for racial balance.

Mr. President, politically, it would no doubt be much wiser for me to vote to override the President's veto of this bill. But I cannot in good conscience, as a responsible representative of my State and Nation, support this particular bill for the reasons outlined above. I would like to stress that opposition to this bill is not, as some have suggested, opposition to education. Such an unrealistic assertion ignores the tremendous cost of this legislation and the threat that continued excessive and irresponsible Government spending poses to our Nation.

The PRESIDING OFFICER. All time of the Senator from Massachusetts has expired. The Senator from Washington has 5 minutes remaining.

Mr. MAGNUSON. I yield the Senator another minute.

Mr. THURMOND. Mr. President, I urge my colleagues to join with me in sustaining President Ford's veto on this H.R. 5901 so that a reasonable and fiscally sound education appropriations bill can be considered and approved by the Congress without delay.

Mr. President, it may be argued here that it is necessary to pass this bill to get an educational bill this year. That is completely without foundation.

If the veto is sustained, then this bill will go back and will be trimmed to come within the administration's budget. That will take off about $1.3 billion. I think the time has come when we have to trim expenses, when we have to trim everything in the budget.

The one thing that means, our survival in defense must be maintained, but other matters can be trimmed and should be trimmed in order that we can maintain fiscal responsibility in this Nation.

I wish to thank the Senator for yielding.

Mr. MAGNUSON. Mr. President, unless someone else wants time, I yield back my time.

Mr. BROOKE. Mr. President, it is my understanding that the Senator from Wyoming (Mr. HANSEN) wishes to be heard in support of sustaining the President's veto.

The PRESIDING OFFICER. The Senator from Washington has 3 minutes remaining.

Mr. MAGNUSON. I yield my 3 minutes to the Senator from Wyoming.

Mr. HANSEN. Mr. President, first, let me express my appreciation to the distinguished Senator from Washington.

Mr. President, I shall vote to sustain President Ford's July 25 veto of H.R. 5901.

It must be noted that the cost to American taxpayers of this bill is almost $7.68 billion. H.R. 5901 is approximately $1.5 billion over the administration's budget request. If this bill becomes law, it will contribute to inflation and, in my opinion, add to the current unacceptable Federal deficit.

My vote today is not a vote against public moneys being used for education, for education is the cornerstone of our democratic system of government. I shall vote in the affirmative for an education appropriation bill which is within the limitations of sound fiscal responsibility and which does not significantly contribute to the Federal deficit.

I thank my colleagues.

Mr. BROOKE. Mr. President, will the Senator yield to me for 1 minute?

Mr. MAGNUSON. I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, on the floor of the Senate is the distinguished former ranking minority member of the HEW Appropriations Subcommittee of the Appropriations Committee who served long and well and ably in that position.

A comment made on the floor just a moment ago by the distinguished ranking member of the Appropriations Committee, Mr. YOUNG was that this Senator who is now a new Senator should be making his maiden speech on this particular subject.

I just want to note that Senator COTTON, who had been with us for many years, has come back now as a new Senator; he had the responsibility of working with Senator MAGNUSON on this bill for many, many years.

Mr. MAGNUSON. I must say he is no maiden, in horse race parlance, or anything else.

He has been a winner all the time and I want to add that we missed him this time on this very complex and important matter.

Mr. COTTON. Will the Senator yield to me for a moment?

Mr. BROOKE. Yes.

Mr. COTTON. I wish to express my thanks for the kind words of the distinguished ranking member of the subcommittee and of my chairman with whom I worked for so many years.

I am speaking now as the newest Member of the Senate with the shortest term and the shortest life expectancy.

By force of habit, on this particular bill I have to go along with the distinguished Senator from Washington and my successor, the distinguished Senator from Massachusetts, because if we are ever going to be a little generous, it should be in this field of education.

As for my speech, my maiden speech is going to be my farewell speech which I make just before I leave, which will probably be next week.

I will also say, to quote the distinguished chairman of the subcommittee, the Senator from Washington:

> We are glad to have you back, glad to have you back at the bottom of the committee, but one thing, no more farewell parties.

Mr. MAGNUSON. That is right, no more farewell parties.

(Additional statements in connection with veto of H.R. 5901:)

Mr. MATHIAS. Exactly 10 years ago, the Congress was shocked by clear evidence that millions of American school-

children, mostly in low-income families, were lagging in essential skills such as reading, writing, and mathematics. And so we passed the now historic Elementary and Secondary Education Act, the first law to move the Federal Government into an area which historically had been the sole preserve and lawful responsibility of State and local governments. I was a Member of the House of Representatives when that happened and supported that measure. But we were prompted to act by more than just shocking reports from Government about failures in our country's educational system.

We were also a Congress deeply affected by the civil rights movement which touched our consciences. So we also enacted the most comprehensive civil rights law this Nation has ever seen.

We were the Congress to "discover" poverty and we launched a war against it. We were the Congress which saw a President suddenly and tragically killed while in office leaving behind many unfulfilled dreams; and we tried to make them come true.

We were a Congress that seemed to trust or love or even fear our President; but most of all we deeply respected the Presidency. So we managed to practice our politics, but somehow we did not seem to confuse them with our Nation's pressing business.

We were a Nation that believed we could do anything, solve any problem, conquer any enemy, whether that enemy carried a weapon of war, or whether that enemy fought with the scourge of hunger, or ignorance, or racial bigotry. We thought we could overcome anything.

Perhaps that was not the best Congress that this Nation has ever seen; nor even the brightest. But it was, in many ways, one of the most courageous, because we believed we were equal to the problems before us.

Today, 10 years later, the Capitol Building still stands; 535 Members still serve under its dome. But the mood of a decade ago is not here any more. Maybe it never existed; but as a very junior Representative from Maryland, I thought I sensed it here 10 years ago.

Today's Congress, though maybe younger in age on the average, is a more sober Congress. It is a more skeptical Congress, in many ways it is an uncertain Congress.

But despite our skepticism, this is not a Congress that educators have to fear. In my judgment, this Congress will resist any attempt to reduce the level of funding for educational programs for elementary and secondary education, just as was done by the 93d Congress which adjourned last December; just as the House did yesterday when it overrode the President's veto.

I hope and expect that the Senate will do the same today.

The question is not whether Washington will reduce its financial commitment to public education in the near future. The key question is how deeply believed is the proposition that what we do in the Congress actually makes a positive difference in the lives of the children?

We can find examples of programs that have raised the educational achievement of disadvantaged children. But we also have in our hands a 1975 report from the National Advisory Council on the Education of Disadvantaged Children which tells us that financially hard-pressed communities with both low tax bases and high concentrations of poor families simply can not afford to provide the basic programs for educationally disadvantaged children; so the title I moneys we have approved are not fully providing the extra services which educationally disadvantaged children require. Instead, title I funds in many areas may be only expanding basic programs. In effect, we may be only providing the same amount of services for all children. This, if true, flies in the face of the finding we made 10 years ago that equal spending among unequals results in inequality.

But the quiet qualms I hear expressed in the Capitol cloakrooms go beyond the question of the relative effectiveness of one Federal education project over another.

Our support for education has rested on an assumption, that has become an article of faith, which holds that if we can truly provide equality of educational opportunity; that if we can manage to see to it that every child, regardless of race, irrespective of handicapping conditions, despite parental income status, will receive a good public education, then many of the social problems which children might face will simply be conquered.

Because we fervently believed that 10 years ago, we invested our resources in education. Now the returns are slowly coming in.

It is beginning to dawn on the Congress that while it is true public schools can make a difference in the lives of all children, this observation does not reflect the whole truth.

Education, we now know, cannot be expected to eliminate or even sharply reduce economic inequalities that separate us by class. Education we now know cannot be substituted for a supportive home environment with parents or guardians who care. Education alone, we now know, cannot be expected to develop in children self-esteem, concern for others, and other personally and socially positive attitudes.

What I am trying to say is that this Congress is starting to recognize that the problems that our children and our schools now face, be they violence and vandalism or low-achievement levels, can be traced in part to problems existing in our general society.

This Congress does believe in the indespensible value of education to America. But we no longer believe that education can overcome the failures or faults we find elsewhere in our society.

Even when we enacted a law which I sponsored last year which substantially increased our assistance to the States for education of America's 8 million handicapped children—a provision which I expect will be renewed this year—we did that with the understanding that education alone will not solve all of the problems which those children will encounter for the rest of their lives. They must have jobs, some will require special medical care, some will need special social services forever.

But all of what I have said has a particular relevance to educators and the critical role that they must play in their communities. Their task is not only to spend their best efforts in convincing the Congress of the necessity to make a prime investment in education in local school districts. Part of their task is to prompt their school administrators and fellow teachers to provide us in Congress with conclusive and authentic information that the programs now operating with Federal funds have made a positive and substantial improvement in the lives of the children for whom they are intended. We in the Congress can no longer say to the American taxpayer, "Trust us to spend your money wisely." Today we must say "Let us show you how well your investment has paid off." If we in Washington still cling to the view that education is vital to our survival as a creative society—and despite its limitations, I hold that view—then we should begin now to structure the flow of resources from Washington to reflect the views we sold so dearly. The Nation cannot afford to do otherwise. Our children face a crisis in learning, in motivation, in ability. America cannot afford to bear the burden of these costs. But as we move forward to shore up our support for education, which we shall do, this Congress hopefully will deal with education as part of an overall strategy to cope with the many problems which now confront America.

We must broaden our scope when we discuss various proposals to help children. Let us remain advocates for education. But let us continue our advocacy within the context of the overall issues we face: The lack of adequate health care for children and their families; the indecent housing in which many children and their families now dwell; the hunger which destroys their learning ability; and joblessness and poor incomes which erodes their family life. If we can approach Federal aid to education legislation with the perspective I have just shared, then I believe we shall be able to carefully sculpt proposals which will assure that national interests in education will be well served.

It is on this basis I shall vote to override the President's veto of H.R. 5901.

I ask unanimous consent that a September 4, 1975, letter to me from Mr. James A. Sensenbrough, State superintendent of schools, Maryland State Department of Education, which fully outlines the possible impact of this veto on my State of Maryland be printed in the RECORD.

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

SEPTEMBER 4, 1975.

Hon. CHARLES MCC. MATHIAS, Jr.,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: This is a request for your favorable consideration of H.R. 5901, the Education Division FY 76 Appropria-

tion Bill scheduled for a vote on September 9, 1975.

Last year you approved advance funding for several major programs; aid to the disadvantaged, aid to the handicapped, aid to adults, and the consolidated grants for innovation, support, school libraries, and equipment. This valuable planning time will be lost if you fail to override the veto of H.R. 5901.

As to what is at stake, the attached material indicates the amount in dollars to Maryland. We stand to lose about $14,000,000 in the major programs listed.

Your favorable consideration of H.R. 5901 would be very much appreciated.

Kindest personal regards.

Sincerely yours,

JAMES A. SENSENBAUGH,
State Superintendent of Schools.

ESTIMATED LOSS OF FEDERAL AID TO EDUCATION IN SELECTED PROGRAMS IF THE VETO OF H.R. 5901 IS NOT OVERRIDEN

Local unit	Loss of impact aid (estimated)	Loss of disadvantaged aid (estimated)	Loss of vocational aid (estimated)	Loss of school library aid (estimated)	Loss of adult education aid (estimated)	Total loss (estimated)
Total State	$10,992,000	$2,197,094	$400,000	$195,871	$150,609	$13,935,574
Allegany	8,000	44,670	14,490	4,321	4,077	75,558
Ann Arundel	2,300,000	111,373	29,982	14,624	9,816	2,465,795
Baltimore City	200,000	1,034,094	83,945	61,371	54,697	1,434,107
Baltimore	504,000	140,635	54,790	18,871	23,594	741,890
Calvert	68,000	28,999	4,742	1,315	1,073	104,129
Caroline		22,569	5,167	1,787	1,128	30,648
Carroll	82,000	26,754	7,340	2,341	3,899	122,334
Cecil	231,000	30,973	9,363	3,488	2,230	277,054
Charles	411,000	40,312	7,691	5,208	1,615	465,826
Dorchester	2,000	26,408	4,861	1,169	1,978	36,416
Frederick	326,000	40,087	13,620	4,078	4,069	387,854
Garrett		28,397	7,522	1,710	1,393	39,022
Harford	1,183,000	50,048	13,806	8,130	3,784	1,258,768
Howard	270,000	16,533	7,708	2,958	1,857	299,056
Kent		12,298	3,221	497	824	16,840
Montgomery	1,500,000	105,130	31,595	18,025	7,723	1,662,473
Prince George's	3,000,000	199,227	51,255	29,752	12,739	3,292,973
Queen Anne's		14,285	4,701	837	1,145	20,968
St. Mary's	700,000	44,670	6,290	4,309	1,463	756,732
Somerset	1,000	26,235	2,862	1,496	1,320	33,033
Talbot		20,355	2,697	723	1,171	24,946
Washington	195,000	60,304	17,107	5,787	4,923	283,121
Wicomico	7,000	45,967	9,991	1,809	2,650	67,417
Worcester	4,000	26,771	5,254	1,265	1,441	38,731

Source: Maryland State Department of Education, Office of Federal-State Liaison, Aug. 25, 1975.

Note: Estimated losses of $1,204,665 in handicapped aid and $749,426 in public library aid are not included in the above because they are not distributed by formula.

WHAT H.R. 5901 MEANS TO MARYLAND PUBLIC SCHOOLS AND LIBRARIES

GRANTS FOR THE DISADVANTAGED

Maryland is scheduled to receive more than $33,000,000 in H.R. 5901 for the Elementary and Secondary Education Act, Title I. This program has brought significant changes in the education of low-achieving children, particularly children from poor families. After ten years we have noted that teachers in all Title I programs now expect their children to achieve from seven to eight months per year, and within the next two or three years, we expect all of our Title I children to be achieving ten months of growth for ten months of instruction. Applications for fiscal year 1976 projects have already been approved. These projects will serve approximately 70,000 educationally deprived children in the 24 school systems of Maryland. The projects will employ more than 300 teachers and more than 2,000 teacher aides. The program is thus important to the children it serves as well as to the employment of many trained and dedicated school personnel. Although Title I is assured of funding for the current fiscal year, failure to override the veto would eliminate the advance funding so necessary for careful planning and effective management as well as reduce our funds by over $2,000,000.

IMPACT AID

Impact aid is money paid by the Federal Government to local school systems to help with the cost of providing programs for all children in school districts where a substantial portion of the pupil population comes from families where parents live or work on Federal property. The impact aid program was established nearly 25 years ago. It was an outgrowth of the government's realization that, if it establishes major Federal installations in a local community, those installations will have a heavy impact on community schools, since the persons they employ in many cases have school-age children. Federal authorities know that local schools are supported largely through local property taxes, yet Federal installations are not subject to this tax. Since the government was occupying large land areas which would otherwise provide substantial property tax income to local communities, it felt a payment in lieu of lost tax revenue was in order. Impact aid is one of the areas President Ford now wishes to cut.

Another section of impact aid also in danger of being cut back if the President's veto stands is aid for children whose parents live in Federally subsidized housing not associated with government installations. This includes public housing and low-rent units provided by the Federal Government for our citizens. Here again, these units produce no property tax revenue. Yet children who dwell in federally subsidized housing do attend our schools.

Maryland is scheduled to receive $20,000,000 in impact aid funds in FY 1976 if H.R. 5901 becomes law. Without H.R. 5901, Maryland will only receive $9,000,000. Thus, Maryland will lose about $11,000,000 if the veto is not overriden. The loss of these monies would mean that local taxes would have to be raised or services cut in the regular education program.

VOCATIONAL EDUCATION

Maryland is scheduled to receive more than $9,000,000 in H.R. 5901 for the Vocational Education Act. Even though vocational enrollments at the secondary, postsecondary, and adult levels have grown rapidly over the past ten years, from 32,000 to more than 230,000, there is a great need to serve at least an additional twenty percent at each level in order to adequately prepare Maryland's students to enter the world of work with a saleable skill. If the President's veto of H.R. 5901 is upheld, Maryland will lose about $500,000 compared to 1975 for occupational education. At an average allocation of $40 of federal funds per student, in Maryland this would mean that over 12,500 students would not receive support for vocational education. If Congress overrides the President's veto, Maryland would lose only $100,000 which would deny only 2,500 persons vocational training. In Maryland, the State and local education agencies plan and budget for vocational education a year in advance. Any reduction in appropriations for vocational education therefore becomes critical to the State and the local education agencies but most critical to the thousands of students who will be denied the opportunity to prepare for employment.

HANDICAPPED

Maryland is scheduled to receive more than $5,000,000 in H.R. 5901 for handicapped children. The infusion of this money has brought significant changes in the education of handicapped children in the State. Maryland, through State legislation, has set as its goal full education service to all handicapped children by 1980. The State uses Federal funds to train teachers, to develop local programs and to establish model programs. Failure to override the veto would reduce our funds by over $1,200,000.

ADULT EDUCATION

Maryland is scheduled to receive more than $1,300,000 in H.R. 5901 for the Adult Education Act. The funds are distributed to local education agencies and the Division of Correction to establish and maintain educational programs and services to reduce the number of functionally illiterate adults. The funds permit the State to train adults in reading, writing and speech, and assist adults to become more employable. Specific population groups served include teenage parents, nonreading adults, recent high school dropouts, institutionalized adults, veterans, handicapped adults, and adults with limited English-speaking ability. The State program has been able to enroll 16,051 adults in 1974 and 19,000 in 1975. If the President's veto is upheld, Maryland will lose over $150,000 for 1976 which is important for program continuation and instruction to assist 23,000 adults to receive their high school diplomas.

PUBLIC LIBRARY SERVICES GRANTS

Maryland is scheduled to receive more than $900,000 in H.R. 5901 for the Library Services and Construction Act. This program has provided funds to initiate needed special library service to disadvantaged adults and children, to persons in State and local institutions, and to other readers with need for special materials, services and information. Funds have also made possible access to special reference and research collections in the State and for rapid delivery of requested materials among libraries. In 1975 projects in all areas of the State were reaching over 250,000 people with new services and additional materials. If the veto is not overriden, Maryland will receive only $189,000 for 1976.

Mr. WILLIAMS. Mr. President, on Friday, July 25, 1975, President Ford vetoed the 1976 education appropriations bill. And once again the Congress was told by this administration that we could simply not afford a minimal amount of basic assistance to help educate America's young people.

In the name of "fiscal discipline" and with the threat of "fiscal insolvency," President Ford told us that our citizenry had no right to expect its Federal Government to move us closer toward the goal of a decent education for all.

Yes, that is what we have been told.

But what are we going to tell the people whom we are supposed to represent in the Congress?

How are we to explain to economically disadvantaged children that their title I program will have to be cut back next year, because we must all exercise "fiscal discipline?"

What are we supposed to say to handicapped children and their parents who will not be able to secure their equal right to an education—are we to tell them that loan guarantees to corporations are all right, but that we are too "insolvent" to guarantee them educational justice?

Are we to tell the teachers, school boards, and superintendents back home that the 7 percent the Federal Government provides in financial asistance for education must be slashed even further because it is over the "budget request?"

And is it a "reasonable compromise" to say to the hundreds of thousands of our youngsters that they cannot pursue a college or vocational education—to have a real chance for a good job—because the economy can not bear that chance?

Mr. President, we are asked to believe that there are good answers to the questions. But the administration has no answers.

Although this bill has been publicized as a $7.9 billion measure, nearly $500 million of that sum has been applied to cover the fifth quarter of this special 15 month fiscal year. Thus, compared to the amount of funds appropriated last year, the vetoed bill in 12-month terms provides only $7.4 billion—an 8-percent increase over last year's amount.

In addition, other provisions of this bill require that portions of the funds can only be spent for programs in the next fiscal year—fiscal year 1977. So that if we truly compare this year's bill with last year's levels, the amount actually appropriated for fiscal year 1976 reveals a mere 3.6-percent increase in education funds between 1975 and 1976. And that, Mr. President, does not even begin to assist schools to overcome the ravages that last year's 14.7-percent inflation rate have brought to bear.

Mr. President, in his veto message the President takes special issue with the Federal impact aid program. Yet, ironically the first bill which Mr. Ford signed when he became President—Public Law 90-380—contained the first massive reform of that program in more than 20 years. In addition, that legislation included important revisions and extensions of many of our important education laws for economically disadvantaged children, children from bilingual families, children who need additional assistance in learning how to read, and children who need special education services because they are handicapped. Unfortunately, the President in his veto of this bill is backing out on the commitment he made to these children just a year ago.

This bill, Mr. President, is $700 million less than the congressional target established in the first concurrent budget resolution for fiscal year 1976. Our decision to set a high budget priority for education was a sound one. And the House action of yesterday to override this veto by the overwhelming margin of 379 to 41 was an equally sound decision.

I support this legislation and I shall vote to override the President's veto for the good of New Jersey, the Nation, and all of the people who know in their hearts that education is the foundation and unifying force of our democratic way of life. I know that this is the most profitable investment society can make and the richest reward we have to offer.

Mr. BAYH. Mr. President, yesterday the House of Representatives voted to override the President's veto of the education appropriations bill by a margin of more than 9 to 1.

I am confident that today the Senate will also override the veto. I shall certainly vote to do so.

The education appropriations bill is a good bill. It was a good bill when it passed the Congress in July, and it is a good bill today.

Yet President Ford vetoed the bill on the grounds of "fiscal discipline" and accused the Congress of "spending ourselves into fiscal insolvency."

Is Congress fiscally irresponsible when it passes an education appropriations bill which is some $400 million below the congressional budget resolution for education?

Is Congress fiscally irresponsible when it increases educational appropriations by a mere 3.6 percent over the previous year—an increase which is less than the current rate of inflation—so that, in terms of the purchasing power of the dollar, education expenditures for 1976 are actually lower than they were in 1975?

The President's budget called for major cutbacks in Federal aid to education—an overall 12-percent decrease in spending for 1976 compared to 1975. And, while the President calls for a 12-percent reduction, inflation reduces the actual value of every dollar appropriated by another 8.5 percent.

I do not believe that, in the name of "fiscal discipline" or any other catchwords with which the administration chooses to cloak its totally unrealistic education budget, the American people are prepared to accept a 20-percent reduction in the level of Federal aid to education. Indeed, I would have preferred a higher appropriation than that now before us in order to sustain present levels of Federal assistance in real terms.

The President has said that the congressional appropriation is $1.5 billion more than he requested. In fact, $800 million of that "increase" is simply restoration of proposed reductions and terminations in the administration budget.

The unrealistic nature of those reductions can be quickly illustrated. The budget proposed to cut impact aid by $390 million; to cut aid to higher education by $200 million; to cut aid to the handicapped by $25 million; to cut bilingual programs by $14 million; to cut emergency school aid by $140 million.

Unless these cuts are restored, the impact will be disastrous for school districts and schoolchildren around the country.

Over the last 7 years public education costs have risen at almost twice the rate of inflation as reflected in the consumer price index—111 percent compared to 57 percent. Unless school districts can find relief in the form of Federal aid, we face two unpleasant alternatives.

First, the level of total education expenditures may simply drop. And the price will be paid in years to come; by children from non-English speaking backgrounds who were not able to benefit from bilingual programs; by handicapped children who were not able to benefit from special education programs; by the poor and disadvantaged with learning difficulties who did not have reading programs and remedial teaching available to them. These are the very children who, in future years, will be the last adults to find employment, the first to become unemployed in periods of economic strain, and the first to go on welfare. The costs of such shortsighted "savings" will be borne not only by these children, but by the entire country in lost productivity and increased costs of social welfare programs.

Or, second, a reduction in Federal aid could be offset somewhat by State and local expenditures. But inflation combined with recession has led to reduced revenues, either in absolute or real terms, for States, cities, and local school districts. Cutbacks in Federal aid would add to State and local economic woes and place an enormous strain on their resources and capacity to meet education needs.

This year, in particular, the burden on local jurisdictions is heavy. School budgets are being stretched to the limit, because of soaring utility and energy costs. Since local budgets usually pay for such basic operating costs, school districts are looking to the Federal Government for precisely the type of funding which the President wants to cut: Special assistance for the handicapped, the disadvantaged, the non-English speaking student, the vocational student.

This bill makes education sense and it makes economic sense. State and local jurisdictions—which provide 92 percent of all educational moneys—rely primarily on property and sales taxes, and to a much lesser extent on income taxes, to raise public funds. It is because of this taxing structure that the Federal Government, drawing on a progressive income tax rate, can and should be expected to step in.

When consumers are already staggering under the worst inflation in a quarter century, and the average household can barely make ends meet, I do not believe that this Congress is going to turn around and say to them: Increase your property taxes or your sales taxes, or permit your educational programs to decline, because the Federal Government cannot afford to help you.

The President's veto of this bill is a classic example of misplaced priorities. He opposed a bill to increase education

expenditures by less than 4 percent, yet recommended a military procurement authorization increase of 23 percent.

The President says that he is concerned about inflation. He proposes to cut Federal spending for education, yet raise the price of oil through deregulation. Statistics indicate that deregulation of oil will increase the cost of living by $900 per year for the average American family—the same family which, if this veto is sustained—will be subjected to higher local taxes.

I cannot agree with the President's priorities. The educational system of this country is the basis of economic and social progress. I am certain that this Congress—which refused to renege on the Federal commitment to vital health needs when it overrode the veto of S. 66, the Health Services Act—will not renege on the Federal commitment to education.

Mr. PERCY. Mr. President, I voted today to override the veto of H.R. 5901, the important education appropriations bill for fiscal year 1976. It is important that Congress enact this legislation so that funds may flow to our schools and colleges to meet urgent and pressing needs in education. At stake is the fiscal 1976 funding for almost every Federal education program, ranging from aid for handicapped and bilingual students to student grants and loans. These are not budget busting appropriations. They are far below what the congressional budget resolution targeted for education for fiscal 1976. And, the increases do not even fully compensate for the increased inflation. Also, local schools have, by necessity, fixed their budgets for the 1975–76 school year. Most schools are operating on "bare-bones" budgets, plagued by declining enrollments, exhausted borrowing power and taxes already at maximum levels. If the veto is sustained, many school districts and higher education institutions will be forced to further trim services or personnel thus sacrificing quality education.

Although the States and localities have primary responsibility to finance public education, the Federal Government today bears approximately 7 percent of the total education costs. I believe the Federal Government must fulfill this limited responsibility. Overriding the veto of H.R. 5901 is necessary to allow the Federal Government to carry out this obligation.

It is important to note again that the amount of funds provided by this bill is well within the congressional budget target level for fiscal 1976.

Mr. MUSKIE. Mr. President, the question before the Senate is whether to override the President's veto of the education appropriation bill—H.R. 5901. As a supporter of education programs, I am concerned that this is the seventh consecutive veto of the regular education appropriation bill, and I am opposed to the President's action in this case.

The President justified his veto on budgetary grounds. While this education appropriation bill is over the President's request, it is substantially under the amount contemplated last spring in the first budget resolution. Senator MAGNUSON and the members of the Appropriations Committee have done their best to present us with a bill which meets our budget targets and faces up to the increasingly more difficult fiscal constraints of this year.

While I intend to vote to override the veto, I feel it is my duty as chairman of the Budget Committee to inform my colleagues of the difficult choices which lie ahead of us in the education, manpower and social services function. At the present time, as the table on page 29 of the September 8 scorekeeping report shows, there is still available $700 million in outlays and $1.3 billion in budget authority for this function. These initiatives assume passage of the education bill at its present level.

However, there remain in this function a number of legislative initiatives with potential outlays in 1976 of $3 billion. These initiatives include extension of public service employment under the CETA Act, which could add as much as $2 billion to 1976 outlays, and three bills now in conference—education for the handicapped, older Americans, and developmental disabilities—which could increase outlays by up to $900 million this fiscal year. I ask unanimous consent that these tables from the scorekeeping report be printed in the RECORD.

In conclusion, Mr. President, let me emphasize again that, while I will cast my vote in favor of overriding the President's veto, I wish to remind my colleagues that in the coming weeks we will be forced to scrutinize other legislation in this function and to make very difficult choices.

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

FUNCTION 500: EDUCATION, MANPOWER, AND SOCIAL SERVICES

TABLE A.—FUNCTIONAL SUMMARY

[In billions of dollars]

Category	Fiscal year 1976— New budget authority	Fiscal year 1976— Estimated outlays
I. 1st concurrent resolution target	19.0	19.85
II. Spending legislation: [1]		
A. Completed action:		
1. Enacted in prior years	2.8	8.5
2. Enacted this session	2.4	3.2
3. Passed Congress but not signed	4.9	1.7
4. Conference agreement		
B. Action underway in Senate: [1]		
Passed Senate	(*)	(*)
2. Reported in Senate (see table B)	.1	.1
C. President's spending requests not yet reported in Senate [2] (Note: Totals for category II.C, taking account of House action to date: $7.5 billion new budget authority, $5.5 billion estimated outlays).	7.6	5.5
Remainder:		
Under target	1.3	.7
Over target		
III. Selected additional legislation: [3]		
A. Spending legislation		
B. Authorizing legislation (see table C)	6.1/6.4	3.0/3.3
Remainder:		
Under target		
Over target	4.8/5.1	2.3/2.6

*Less than $50,000,000.

Note: See footnotes to summary table 1, p. 9.

FUNCTION 500: EDUCATION, MANPOWER, AND SOCIAL SERVICES

TABLE B.—SPENDING LEGISLATION REPORTED IN SENATE

[In billions of dollars]

	Fiscal year 1976— New budget authority	Fiscal year 1976— Estimated outlays
Appropriations legislation:		
None		
Other spending legislation:		
Insulated financing for public broadcasting (H.R. 6461/S. 893)	0.1	0.1
Total (to table A, line II.B.2)	.1	.1

[1] See introduction for definition of spending legislation.

TABLE C.—SELECTED ADDITIONAL LEGISLATION [1]

[In billions of dollars]

	Fiscal year 1976— New budget authority	Fiscal year 1976— Estimated outlays
pending legislation not yet reported in the Senate and not requested by the President:		
None		
Authorizing legislation:		
A. Through Congress or passed Senate: [2]		
Education for the Handicapped Act (S. 6/H.R. 7217). Labor and Public Welfare Committee	0.5	0.4
Developmental Disabilities Act (S. 462/H.R. 4005). Labor and Public Welfare Committee	.1	.1
Older Americans Act (S. 1425/H.R. 3922). Labor and Public Welfare Committee	.1/.4	.1/.4
B. Reported in Senate:		
None		
C. Not yet reported in Senate: [2]		
Child and Family Development Act (S. 626/H.R. 2966). Labor and Public Welfare Committee	.2	.2
Emergency Employment Assistance, renewal of CETA, Title VI (S. 1695/H.R. 2584). Labor and Public Welfare Committee	5.0	2.0
Emergency Conservation Jobs Assistance (S. 1431). Labor and Public Welfare Committee	.2	.2
Total, authorizing legislation (to table A, line III.B)	6.1/6.4	3.0/3.3

[1] See note to table B, p. 16.
[2] Dollar amounts for all bills in this section represent increases over President's budget request.

Mr. BUCKLEY. Mr. President, I have twice voted against H.R. 5901, once when it first came before the Senate and again when we considered the conference report on it. I did so because of budgetary considerations, because I hoped that the relevant committees would reexamine each of the constituent programs and pare back those that can be reduced without disruption of existing programs. The danger of renewed double digit inflation is simply too great for the Congress to fail to scrutinize every new demand on the Federal Treasury.

It is now too late for such a reconsideration. The new school year is upon us, and school boards across the country are entitled to know what they can expect to receive. Furthermore, the growth over last year's appropriations is not so large as to make a protest vote meaningful. Under all the circumstances I have concluded that a third negative vote would serve no purpose.

Therefore, recognizing the dependence of local school districts upon the funds appropriated in H.R. 5901, recognizing as well that there is no hope of securing remedial amendments to it, I will, with the most serious reservations, vote for its final enactment.

Like every Member of this body, I want my State to obtain its fair share of funds for education. But I do not want the school boards of this country to become fiscal wards of the Federal Government, required to make an annual pilgrimage of penury to the Congress in order to lobby for yet another year of funding. Already we have made our schools precariously dependent upon the will of the Congress and the whim of HEW.

Even worse, we have disrupted, if not broken, the tie between local school budgets and local school financing. In a discussion concerning H.R. 5901 with one of New York's leaders in education, that distinguished gentleman told me that, already this year, more school bond referenda have been rejected by the voters than ever before. And yet, we are told that parents want full funding of education programs. There is an irony in that situation, and the reason for it should be obvious. There is no difference whatsoever between school funding that comes from local taxes and the funding that comes from the Congress, for the moneys appropriated by H.R. 5901 as surely originate in the pocketbooks of taxpayers as do local real estate levies. But in the one case, the people know what is being taken from them and what they are getting in return. In the case of the Congress, the public cannot directly relate the taxes we take from them and the services purchased thereby. More than any other factor, that may be the reason for the precipitous decline in public trust in the institutions of Government.

And so I would respectfully suggest to my colleagues that, while we are in the process of overriding the veto of H.R. 5901, while we are taking credit for securing its appropriations for our States, let us also take a corollary responsibility. Let us recognize that, because Federal funding is addictive, we have reduced American education to an unhealthy dependency upon the financial fixes which the Congress annually provides.

Those are strong words, but they are deliberately matched to the severity of the damage which the Congress has already wrought upon schooling in America.

Mr. MONTOYA. Mr. President, today we are being given the opportunity to reaffirm our support for education—not just with words, but with clear and unmistakeable action.

Yesterday, the House of Representatives set us a fine example. They overrode the Presidential veto of the education bill by a vote of 379 to 41. On August 1, the day of the veto of the education appropriations bill, I said that the most important question each of us had to ask of our constituents when we returned to our States during the summer recess was this one: "Is the President right in assuming that you want the Government to cut costs this year by cutting back on education programs for our elementary schools, high schools, and colleges across the board?" I said then that I thought the answer which the public would give would surprise the President and his advisors.

I think it is clear, now, what answer most of us got when we asked that question. I know what answer I got in the State of New Mexico. This is a clear question of priorities—and the people of my State have clearly and firmly expressed to me their feeling that the educational strengths of American citizens must not be damaged by allowing this veto to stand. If belts must be tightened in this year of budget restraint, the people of New Mexico believe that they should be adult belts, not those of our children.

This bill, which is well within the budget limit set by the Congress earlier this year, is not wasteful, and not inflationary. It does not even allow for the normal rate of inflation, much less for the inflation which has taken place in education costs in the past year.

I urge my colleagues to join me in establishing education as a first priority for the United States. We cannot afford to make any other choice if we are serious about protecting the future of America. I urge you to vote to override this very unwise and imprudent veto.

EDUCATION VETO OVERRIDE IMPERATIVE

Mr. EAGLETON. Mr. President, I urge support of the vote to override the President's veto of the education division appropriations bill, H.R. 5901.

In vetoing H.R. 5901, the President indicated that a vote for this bill would be a vote for increased inflationary pressures. This is simply not so. As our distinguished Labor-HEW Appropriations Subcommittee chairman pointed out at the time this body passed the conference report, the final amount contained in the bill is $700 million below the level set by the first concurrent resolution. We are within our own budget targets set by the Senate Budget Committee.

The President further stated in his veto message that the issue was not one of importance of education in our country, but rather one of fiscal discipline. I would disagree with the President on this point also. In my view, we cannot afford to have a seesaw policy toward education—funding it one year and unfunding it the next. School districts and institutions of higher education in all parts of the country depend on a certain level of support from Federal programs. They plan their budgets based on what they received the previous year, and what they anticipate will be a relatively fixed level of support. This bill hardly gives them a great windfall. In fact, in constant dollars, it is a decrease in Federal support. The increase over last year's appropriation level is 3.6 percent—that can hardly be viewed as an increase in light of double digit inflation.

Mr. President, if we sustain the President's veto today, the various education bodies will survive. It is the students who will suffer when school boards and colleges and universities are forced to cut back and reduce the quality of their programs.

I am fully committed to responsible Government spending and to living within a budget ceiling, but a vote to override the education appropriations bill veto does not violate that commitment. The issue is not economy, but a sound investment in the future of our Nation.

Mr. HRUSKA. Mr. President, I will vote to sustain the President's veto of H.R. 5901, the education division appropriation.

This vote will be cast most reluctantly, as I am aware of how much the programs funded in this bill benefit Nebraska and the Nation.

For many weeks I have been hearing from my constituents, many in the education professions, and from national education organizations, the now familiar arguments about the merits of this bill. Particular emphasis has been given to funding levels relative to the past fiscal year and the need to stay even with increases in the price level. An erroneous impression has been created that to sustain this veto would mean denial of Federal support for many education programs. All that sustaining the veto would do is require a thorough reconsideration of the bill. The net result would be a funding level somewhere between the original bill and the reduced amount proposed by the President.

My response has been that in the larger view we cannot ignore the size of the Federal deficit estimated for the current fiscal year. We are pressing hard against the $68.8 billion level which we agreed to with passage of the first concurrent resolution on the budget.

The President has made clear the inflationary potential of the bill. What purpose is served for American education by further inflating the dollar? We will only be adding to the upward pressures on the price level when the true interest of every taxpayer, school board member, school administrator and teacher is to check inflation.

The President has made some specific suggestions for program reductions. But he is openminded. He has emphasized in his veto message that he would not insist that his original budget request is the only one acceptable. I do not agree completely with his specific recommendations for cuts in this bill. On June 27, 1975, I addressed the Senate on the pressing need for further studies and reforms of the impact aid program, which was especially singled out by the administration for reduction. My judgment is that it is asking too much too quickly in this area. But I also believe that there is room for cuts in impact aid and a great many other programs in this bill. We at least owe the Nation a serious effort to reduce substantially the $1.5 billion addition to his budget request which the President finds unacceptable.

This is what the majority of my constituents want. They can understand the strong pleading of the education professionals and their organizations to override the veto. Our system of Government thrives on vigorous representation of interests. But my constituents pay the taxes—Federal, State, and local—which support educational budgets. They ex-

pect in this year of severe economic dislocations that Congress will forsake no opportunity to reduce Federal spending and the size of the Federal deficit. I share their conviction that we can make budget reductions without damaging sound programs. A failure to sustain the President's veto is rejecting just the kind of second hard look which a prudent concern for the taxpayer's interest demands. I hope that my colleagues inclined to vote to override will pause and consider the matter in this light.

Mr. HUMPHREY. Mr. President, in July, President Ford vetoed H.R. 5901, the education appropriations bill, on the grounds that it was asking too much of American taxpayers and our economy. Yesterday, by a vote of 379 to 41, the House delivered its judgment of his action—it resoundingly rejected the veto. Today, I am hopeful we will follow their lead.

Our most precious commodity, our hope for a brighter future for all Americans, is our children. The strength and viability of our Nation will depend far more on the values and knowledge we impart to them than on the numbers of weapons we build today. It is not asking too much of the American taxpayer to spend $7.9 billion for education, especially at a time when we are being asked to spend well over 10 times that much for defense.

This bill will help all Americans. Handicapped students, economically and culturally disadvantaged students, students in vocational, occupational and adult education programs, and students in post-secondary school educational programs all will benefit from this bill. I only wish that we could have done more for these groups.

This bill is reasonable. Its allocation for education is only $255 million above the appropriation for education for fiscal year 1975. This represents an increase of only 3.6 percent—hardly inflationary in a year when the rate of inflation is 9 percent. Furthermore, it is $400 million under the congressionally established target for 1976 education programs, and thus is in line with Congress desires about the shape of the national budget. If I were to criticize it, I would say that it allocates too little for education at a time when our urban and nonurban schools and universities are in urgent need of additional money.

Mr. President, it is the President's responsibility to recommend budget levels to the Congress. It is our responsibility to set them. We have done that in the case of education, and we have produced a bill well within the planned budget level for education. It is now time to affirm our budget decision.

Mr. KENNEDY. Mr. President, the President's veto of this education appropriations bill for the Nation's schools and the Nation's schoolchildren cannot be justified. The overwhelming override vote in the House of Representatives should be matched by an equally sharp rebuke to the distorted administration priorities expressed in the veto of this bill.

This bill is actually less than the ceiling set by the Congress in the first budget resolution. We have cut other parts of the administration budget so that we could provide more funds for education. Those are our priorities and they are the right ones, and an override of the veto will insure the maintenance of those priorities.

It is particularly ironic that the President, while objecting to this slight increase in funds for education this year, has vetoed the 6-month extension of oil price controls, which will mean a $21 billion hike in domestic energy costs and an imminent return to double-digit inflation.

The veto message claimed that—

> Taken as a whole, this appropriation bill is too much to ask the taxpayers—and our economy—to bear.

That statement is incomprehensible if one examines the actual facts and figures of this bill and if one has any regard for the value of education in our society.

This bill is not inflationary. It would provide for spending barely 4 percent more on education this year over last year, at a time when inflation is increasing at a rate twice that level. In real terms, we will be struggling to maintain the existing level of services. And yet, the President says this bill is "too much to bear."

On its merits the bill is not inflationary. It represents the fulfillment of the Government's responsibility to assist the schools of America. Cutting back any further would seriously affect vital education programs at every level. In my own State if we were to accept the President's budget instead of this bill, it would mean $38.6 million less for our schools and our colleges. And every other State would suffer similar losses.

Under the President's budget, Massachusetts would have received 12 percent less than last year for the title I aid to education program.

Under this bill, Massachusetts will receive $39.8 million, an increase of $3.1 million over last year.

Under this bill Massachusetts will receive more than double what the President recommended for education for the handicapped, $2.9 million.

Under this bill Massachusetts would receive $10 million in basic grants for vocational education. Under the President's budget Massachusetts would have received no funds for vocational education.

Mr. President, I ask unanimous consent to print in the RECORD a table showing what Massachusetts received last year; what Massachusetts will receive under the President's budget; and what Massachusetts will receive if this veto is overriden.

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

EDUCATION FUNDS FOR MASSACHUSETTS

	1975 appropriations	1976 budget request	Conference agreement
Title I, assistance for educationally deprived children	36,705,404	36,710,293	39,776,690
Title IV, ESEA, consolidation "Hold Harmless"	0	0	0
Title IV, part C, innovation and support	4,258,254	4,549,083	4,549,083
Sec. 842, State equalization	0	0	0
Emergency school aid	1,448,878	0	1,404,623
Education for the handicapped	2,626,805	1,263,549	2,893,389
Occupational, vocational, and adult educational	10,463,253	0	10,330,078
Programs for students with special needs	488,524	0	488,524
Consumer and homemaking education	879,546	0	1,001,759
Work study	263,260	0	263,260
Cooperative education	435,299	0	435,299
Innovation	343,636	0	343,636
Research	439,900	0	439,900
Adult education—Grants to States	1,706,542	1,706,542	1,706,542
Supplemental educational opportunity grants	4,053,186	0	4,049,682
Student assistance work study	7,046,931	5,866,524	9,153,696
Direct student loans (HEA IV, part E)	10,819,087	0	10,819,087
Title I, part A, community services	307,857	0	255,722
Aid to land grant colleges	238,656	0	238,656
State student incentive grants	687,984	1,513,566	1,514,561
Interlibrary cooperation	52,916	0	52,916
Libraries and instructional resources (consolidation program)	3,606,859	3,613,470	3,876,205
Undergraduate instructional equipment	259,976	0	264,173
Total		55,223,027	93,857,481
Difference between budget request and conference agreement			38,634,454

Mr. BROOKE. Mr. President, I urge my colleagues to do as the House of Representatives just has done and to vote to override the veto of H.R. 5901, the education appropriations bill for fiscal year 1976.

At the time of the veto I stated that the reason the conference bill is over the budget by $1.3 billion is that the administration's requests were inadequate to begin with.

In the areas of grants for disadvantaged children, emergency school aid, handicapped, vocational and higher education and many more, the administration's requests were below the fiscal year 1975 appropriations, or less than realistically could be accepted.

Indeed as we began consideration of the fiscal year 1976 education appropriations bill we were working with total requests that were some $785 million below appropriations for fiscal year 1975.

When Congress finished its work and sent the bill to the President, that measure was some $560 million above the approved 1975 level.

Our increase of $1.3 billion over the requests must be viewed in that context.

We in Congress were working with budget requests that were not realistic and not adequate, particularly in this period of high unemployment and high prices. We could not accept them and we did not.

For example, the new impact aid law establishes tiers of eligibility for different categories of students. The law requires that if Congress wants to fund the first two tiers, it must fund them in full. To assure this funding, Congress was required to add almost $500 million to the amount the administration sought.

With many schools just opening under court orders to desegregate, we know how important it is to provide adequate funds for the basic emergency school aid program which helps smooth the transition to unitary schools. Against this need, the administration asked only $75 million—exclusive of its request for civil rights advisory services—for the entire country. Congress, I am glad to say, accepted my amendment which provides a level of $215 million for this essential State grant program.

In the area of higher education, the administration asked no funds for direct student loans, although Congress provided $321 million for them in fiscal year 1975, and the law establishes a mandatory minimum for this appropriation before a dollar can be spent on basic opportunity grants. Congress was doubly justified in restoring the fiscal year 1975 level of $321 million.

These are but a few examples of the repair work the administration's requests required.

I also point out that the education bill provides not only for fiscal year 1976, but also includes millions for next year's July 1 to September 30 transition period, after which fiscal years will begin on October 1.

And some $4 billion in the bill are for fiscal year 1977 since many education programs now are forward or advance funded. Included in these categories are disadvantaged grants, ESA, and handicapped, adult, and higher education.

I would be remiss if I did not again stress the importance of education which the President rightly said was "one of the strong foundation stones of our Republic." More specifically, it is a strong foundation stone of our economy, for we all recognize that education is the essential ingredient to getting a decent job and to advancing in the world of work.

For the poor and the handicapped a good education can mean avoiding a lifetime of dependency on others. The billions in this bill will help such individuals; as they gain so does our beleaguered economy. And as we train people and put them into jobs, we can hope for offsetting reductions in the costs of welfare and unemployment benefits.

The funds in the bill also are vitally needed by our States and local school districts which, because of the recession, have been forced to retrench on their own budgets. An adequately funded education bill can help local education officials deal more effectively with their financial burdens and avoid still further cutbacks in staff and program.

We believe we have developed a bill that is realistic and is commensurate with the needs of education at this time. We believe there is ample justification to override the veto and we urge such a vote.

Mr. PACKWOOD. Mr. President, although I have sustained nearly every one of President Ford's vetoes this year, today I cast my vote to override his veto of the education appropriations bill for fiscal year 1976.

Frankly, I share President Ford's deep concern over the burden that this more than $7 billion package will place on the Federal budget. But I believe that these are expenses that are going to be made. It is just a question of whether they will be made from Federal income tax revenues, or from local real property taxes. Local property owners are already being taxed within an inch of their existence. I prefer that our support of education in this country come from Federal income taxes, rather than increased property taxes.

Just as we cannot risk national bankrutcy through unnecessary deficit spending, neither can we afford to curtail reasonable support of education programs. In the case of the fiscal year 1976 education appropriations, Mr. President, the sums appropriated provide no more than a small increase in funding over last year—about 3.6 percent.

This hardly compares in real terms to increased costs as mirrored by a jump of 8.5 percent in the Consumer Price Index over the same period of time. Without the moneys provided in H.R. 5901, the nearly 17,000 school districts in this country will be forced to increase their local property taxes or slash vital programs and personnel.

My support today of Federal assistance to education reflects a belief in the value of our investment in the creative, productive capabilities of both children and adults. It also, in my judgement, will spare local property holders an unbearable share of this investment's cost.

The PRESIDING OFFICER. All time has expired. The question is, Shall the bill pass, the objection of the President of the United States notwithstanding?

The yeas and nays are mandatory. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 88, nays 12, as follows:

[Rollcall Vote No. 389 Leg.]

YEAS—88

Abourezk	Chiles	Haskell
Allen	Church	Hatfield
Baker	Clark	Hathaway
Bartlett	Cotton	Hollings
Bayh	Cranston	Huddleston
Beall	Culver	Humphrey
Bellmon	Dole	Inouye
Bentsen	Domenici	Jackson
Biden	Eagleton	Javits
Brooke	Eastland	Johnston
Buckley	Fong	Kennedy
Bumpers	Ford	Laxalt
Burdick	Garn	Leahy
Byrd, Harry F., Jr.	Glenn	Long
	Gravel	Magnuson
Byrd, Robert C.	Hart, Gary W.	Mansfield
Cannon	Hart, Philip A.	Mathias
Case	Hartke	McClellan
McGee	Pastore	Stevens
McGovern	Pearson	Stevenson
McIntyre	Pell	Stone
Metcalf	Percy	Symington
Mondale	Randolph	Taft
Montoya	Ribicoff	Talmadge
Morgan	Roth	Tower
Moss	Schweiker	Tunney
Muskie	Scott, Hugh	Weicker
Nelson	Sparkman	Williams
Nunn	Stafford	Young
Packwood	Stennis	

NAYS—12

Brock	Hansen	Scott, William L.
Curtis	Helms	Thurmond
Fannin	Hruska	
Goldwater	McClure	
Griffin	Proxmire	

The PRESIDING OFFICER. On this vote the yeas are 88 and the nays 12. Two-thirds of the Senators present and voting having voted in the affirmative, the bill, on reconsideration, is passed, the objections of the President of the United States notwithstanding.

MOBILE-HOME LOAN CEILINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 848.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 848) to amend section 2 of the National Housing Act to increase the maximum loan amounts for the purchase of mobile homes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. 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. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, we are ready to proceed with S. 848.

The PRESIDING OFFICER. S. 848 is the pending business.

Who yields time?

Mr. SPARKMAN. Mr. President, I will take very few minutes.

This is a bill that would establish new ceilings for mobile home loans which the Secretary of Housing and Urban Development is authorized to insure under title I of the National Housing Act. Existing law limits HUD-insured loans to finance the purchase of a mobile home to $10,000—or $15,000 for a mobile home composed of two or more modules. The bill, S. 848, would raise these ceilings to $12,500 and $20,000 respectively.

That is the bill, Mr. President. The committee reported it favorably.

I urge favorable action here in the Senate Chamber.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. BROOKE. Mr. President, S. 848, as my distinguished chairman of the Housing Subcommittee has said, is a bill to amend section 2 of the National Hous-

ing Act to increase the maximum loan amounts for the purchase of mobile homes.

S. 848 would amend section 2(b) of the National Housing Act by revising clause (1) so as to increase maximum loan amounts for mobile homes under the title I insurance program to $12,500—$20,000, in the case of a mobile home containing two or more modules. Present limits are $10,000 and $15,000, respectively.

Existing maximum loan amounts were established in 1969 for single-wide units, and in 1970 for multiple units. No increases in maximum loan amounts for mobile homes eligible under the program have occurred since that time despite subsequent increases in mobile home manufacturing costs—including the cost of raw materials, labor, shipping and carrying charges—and consequent increases in purchase prices. During the same period, maximum mortgage limits for FHA-insured homes have been increased substantially.

The proposed increases in title I statutory loan limits would assure the continued usefulness of the title I program to prospective mobile home buyers who can benefit substantially through these loans. Such loans generally have lower interest rates, longer maturities, and valuable consumer protections, such as a minimum 1 year warranty by the manufacturer, that are not always available in connection with other mobile home financing. In addition, the current restrictive loan maximums have resulted in higher downpayments for mobile home buyers which in turn have put ownership of mobile homes beyond the reach of many prospective buyers.

Mr. President, I would point out that the Veterans Housing Act of 1974 (Public Law 93–569) has already provided identical increases for loans on single- and double-wide mobile homes guaranteed by the Veterans' Administration.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program, and the Department of Housing and Urban Development strongly favors enactment of S. 848.

Mr. President, I yield to my distinguished ranking member of the Committee on Banking, Housing and Urban Affairs (Mr. TOWER).

Mr. TOWER. Mr. President, this is meritorious legislation. In keeping with the times, a growing number of Americans are looking to mobile homes or similar forms of prefabricated housing for permanent residences.

We have to recognize that fact and accommodate people who want to live in mobile homes. It is a growing industry in this country.

From the mobile home has come the modular houses that have been a natural evolution of the technology involved in the building of mobile homes. This is a trend that ought to be encouraged.

By making financing more easily obtainable for mobile and modular homeowners we will encourage an industry which ultimately can reduce the cost of housing.

We know now that by producing in volume, the manufacturers of mobile and modular homes can get down the perfect cost of such housing. To me, this is the wave of the future.

I recall that the late and lamented Walter Reuther, former president of the United Automobile Workers Union, testified before our committee that Americans are getting Chevrolet homes at Cadillac prices. I happen to be a Chrysler Corp. man, so I would say that they are getting Plymouth homes at Imperial prices.

In any case, this is a matter on which I agreed very profoundly with Walter Reuther. It is probably historically the only time that I ever agreed with him. But this is a fact.

The mobile housing industry can bring housing within the range of many low, and middle-income people who otherwise could not afford what we call the stick houses. In the modular housing industry now, a prefabricated house and two modules can be delivered to a site and can be made livable within 48 hours. This is really a great step forward. It not only means that housing is brought within a lower price range but also that it can be constructed more quickly and efficiently. It is a trend that I believe should be encouraged, and I hope the Senate will react favorably to S. 848 and that it will become law.

Mr. BROOKE. I thank the distinguished Senator.

Mr. President, there are several amendments to be offered to this bill.

I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BROOKE. 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:

The Senator from Massachusetts (Mr. BROOKE) proposes an amendment by adding at the end of the bill a new section as follows:

"Sec.———. Notwithstanding the provisions of section 103(a) (2) and (3) and section 104 of the Housing Act of 1949 or of any other law (1) the maximum project capital grant for Project No. Mass. R–107 may exceed two-thirds of the net project costs of said Project, and any such excess shall not be considered in determining the project capital grant for any other project in the same municipality and (2) the maximum amount of local grants-in-aid required in connection with Project No. Mass. R–107, under the Contract No. Mass. R–107 (LG) or amendatory contracts for capital grant for said Project, shall be one-half of the maximum project capital grant for said Project authorized under Section 7(d) of said Contract, dated December 28, 1965, prior to any amendatory contract, and any local grants-in-aid provided in connection with said Project in excess of such maximum amount or any local grants-in-aid provided in connection with any other project in the same municipality shall not decrease the amount of the project capital grant for said Project under said Contract and amendatory contracts: *Provided*, That any local grant-in-aid provided in connection with said Project in excess of such maximum amount shall not be considered in determining the local grants-in-aid required for any other project in the same municipality."

Mr. BROOKE. Mr. President, the amendment which I have sent to the desk and for which I have asked immediate consideration, relates to the Kendall Square Urban Renewal Project in Cambridge, Mass. (Project No. Mass. R–107), would authorize special capital grant assistance in excess of the limitations imposed by provisions of title I of the Housing Act of 1949, as amended, due to extraordinary circumstances which have delayed completion of the project.

The Kendall Square project was planned and undertaken in 1964 at the request of the Federal Government in order to meet the urgent need of the National Aeronautics and Space Administration—NASA—for a 29-acre site, constituting the major portion of the project area, for the construction of an Electronics Research Center. The entire NASA site was acquired and cleared by the Cambridge Redevelopment Authority—CRA—causing the displacement of many small businesses. Fourteen acres of the site were conveyed to NASA, which commenced development. In 1970 NASA abruptly terminated its activities, and its interests were transferred to the Department of Transportation—DOT—which subsequently agreed to relinquish any rights to the remainder of the intended NASA site to the Cambridge Redevelopment Authority.

My amendment authorizes special financial assistance in recognition of the substantial additional costs to complete the project, resulting from the delays in development and the need to replan and dispose of the rest of the project area to other developers due to these circumstances.

The legislative proposal authorizes notwithstanding the provisions of title I of the Housing Act of 1949, as amended, that capital grants for the Kendall Square project may exceed two-thirds of the project costs; and that the total local grants-in-aid to be provided shall be limited to the maximum initial amount required under the original Loan and Grant Contract, as executed on December 28, 1965. The basis for such authorization is that subsequent cost increases are the result of the above described circumstances and should not be shared by the locality.

The provisions of sections 103 and 104 of title I of the Housing Act of 1949, as amended, would require net project costs to be shared on a two-thirds, one-third, aggregate basis with respect to all projects in the same municipality. The proposal therefore contains provisions whereby the excess capital grant authorized for the Kendall Square project will not reduce capital grants in other projects.

In addition, section 103 limits capital grants to the difference between net project cost and local grants-in-aid actually made. Due to this requirement, and the aggregate "pooling" provisions of section 104, the proposal provides that any local grants-in-aid provided for the Kendall Square project in excess of the

limited amount required under the proposal, or any local grants-in-aid provided for any other project, shall not decrease the capital grant authorized for the Kendall Square project.

While the proposal authorizes a local grant-in-aid for this project in an amount which is less than the required statutory share, and provides further that any local grants-in-aid actually furnished in excess of such amount shall not serve to reduce the capital grant for the project, it is not intended that such excess should thereby be available for use as a pooling credit to other projects. The proviso at the end of the proposal precludes such a result.

This amendment was reviewed by the Department of Housing and Urban Development, and I have been informed by the Department that the amendment is in the proper form and that the Department does not object to its enactment.

Mr. President, I am hopeful that the distinguished Chairman of the Housing Subcommittee, the floor manager of the bill, can accept this amendment.

Mr. SPARKMAN. Mr. President, I have discussed this amendment with the Senator from Massachusetts. In fact, we have been somewhat familiar with this matter all along. I think he has stated a good case; and for my part, I am willing to accept the amendment.

Mr. BROOKE. I appreciate the action by the distinguished chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MORGAN. Mr. President, will the Senator yield for a question?

Mr. BROOKE. I yield.

Mr. MORGAN. Do I correctly understand that the amendment the Senator has submitted would amend the bill to take care of a particular project. Kendall Square?

Mr. BROOKE. Yes.

Mr. MORGAN. Is that in Massachusetts?

Mr. BROOKE. That is correct.

Mr. MORGAN. Was this amendment considered by the Housing Committee?

Mr. BROOKE. Yes, the matter was considered by the Housing Committee.

Mr. MORGAN. Was it offered and approved by the Housing Committee?

Mr. BROOKE. It was at the markup session of the Housing Committee, yes.

Mr. MORGAN. I am on the committee, but I do not recall voting on this particular amendment.

Mr. BROOKE. It was discussed fully in the Housing Committee markup as I recall the facts, and HUD was to review it, and it was to be brought to the floor of the Senate.

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

Mr. MORGAN. I yield.

Mr. SPARKMAN. The Senator from Massachusetts correctly states the situation. It was brought up in the markup, but it involved technical language. We felt that we should not delay reporting the bill but that it could be worked out and would be brought up on the floor of the Senate. The amendment of the Senator from Massachusetts carries the technical language that was required.

Mr. MORGAN. Mr. President, I do not know anything about the Kendall Square project, but it strikes me as rather unusual that in a bill that would have nationwide import, we would put an amendment that would affect one particular project out of the 50 States. I assume that it is a worthy project, but it seems to me a complex matter to be taken up and to be tacked on to a nationwide bill. For that reason, I oppose the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I send to the desk an amendment which I offer for the administration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

S. 848 is amended by adding at the end thereof a new section, reading as follows:

"SEC. —. Section 1336(a) of the National Flood Insurance Act of 1968, as amended, is amended by striking out 'December 31, 1975' and inserting in lieu thereof 'December 31, 1976'."

Mr. BROOKE. Mr. President, the amendment just read would extend the emergency implementation provisions of the national flood insurance program for 1 year, from December 31, 1975, to December 31, 1976. It would permit the continued availability of federally subsidized flood insurance in communities where detailed and time-consuming actuarial rate and flood hazard evaluation studies have not been completed.

Under the original or regular flood insurance program as enacted in 1968, flood insurance could not be made available in a community until studies had been made in the community to establish actuarially sound rates for the coverage and to determine the levels at which new construction would be reasonably safe from flooding. This requirement severely restricted the number of communities that were able to qualify for coverage.

In 1969, the emergency flood insurance program was enacted at HUD's recommendation. Under the emergency program, flood insurance can be made available for existing structures as soon as a community agrees to take steps to reduce flood losses on new construction, even though the studies required to establish actuarial rates and safe elevation levels may not be completed for some time.

Some 12,000 communities now participate in the national flood insurance program. About 11,500 of those communities are in the emergency program.

The program provides over $14 billion worth of flood insurance coverage, which is otherwise unavailable from the private insurance industry, to some 550,000 policyholders.

Extending the emergency program for an additional year would be of obvious benefit to the vast majority of flood insurance policyholders whose communities are participating in the emergency program. Indeed, only about 500 of the 12,000 communities in the national flood insurance program are in the regular program.

Mr. President, I have discussed this amendment with the distinguished chairman (Mr. SPARKMAN). It is my understanding that he may accept this amendment.

Mr. SPARKMAN. Mr. President, I am willing to accept the amendment. I should like to say that, as a matter of fact, the program was enacted and we gave what we thought was plenty of time, but the Government itself has not completed the studies that it is making on these various projects. Therefore, it would be a great injustice to many of the communities throughout the country that would lose out if we did not provide this extension. I am glad to support the amendment.

Mr. BROOKE. I thank the Senator.

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. BROOKE. 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. BROOKE. I yield to the distinguished Senator from Delaware (Mr. ROTH).

Mr. ROTH. Mr. President, I wish to ask either the Senator from Alabama or the Senator from Massachusetts a couple of questions on this flood insurance.

This is a program that I have strongly supported in the past and shall continue to support, but it has raised a number of serious problems in the State of Delaware. We have found that in a number of cases, people who are purchasing homes are required to take emergency flood insurance when the facts show that there is absolutely no possibility of floods occurring in places where these homes are located. This raises the cost by $200 or $300 to those people. I wonder what the committee is doing in this area.

Mr. SPARKMAN. Mr. President, we have had hearings on flood insurance and it was on the basis of those hearings that we reported the bill and passed it last year, during 1974. We are familiar with the kind of problem that the Senator has in his State; as a matter of fact, we found similar problems down the Mississippi Delta, for instance, on some of the high banks, and so forth. We have not worked it out satisfactorily. We are going to have further hearings and try to find a solution.

This whole thing of flood insurance and the Government's participation in it is a rather complex proposition, but we do intend to look into this matter further. I hope that we can come up with a solution that will meet the Senator's situation.

Mr. ROTH. I point out that it is costing real money to people who cannot afford it. It is adding to their purchase price.

One of the things that has concerned me is that HUD has gone out and apparently paid for new surveys to be made, when the Corps of Engineers and other groups have detailed maps and

they are in conflict. I hope and urge that the commitee take this up as a matter of first priority.

Mr. BROOKE. Mr. President, I commend the distinguished Senator from Delaware (Mr. ROTH) for bringing this matter to the Senate's attention. I join with our chairman (Mr. SPARKMAN) in assuring him that we will have hearings on the particular subject he raises, and we shall see what we can do to alleviate the situation of which he speaks.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROOKE. Mr. President, prior to calling up another amendment, I yield the floor to the distinguished Senator from New York (Mr. JAVITS) for an amendment.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill, add the following: "SEC. —. The National Housing Act is amended by striking out the words 'by not to exceed 45 per centum in any geographical area' where they appear in sections 207(c)(3), 213(b)(2), 220(d)(3)(B)(iii), 221(d)(3)(ii), 221(d)(4)(ii), 231(c)(2), and 234(e)(3) and inserting in lieu thereof in each such section the words 'by not to exceed 75 per centum in any geographical area'."

Mr. JAVITS. Mr. President, this is an amendment which I regret, very much, in the interest of my own community and every other community in the country, that I have to propose, but realities exceed my own regret in this matter. What it does is expand the discretion, on the basis of the finding of fact, of the Secretary of HUD to deal with the insurance of mortgages in the FHA programs other than section 8—I shall explain that in a minute—from 45 percent, which it now is, to 75 percent. The fact is that there is just no market, no ability for a guaranteed mortgage in the high cost areas at this 45 percent. The limit has to be raised.

As I say, it is regrettable, because all it means is an enormous increase in the cost of both labor and materials which has been suffered in the housing field. But these are the facts of life.

This is an amendment that was considered by the committee in this way: We proposed originally the same idea that is contained in section 8. That is that cost limits be based upon a prototype; that is, what is the actual cost in given areas of a prototype construction such as is being insured by FHA. The committee considered that and I think was rather favorable to it. But the FHA decided that it would rather proceed along the pattern now existing in law—to wit, the percentage limits which I have just described—rather than on the prototype idea which is contained in section 8. In order to deal with that problem, we had to go this route, and I am able to say now that the department has no objection to this amendment. I hope it will be accepted.

Mr. BROOKE. Will the Senator yield for a question?

Mr. JAVITS. Yes.

Mr. BROOKE. I would be remiss if I did not raise the question as to what effect this will have on middle-income people and whether it is the intent of the distinguished Senator from New York that the Secretary of HUD go to the maximum?

Mr. JAVITS. Not at all. It is the intent of the Senator from New York only to apply the same principle, except that the figure is completely obsolescent in the light of the situation. We could approach it by increasing the dollar limits, but that deprives the Secretary of an element of flexibility and discretion which I would rather the Secretary have.

I opened by saying to the Senator that I regret very deeply the need for this amendment and I am afraid it will hit my community the hardest. Unhappily for us, we have the highest costs. But it is a pain for many other communities as well. The figure has simply become impractical

Rather than try to raise the figure, which would simply cement in the impracticality, I would rather leave that and just expand the discretion of the Secretary in the hope that, at least on a regional basis, it can be kept to a minimum.

Mr. BROOKE. So the secretary is not compelled under the Senator's amendment to go to the maximum.

Mr. JAVITS. Not at all, and I would hope very much she will not.

Mr. BROOKE. Number two, I am certainly very well aware of the Senator's fight to keep rates low. Certainly we are concerned with that. I guess it is just a question now, with inflation and higher costs, either this or none at all.

Mr. JAVITS. Exactly right. Considering our situation with housing starts generally we really were left with no alternative.

I might tell the Senator we have just put in a bill—I am the ranking member of the Labor Committee with Senator Williams—to have some effect on the wage scales in this industry by requiring, under Dunlop's bill—and I think it is an excellent bill and I am very enthusiastic for it—by requiring all of these wage settlements to be referred at least to the international union. Then we have a commission which can give a 30-day stay even after the contract has expired.

In short, we, in the Labor Committee, are determined if we humanly can, to try to bring down the cost of building homes. But, in the meantime, we are faced with these very hard realities which nobody regrets more than I do.

Mr. BROOKE. Well, you know, I am concerned, as is the Senator from New York, about the escalating costs of building units going from $33,700 to $42,612.

Mr. JAVITS. Exactly. That is what I regret.

Mr. BROOKE. And then up to $45,000, and from $50,000 to $60,000 for a 3-bedroom house. It is just escalating all the time.

Mr. JAVITS. Unbelievable.

Mr. BROOKE. It is getting to the point where people will not be able to look forward to buying housing.

Mr. JAVITS. At the same time, we are between Scylla and Charybdis of having no housing at all.

Mr. BROOKE. It is the same as between the devil and the deep blue sea.

Mr. JAVITS. That is correct. At least give her a parameter which is practical.

Mr. BROOKE. It is my understanding further that the Senator from New York has discussed this matter with Secretary Hill.

Mr. JAVITS. I asked my assistant expressly to give me the names to back up my statement that the department has no objection. It has been discussed with Sol Mosher, the Assistant Secretary for Congressional Affairs, and Les Platt of the General Counsel's office, and we have been advised there is no objection.

Mr. BROOKE. I certainly sympathize with the plight of the Senator from New York. I know in his area, which does not differ very much, I might say, from my own area, in cost, that we have a very, very serious problem here, and I repeat it is unfortunate. But it is this or no housing at all.

Mr. JAVITS. That is exactly the situation.

Mr. BROOKE. It is a choice of poverty.

Mr. JAVITS. Exactly.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. JAVITS. I yield.

Mr. SPARKMAN. I was going to make a proposal that we make an interim agreement until we can study this problem more of stating 60 percent instead of the 75 percent.

Let me ask the Senator this: he said the department had approved it. My understanding is they say they would not fight it and that there was no positive approval. If we could agree, on an interim basis, to 60 percent, then it would give us a chance to check into this more carefully and find out just what the situation is.

Mr. JAVITS. Well, I say to the Senator, 60 percent; it is ridiculous for the mover of an amendment to say this, but that is the situation, and it does not help us. It does not meet the reality of costs today. You might just as well make it 54 percent because it is not a matter of splitting the difference.

My suggestion, sir, is this: this is their idea as to how to approach it. Our idea was the prototype. I would respectfully suggest to the committee that at least it take the matter to conference and then it can bring to bear in the conference its views, but at least it will have the parameter which is really required by the situation. If the conference then decides, based on consultation with the department, that it wants to go to a lower figure there is not much I can do about that, but I certainly would not wish to curtail the latitude for the conference because I think you will find we are not

asking for anything except what we have to.

Mr. SPARKMAN. May I ask a question?

Mr. JAVITS. Sure.

Mr. SPARKMAN. As I understand, this is a regional arrangement?

Mr. JAVITS. Exactly right.

Mr. SPARKMAN. It does not apply nationwide.

Mr. JAVITS. It certainly does not. It applies by region. She must make a factual finding and it is entirely discretionary, just like the 45 percent. No difference whatever.

Mr. SPARKMAN. Let me say this: If the House had passed a bill and we knew we were going to conference I would quickly accept the Senator's amendment and take it to conference, and by that time we could have some details worked out and find out just where we stand. But we do not know what the House is going to do. So it may not be a matter that will be in conference.

Mr. JAVITS. Well, Mr. President, if it is not in conference it will not become law. If it is in conference you will be able to deal with it.

Mr. SPARKMAN. Oh, yes, if we write it in and the House passes a bill and writes it in then it is not in conference.

Mr. JAVITS. I think in that case the Senator certainly has enough influence with the House Members so if he does not like it they will conform it to what he wants.

I will say to the Senator I have no passion here. I am dealing with a stark and unhappy reality.

Mr. SPARKMAN. I recognize that situation and I am sympathetic with it, as the Senator knows.

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

Mr. JAVITS. Yes.

Mr. BROOKE. I am most sympathetic to the Senator from New York. The point is it is just regional and just applies to this area. The Senator does have in his region some very unique circumstances, and I share those circumstances in my own State of Massachusetts, and I would urge the chairman to take it to conference.

Mr. SPARKMAN. Let me be sure I understand this proposition, too. While it says not to exceed 75 percent, it still leaves it up to HUD to determine what level it will be not to exceed 75 percent.

Mr. JAVITS. Exactly, and by region.

Mr. BROOKE. I raised that question with the Senator from New York, and this is the maximum. She has that discretion, in fact, the Senator from New York said he hopes she does not go that high.

Mr. JAVITS. Of course not. It is really against our interests.

Mr. BROOKE. He would like to have it lower.

Mr. JAVITS. Exactly.

Mr. SPARKMAN. And it is regional and not nationwide.

Mr. JAVITS. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BROOKE. 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:

Add at the end of the bill a new section, reading, as follows:

"SEC. —. (a) Section 221 of the National Housing Act is amended by—

"(1) striking out 'General Insurance Fund' where it appears in the second proviso of subsection (d) (4) (iv) and inserting in lieu thereof 'Special Risk Insurance Fund'.

"(2) striking out in the fourth sentence of subsection (f) all that follows the words 'as the Secretary may determine' and inserting in lieu thereof a period; and

"(3) striking out 'General Insurance Fund' where it appears in paragraphs (1) and (3) of subsection (g) and inserting in lieu thereof 'Special Risk Insurance Fund'.

"(b) Section 238 of the National Housing Act is amended by—

"(1) inserting '221,' in subsection (b) immediately after the word 'sections' each time such word immediately precedes an enumeration of sections of the National Housing Act; and

"(2) adding at the end thereof new subsections (c) and (d), to read as follows:

"(c) Notwithstanding any other provision of law, there are hereby transferred to the fund created under this section all receipts, funds and other assets, all actual or contingent liabilities, all commitments for insurance, and all insurance on mortgages, of or chargeable to the General Insurance Fund created by section 519 of this Act which have arisen from or in connection with the insurance of mortgages under section 221 of this Act. All such assets, liabilities, commitments for insurance, and insurance of mortgages shall be and are hereby made assets, liabilities, commitments, and insurance of the fund established under this section as if they had originally been subject or chargeable to such fund.

"(d) Notwithstanding the limitations contained elsewhere in this Act, debentures of the General Insurance Fund may be used to pay mortgage insurance premiums for mortgages insured under section 221 of this Act."

"(c) Section 519(e) of the National Housing Act is amended by inserting immediately before "223(e)" the following: "221,".

"(d) Notwithstanding any other provision of law, all references to the General Insurance Fund in section 207 or any other section of the National Housing Act shall, to the extent such references pertain to section 221 of that Act, be construed to refer instead to the Special Risk Insurance Fund.

"(e) The provisions of subsections (a) through (d) become effective on such date, not to exceed 90 days after enactment, as the Secretary of Housing and Urban Development deems appropriate."

Mr. BROOKE. The amendment would transfer section 221 from HUD's general insurance—GI—fund to its special risk insurance—SRI—fund. The transfer would consolidate in one FHA insurance fund all of the FHA programs which Congress recognized might not be actuarially sound.

The proposed transfer is appropriate because mortgages assisted under section 221 are similar to those assisted under HUD programs already chargeable to the SRI fund. For example, the section 235 and 236 programs, which are chargeable to the SRI fund, are similar to the section 221 programs in that they are aimed primarily at providing housing for low income families. Also, like mortgages insured under sections 235 or 236—or under one of the other programs covered by the SRI fund, section 221 mortgages generally involve more risk than is involved in other HUD programs.

For example, the section 221(d)(2) program involves minimum downpayments. Low downpayments generally correlate with increased mortgage defaults because of the limited commitments of mortgagors to properties involved and other factors. As a result, the section 221(d)(2) program has not been actuarially sound, and this has adversely affected the entire GI fund.

In addition, by explicit statutory authorization, no mortgage insurance premiums have been charged in the section 221(d)(3) below-market-interest-rate—BMIR—program. Thus, that program has made no cash contribution to the GI fund. Yet losses on the sale of BMIR projects—which are chargeable to the GI fund—are generally higher than on other projects which are the security for mortgages insured under the GI fund.

Because of losses in the 221 programs GI fund receipts from operations have not been adequate for the last several years to cover both operating costs and mortgage insurance benefit claims. Indeed, the cash position of the fund in recent months is such that receipts from operations will probably be inadequate to cover even operation costs in the near future.

The National Housing Act authorizes Treasury borrowing to pay mortgage insurance claims in cash, but does not authorize borrowing to pay operating expenses or interest expense on borrowings.

Present borrowing authorizations contemplate that a fund will generate future income adequate to repay borrowings. In the case of GI fund borrowing, this cannot be forecast based on past or present experience or future projections, primarily because of section 221 deficits. However, the SRI fund, with its provision for appropriations to make up deficits, meets the anticipated deficit problem head-on by recognizing that appropriations will be needed to cover programs chargeable to that fund.

The proposed transfer of section 221 to the special risk insurance fund is imperative because of the profound negative impact which section 221 has had on the general insurance fund.

If section 221 were to remain in the GI fund, it is quite possible that the GI fund will be unable to meet its operating ex-

penses and other obligations in 1976. Transferring section 221 from the GI fund to the SRI fund would be a sound legislative solution to this problem. The proposed transfer would convert the fund from a deficit position of several hundred million dollars into a reserve position.

While the negative position of the SRI fund would become more pronounced if section 221 were transferred to it, the increased losses which would be attributable to the SRI fund could be dealt with effectively because Congress has authorized appropriations to be made to cover losses sustained by the SRI fund. Congress granted this authority for appropriations because the programs that were placed in the fund may not be operable on an actuarially sound basis.

Mr. SPARKMAN. Mr. President, let me say with reference to this amendment that I have had some discussion with the able Senator from Massachusetts. This is a rather complicated program that we are seeking to deal with. There are three insurance funds with reference to these mortgages.

The Senator seeks to move 221, as I understand, into the high-risk fund.

It may very well be that it belongs there, but I would not like to admit and I do not want to feel that that is the fund it belongs in.

Maybe we need some change with reference to 221, but the Senator knows that it is a matter, not necessarily with reference to 221, but generally in the housing programs, that has been a rather difficult and complicated thing to manage, the different programs with reference to the different insurance programs.

I would like to suggest to the Senator from Massachusetts that he not press for action on this amendment at this time and I assure him that it will be my purpose as chairman of the Housing Subcommittee to have hearings very soon in which we can work out this situation.

The Senator is the ranking member, I believe, on that Housing Subcommittee, so we will be there together working on it and I will be very glad to make that kind of arrangement with the Senator.

Mr. BROOKE. Mr. President, I think that the chairman's approach is a reasonable one with the assurance that we will have hearings on this, because this matter we have discussed before, we have taken it up in our Housing Committee on several occasions that I can recall, and we have been concerned about these funds, the various housing program funds.

I think that we might serve a good purpose if we know exactly what the condition of these funds are and how the programs work under the various funds.

So with the understanding that the chairman will hold early hearings on this matter, I will not press this amendment and will withdraw it.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. SPARKMAN. Mr. President, I appreciate the action taken by the Senator in withdrawing the amendment.

Mr. President, I have a technical amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. SPARKMAN) proposes a technical amendment.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

Sec. . (a) The seventh sentence of section 221(f) of the National Housing Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons".

(b) The proviso to subparagraph (C) of section 236(j)(5) of such Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons".

Mr. SPARKMAN. Mr. President, this is really to correct an oversight in previous legislation and I am quite sure that there is no opposition to it. It is technical in nature, as I stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. 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. SPARKMAN. 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. SPARKMAN. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROOKE. Mr. President, I ask unanimous consent that the following persons be granted privilege of the floor: Carl Coan, Tommy Brooks, Dan Wall and Ken McLean.

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

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? 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 Louisiana (Mr. LONG), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I also announce that the Senator from Alabama (Mr. ALLEN) and the Senator from Michigan (Mr. HART) are absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Arizona (Mr. FANNIN) are necessarily absent.

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 390 Leg.]

YEAS—91

Abourezk	Glenn	Moss
Bartlett	Goldwater	Muskie
Bayh	Gravel	Nelson
Beall	Griffin	Nunn
Bellmon	Hansen	Packwood
Bentsen	Hart, Gary W.	Pastore
Biden	Hartke	Pearson
Brock	Haskell	Pell
Brooke	Hatfield	Percy
Buckley	Hathaway	Proxmire
Bumpers	Helms	Ribicoff
Burdick	Hollings	Roth
Byrd, Harry F., Jr.	Hruska	Schweiker
Byrd, Robert C.	Huddleston	Scott, Hugh
Cannon	Humphrey	Scott, William L.
Case	Inouye	Sparkman
Chiles	Jackson	Stafford
Church	Javits	Stennis
Clark	Johnston	Stevens
Cotton	Kennedy	Stevenson
Cranston	Laxalt	Stone
Culver	Leahy	Symington
Curtis	Magnuson	Taft
Dole	Mansfield	Talmadge
Domenici	Mathias	Thurmond
Eagleton	McClellan	Tower
Eastland	McClure	Tunney
Fong	McGee	Weicker
Ford	McGovern	Williams
Garn	Montoya	Young
	Morgan	

NAYS—0

NOT VOTING—9

Allen	Hart, Philip A.	Metcalf
Baker	Long	Mondale
Fannin	McIntyre	Randolph

So the bill (S. 848), as amended, was passed, as follows:

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(b)(1) of the National Housing Act is amended by striking out "$10,000 ($15,000" and inserting in lieu thereof "$12,500 ($20,000".

SEC. 2. Notwithstanding the provisions of section 103(a) (2) and (3) and section 104 of the Housing Act of 1949 or of any other law (1) the maximum project capital grant for Project No. Mass. R-107 may exceed two-thirds of the net project costs of said project, and any such excess shall not be considered in determining the project capital grant for any other project in the same municipality and (2) the maximum amount of local grants-in-aid required in connection with Project No. Mass. R-107, under the Contract No. Mass. R-107 (LG) or amendatory contracts for capital grant for said project, shall be one-half of the maximum project capital grant for said project authorized under section 7(d) of said contract, dated December 28, 1965, prior to any amendatory contract, and any local grants-in-aid provided in connection with said project in excess of such maximum amount or any local grants-in-aid provided in connection with any other project in the same municipality shall not decrease the amount of the project capital grant for said project under said contract and amendatory contracts: *Provided,* That any local grants-in-aid provided in connec-

tion with said project in excess of such maximum amount shall not be considered in determining the local grants-in-aid required for any other project in the same municipality.

SEC. 3. The National Housing Act is amended by striking out the words "by not to exceed 45 per centum in any geographical area" where they appear in sections 207(c)(3), 213(b)(2), 220(d)(3)(B)(iii), 221(d)(3)(ii), 221(d)(4)(ii), 231(c)(2), and 234(e)(3) and inserting in lieu thereof in each such section the words "by not to exceed 75 per centum in any geographical area".

SEC. 4. (a) The seventh sentence of section 221(f) of the National Housing Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy such persons".

(b) The proviso to subparagraph (C) of section 236(j)(5) of such Act is amended by striking out ", but not more than 10 per centum of the dwelling units in any such project shall be available for occupancy by such persons".

SEC. 5. Section 1336(a) of the National Flood Insurance Act of 1968, as amended, is amended by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976"."

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of S. 848.

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

FOREIGN RELATIONS AUTHORIZATION ACT 1976-77

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration, without any action being taken thereon today, of Calendar Order No. 327, S. 1517.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A 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.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with an amendment to strike out all after enacting clause and insert:

TITLE I—ADMINISTRATION OF FOREIGN AFFAIRS

PART 1—DEPARTMENT OF STATE

AUTHORIZATION

SEC. 101. (a) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for the "Administration of Foreign Affairs", $435,755,000; and

(2) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

(c) The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956, as amended is further amended by adding at the end thereof the following new section:

"SEC. 17. The Secretary of State is authorized to use appropriated funds for unusual expenses similar to those authorized by section 5913 of title 5, United States Code, incident to the operation and maintenance of the living quarters of the United States Representative to the Organization of American States."

BEQUEST OF AMBASSADOR THURSTON

SEC. 102. There is authorized to be appropriated to the Department of State for fiscal year 1976 the sum of $125,000, to remain available until expended, for the purpose of furnishing or refurnishing the diplomatic reception rooms of the Department of State, such sum representing the amount bequeathed by the late Ambassador Walter Thurston to the United States of America.

CRITERIA REGARDING SELECTION AND CONFIRMATION OF AMBASSADORS

SEC. 103. The Act of August 1, 1956 (Public Law 84-885; 70 Stat. 890) is amended by adding at the end thereof the following new section:

"SEC. 103. It is the sense of the Congress that the position of United States ambassador to a foreign country should be accorded to men and women possessing clearly demonstrated competence to perform ambassadorial duties. No individual should be accorded the position of United States ambassador to a foreign country primarily because of partisan political activity or financial contributions to political campaigns.".

REOPENING OF UNITED STATES CONSULATE AT GOTHENBERG, SWEDEN

SEC. 104. (a) It is the sense of the Congress that the United States Consulate at Gothenburg, Sweden, should be reopened as soon as possible after the date of enactment of this Act.

(b)(1) There are authorized to be appropriated for the Department of State for fiscal year 1976, in addition to amounts authorized under sections 101 and 102 of this Act, such sums as may be necessary for the operation of such consulate.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

AGRICULTURAL ATTACHE IN CHINA

SEC. 105. It is the sense of the Congress that the President should establish an agricultural attaché in the People's Republic of China.

PART 2—ARMS CONTROL AND DISARMAMENT AGENCY

AUTHORIZATION

SEC. 141. Section 49(c) (22 U.S.C. 2589(a)) of the Arms Control and Disarmament Act is amended by inserting in the second sentence thereof, immediately after "$10,000,000", a comma and the following: "and for the fiscal year 1976, the sum of $12,130,000".

STUDY REGARDING IMPACT OF CERTAIN ARMS CONTROL MEASURES UPON MILITARY EXPENDITURES

SEC. 142. Of the amount authorized under section 141 of this Act, not to exceed $1,000,000 shall be available for the purpose of conducting a study regarding the impact upon military expenditures of arms control agreements entered into by the United States and the Soviet Union. The Director of the Arms Control and Disarmament Agency shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate not later than July 1, 1976, a report with respect to the study conducted pursuant to this section.

RESEARCH REGARDING DEVELOPMENT OF NUCLEAR SAFEGUARD TECHNIQUES

SEC. 143. Of the amount authorized to be appropriated under section 141 of this Act, not to exceed $440,000 shall be available for the purpose of conducting research, in consultation with the International Atomic Energy Agency, with respect to the development of nuclear safeguard techniques.

PURPOSES OF ARMS CONTROL AND DISARMAMENT ACT

SEC. 144. Section 2 of the Arms Control and Disarmament Act (22 U.S.C. 2551) is amended by striking out "It must be able" in the second sentence of the third paragraph and inserting in lieu thereof "It shall have the authority, under the direction of the President and the Secretary of State.".

NATIONAL SECURITY COUNCIL

SEC. 145. Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by inserting ", the National Security Council," immediately after "Secretary of State" in the first sentence.

ARMS CONTROL AND DISARMAMENT IMPACT STATEMENT

SEC. 146. Title III of the Arms Control and Disarmament Act (22 U.S.C. 2571-2575) is amended by adding at the end thereof the following:

ARMS CONTROL IMPACT INFORMATION AND ANALYSIS

"SEC. 36. (a) In order to assist the Director in the preformance of his duties with respect to arms control and disarmament policy and negotiations, any Government agency preparing any legislative or budgetary proposal for—

"(1) any program of research, development, testing, engineering, construction, deployment, or modernization with respect to armaments, ammunition, implements of war, or military facilities, having—

"(A) an estimated total program cost in excess of $250,000,000, or

"(B) an estimated annual program cost in excess of $50,000,000, or

"(2) any other program involving weapons systems or technology which such Government agency or the Director believes may have a significant impact on arms control and disarmament policy or negotiations.

shall, on a continuing basis, provide the Director with full and timely access to detailed information, in accordance with the procedures established pursuant to section 35 of this Act, with respect to the nature, scope, and purpose of such proposal.

"(b)(1) The Director, as he deems appropriate, shall assess and analyze each program described in subsection (a) with respect to its impact on arms control and disarmament policy and negotiations, and shall advise and make recommendations, on the basis of such assessment and analysis, to the National Security Council, the Office of Management and Budget, and the Government agency proposing such program.

"(2) Any request to the Congress for authorization or appropriations for—

"(A) any program described in subsection (a)(1), or

"(B) any program described in subsection (a)(2) and found by the National Security Council, on the basis of the advice and rec-

ommendations received from the Director, to have a significant impact on arms control and disarmanent policy or negotiations,

shall include a complete statement analyzing the impact of such program on arms control and disarmament policy and negotiations.

"(3) Upon the request of any appropriate committee of either House of Congress, the Director shall, after informing the Secretary of State, advise the Congress on the arms control and disarmament implications of any program with respect to which a statement has been submitted to the Congress pursuant to paragraph (2).

"(c) No court shall have any jurisdiction under any law to compel the performance of any requirement of this section or to review the adequacy of the performance of any such requirement on the part of any Government agency (including the Agency and the Director).".

SECURITY REQUIREMENTS FOR CERTAIN CONSULTANTS AND CONTRACTORS

SEC. 147. (a)(1) The second sentence of section 45 (a) of the Arms Control and Disarmament Act (22 U.S.C. 2585(a)) is amended by striking out "The Director" and inserting in lieu thereof "Except as provided in subsection (d), the Director".

(2) The fifth sentence of section 45(a) of such Act is amended by striking out "No person" and inserting in lieu thereof "Except as provided in subsection (d), no person".

(3) Section 45 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The investigations and determination required under subsection (a) may be waived by the Director in the case of any consultant who will not be permitted to have access to classified information if the Director determines and certifies in writing that such waiver is in the best interests of the United States.".

(b) Section 45(b) of such Act (22 U.S.C. 2585(b)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a), the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned; except that any access to Restricted Data shall be subject to the provisions of subsection (c).".

ACCESS TO CLASSIFIED INFORMATION

SEC. 148. Section 45(b) of the Arms Control and Disarmament Act is amended by adding at the end thereof the following: "Notwithstanding the foregoing and the provisions of subsection (a) of this section, the Director may also grant access to classified information to contractors or subcontractors and their officers and employees, actual or prospective, on the basis of a security clearance granted by the Department of Defense, or any agency thereof, to the individual concerned, except that access to restricted data shall be subject to the provisions of subsection (c) of this section."

PUBLIC INFORMATION

SEC. 149. Section 49(d) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (d)) is amended by striking out "None" and inserting in lieu thereof "Except as may be necessary to carry out the purposes of this Act specified under section 2(c), none".

REPORT TO CONGRESS; POSTURE STATEMENT

SEC. 150. Section 50 of the Arms Control and Disarmament Act (22 U.S.C. 2590) is amended by adding at the end thereof the following new sentence: "Such report shall include a complete and analytical statement of arms control and disarmament goals, negotiations, and activities and an appraisal of the status and prospects of arms control negotiations and of arms control measures in effect.".

CONSULTATION REGARDING ARMS TRANSFERS

SEC. 151. (a) Section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934) is amended by adding at the end thereof the following new section:

"(f) Decisions on issuing licenses for the export of articles on the United States munitions list shall be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account the Director's opinion as to whether the export of an article will contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements.".

(b) Section 42(a) of the Foreign Military Sales Act (22 U.S.C. 2791(a)), is amended by striking out "(3)" and inserting in lieu thereof "(3) in coordination with the Director of the United States Arms Control and Disarmament Agency, the Director's opinion as to".

(c) Section 511 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321(d)) is amended by striking out the words "take into account" and inserting in lieu thereof "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to".

PART 3—FOREIGN SERVICE BUILDINGS

AUTHORIZATION

SEC. 171. Section 4 of the Foreign Service Buildings Act 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (g) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums:

"(A) for use in the Near East and South Asia, not to exceed $8,005,000, of which not to exceed $3,985,000 may be appropriated for the fiscal year 1976; and

"(B) for facilities for the United States Information Agency, not to exceed $3,745,000, of which not to exceed $2,800,000 may be appropriated for the fiscal year 1976;

"(2) for use to carry out the other purposes of this Act for the fiscal year 1976, $32,840,000,"; and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1) of this Act, and inserting in lieu thereof the following new paragraph:

"(2) not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of paragraph (1) of any such subsection."

TITLE II—INTERNATIONAL ORGANIZATIONS, CONFERENCES, AND COMMISSIONS

GENERAL AUTHORIZATIONS

SEC. 201. (a) There are authorized to be appropriated for the Department of State for the fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for "International Organizations and Conferences", $250,229,000;

(2) for "International Commissions", $18,993,000; and

(3) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other non-discretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

SPECIAL AUTHORIZATION FOR UNESCO AND ICAO

SEC. 202. There are authorized to be appropriated and paid $3,089,000 to complete the United States contribution toward the calendar year 1974 budgets of the United Nations Educational, Scientific, and Cultural Organization and the International Civil Aviation Organization, notwithstanding that such payments are in excess of 25 per centum of the total annual assessment of such organizations.

LIMITATIONS ON CONTRIBUTIONS AND PAYMENTS TO IAEA, ICAO, AND UNITED NATIONS PEACEKEEPING ACTIVITIES

SEC. 203. Public Law 92-544 (86 Stat. 1109, 1110) is amended, in the paragraph headed "CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS" under "INTERNATIONAL ORGANIZATIONS AND CONFERENCES", by inserting a period after "organization", striking out the text following and inserting in lieu thereof the following: "Appropriations are authorized and contributions and payments may be made to the following organizations and activities notwithstanding that such contributions and payments are in excess of 25 per centum of the total annual assessment of the respective organization or 33⅓ per centum of the budget for the respective activity: the International Atomic Energy Agency, the joint financing program of the International Civil Aviation Organization, and contributions for international peacekeeping activities conducted by or under the auspices of the United Nations or through multilateral agreements."

ANNUAL CONTRIBUTION TO INTERPARLIAMENTARY UNION

SEC. 204. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended by—

(1) striking out "$120,000" and inserting in lieu thereof "$170,000"; and

(2) striking out "$75,000" and inserting in lieu thereof "$125,000".

UNITED NATIONS UNIVERSITY

SEC. 205. There are authorized to be appropriated for the Department of State, for contribution to the endowment fund of the United Nations University, to remain available until expended, $25,000,000.

TITLE III—INFORMATION AND CULTURAL EXCHANGE

PART 1—UNITED STATES INFORMATION AGENCY

AUTHORIZATIONS

SEC. 301. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1976, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Number 8 of 1953, and other purposes authorized by law, the following amounts:

(1) for "Salaries and Expenses" and "Salaries and Expenses (special foreign currency program)", $257,692,000;

(2) for "Special International Exhibitions", $6,187,000;

(3) for "Acquisition and Construction of Radio Facilities", $10,135,000; and

(4) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscriminatory costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

VOICE OF AMERICA CHARTER

SEC. 302. Title V of the United States Information and Educational Exchange Act of 1948 is amended by adding at the end thereof the following new section:

"VOICE OF AMERICA CHAPTER

"SEC. 503. The long-range interests of the United States are served by communicating directly with the peoples of the world by radio. To be effective, the Voice of America (the Broadcasting Service of the United States Information Agency) must win the attention and respect of listeners. These principles will govern Voice of America (VOA) broadcasts:

"(1) VOA will serve as a consistently reliable and authoritative source of news. VOA news will be accurate, objective, and comprehensive.

"(2) VOA will represent America, not any single segment of American society, and will therefore present a balanced and comprehensive projection of significant American thought and institutions.

"(3) VOA will present the policies of the United States clearly and effectively, and will also present responsible discussion and opinion on these policies."

PART 2.—EDUCATIONAL EXCHANGE

AUTHORIZATION

SEC. 341. (a) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(1) for "Educational Exchange", $74,000,000; and

(2) such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(b) Amounts appropriated under this section are authorized to remain available until expended.

PART 3—RADIO FREE EUROPE AND RADIO LIBERTY

AUTHORIZATION

SEC. 371. Section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) by striking out "$49,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "$65,640,000 for fiscal year 1976"; and

(2) by striking out "fiscal year 1975" in the second sentence and inserting in lieu thereof "fiscal year 1976".

TITLE IV—MISCELLANEOUS

PART 1—FOREIGN SERVICE

LIMITATION ON NUMBER OF SCHEDULE C-TYPE FOREIGN SERVICE RESERVE APPOINTMENTS

SEC. 401. Section 522 of the Foreign Service Act of 1946 is amended as follows:

(1) Immediately after "SEC. 522." insert "(a)".

(2) At the end thereof add the following new subsections:

"(b) The Secretary of State shall by regulation establish procedures to insure that—

"(1) all persons hired as Foreign Service Reserve officers are selected in accordance with generally established merit-hiring principles, intended to assure that the best available personnel are hired as such officers;

"(2) all Foreign Service Reserve officers are assigned and promoted on a strictly competitive basis in accordance with recognized merit standards; and

"(3) all Foreign Service Reserve officers are selected for conversion to career status on the basis of (A) merit standards and the needs of the Service, or (B) for officers hired prior to the enactment of this section, policies announced by the Department of State.

"(c) The Secretary of State is authorized to employ and assign persons to serve as Foreign Service Reserve officers in policy support or confidential employee positions without regard to subsection (a) of this section or any provision of law relating to employee classification, except that on and after October 1, 1976, not more than fifty such persons may serve at the same time in the Department of State in such positions. The Secretary of State shall transmit as a part of the annual budget presentation materials to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report concerning any assignments made under the authority of this section."

FOREIGN SERVICE ASSIGNMENTS TO PUBLIC ORGANIZATIONS

SEC. 402. (a) Section 576 of part H of title V of the Foreign Service Act of 1946, as amended, is amended as follows:

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

"(a)(1) Each Foreign Service officer shall, before his fifteenth year of service as an officer, be assigned in the United States, or any territory or possession thereof, for significant duty with a State or local government, public school, community college, or other public organization designated by the Secretary. Such duty may include assignment to a Member or office of the Congress, except that of the total number of officers assigned under this section at one time, not more than 20 per centum may be assigned to Congress, and no officer assigned to Congress may serve as a staff member of the Committee on Foreign Relations of the Senate or the Committee on International Relations of the House of Representatives.

"(2) To the extent practical, assignments shall be for at least twelve consecutive months and may be on a reimbursable basis. Any such reimbursements shall be credited to and used by the appropriations made available for the salaries and expenses of officers and employees.".

(2) Strike out the second and third sentences of subsection (b).

(3) At the end thereof add the following new subsections:

"(e) Not later than six months after the date of enactment of this section, the Secretary shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate describing the steps he has taken to carry out the provisions of this section; and he shall transmit such reports annually thereafter.

"(f) The provisions of this section shall apply only to a Foreign Service officer who has completed his tenth year of service as such an officer on or after October 1, 1975. The Secretary may exempt any Foreign Service officer from the provisions of this section if he determines such exemption to be in the national interest; however, he shall include a full explanation of any such determination in the annual report to the Congress required under section (e) of this section.".

TECHNICAL AMENDMENTS RELATING TO PERSONNEL ADMINISTRATION

SEC. 403. (a) Section 621 of the Foreign Service Act of 1946, as amended, is further amended by adding the following sentence at the end thereof: "A Foreign Service officer who has executed the affidavits described in sections 3332 and 3333 of title 5, United States Code, shall not again be required to execute such affidavits upon successive promotions to higher classes without a break in service.".

(b) Section 625 of such Act is amended to read as follows: "Any Foreign Service officer or any reserve officer whose services meet the standards required for the efficient conduct of the work of the Service and who has been in a given class for a continuous period of nine months or more, shall, on the first day of the first pay period that begins on or after July 1 each year, receive an increase in salary to the next higher rate for the class in which he is serving. Credit may be granted in accordance with such regulations as the Secretary may prescribe toward such nine-month period for prior Federal or District of Columbia civilian government service performed subsequent to the officer's last receipt of an equivalent increase in pay and subsequent to any break in service in excess of three calendar days. Without regard to any other provision of law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he serves, based upon especially meritorious service.".

GRIEVANCE PROCEDURE

SEC. 404. (a) Title VI of the Foreign Service Act of 1946 (22 U.S.C. 981) is amended by adding at the end thereof the following new part:

"PART J—FOREIGN SERVICE GRIEVANCES

"STATEMENT OF PURPOSE

"SEC. 691. It is the purpose of this part to provide officers and employees of the Service and their survivors a grievance procedure to insure the fullest measure of due process, and to provide for the just consideration and resolution of grievances of such officers, employees, and survivors.

"REGULATIONS OF THE SECRETARY

"SEC. 692. The Secretary shall, consistent with the purposes stated in section 691 of this Act, implement this part by promulgating regulations, and revising those regulations when necessary, to provide for the consideration and resolution of grievances by a board. No such regulation promulgated by the Secretary shall in any manner alter or amend the provisions of due process established by this section for grievants. The regulations shall include, but not be limited to, the following:

"(1) Informal procedures for the resolution of grievances in accordance with the purposes of this part shall be established by agreement between the Secretary and the organization accorded recognition as the exclusive representative of the officers and employees of the Service. If a grievance is not resolved under such procedures within sixty days, or if no such procedures have been so established, a grievant shall be entitled to file a grievance with the board for its consideration and resolution. For the purposes of the regulations—

"(A) 'grievant' shall mean any officer or employee of the Service, or any such officer or employee separated from the Service, who is a citizen of the United States, or in the case of death of the officer or employee, a surviving spouse or dependent family member of the officer or employee;

"(B) 'grievance' shall mean a complaint against any claim of injustice or unfair treatment of such officer or employee arising

from his employment or career status, or from any actions, documents, or records, which could result in career impairment or damage, monetary loss to the officer or employee, or deprivation of basic due process, and shall include, but not be limited to, actions in the nature of reprisals and discrimination, actions related to promotion or selection out, the contents of any efficiency report, related records, or security records, and actions of adverse personnel actions, including separation for cause, denial of a salary increase within a class, written reprimand placed in a personnel file, or denial of allowances; and

"(C) 'foreign affairs agency', 'agency', and 'agencies' shall mean the Department of State, the United States Information Agency, and the Agency for International Development.

"(2)(A) The board considering and resolving grievances shall be composed of independent, distinguished citizens of the United States well known for their integrity, who are not officers or employees of the Department, the Service, the Agency for International Development, or the United States Information Agency. The board shall consist of a panel of three members, one of whom shall be appointed by the Secretary, one of whom shall be appointed by the organization accorded recognition as the exclusive representative of the officers and employees of the Service, and one who shall be appointed by the other two members from a roster of twelve independent, distinguished citizens of the United States well known for their integrity who are not officers or employees of the Department, the Service, or either such agency, agreed to by the Secretary and such organization. Such roster shall be maintained and kept current at all times. If no organization is accorded such recognition at any time during which there is a position on the board to be filled by appointment by such organization or when there is no such roster since no such organization has been so recognized, the Secretary shall make any such appointment in agreement with organizations representing officers and employees of the Service. If members of the board (including members of additional panels, if any) find additional panels of three members are necessary to consider and resolve expeditiously grievances filed with the board, the board shall determine the number of such additional panels necessary, and appointments to each such panel shall be made in the same manner as the original panel. Members shall (i) serve for two-year terms, and (ii) receive compensation, for each day they are performing their duties as members of the board (including traveltime), at the daily rate paid an individual at GS-18 of the General Schedule under section 5332 of title 5, United States Code. Whenever there are two or more panels, grievances shall be referred to the panels on a rotating basis. Except in the case of duties, powers, and responsibilities under this paragraph (2), each panel is authorized to exercise all duties, powers, and responsibilities of the board. The members of the board shall elect, by a majority of those members present and voting, a chairman from among the members for a term of two years.

"(B) In accordance with this part, the board may adopt regulations governing the organization of the board and such regulations as may be necessary to govern its proceedings. The board may obtain such facilities and supplies through the general administrative services of the agencies, and appoint and fix the compensation of such officers and employees as the board considers necessary to carry out its functions. The officers and employees so appointed shall be responsible solely to the board. All expenses of the board shall be paid out of funds appropriated to the agencies for obligation and expenditure by the board. The records of the board shall be maintained by the board and shall be separate from all other records of the agencies.

"(3) A grievance under such regulations is forever barred, and the board shall not consider or resolve the grievance, unless the grievance is filed within a period of three years after the occurrence or occurrences giving rise to the grievance, except that if the grievance arose prior to the date the regulations are first promulgated or placed into effect, the grievance shall be so barred, and not so considered and resolved, unless it is filed within a period of five years after the date of enactment of this part. There shall be excluded from the computation of any such period any time during which the grievant was unaware of the grounds which are the basis of the grievance and could not have discovered such grounds if it had exercised, as determined by the board, reasonable diligence.

"(4) The board shall conduct a hearing in any case filed with it. A hearing shall be open unless the board for good cause determines otherwise. The grievant and, as the grievant may determine, his representative or representatives are entitled to be present at the hearing. Testimony at a hearing shall be given by oath or affirmation, which any board member shall have authority to administer (and this paragraph so authorizes). Each party (A) shall be entitled to examine and cross-examine witnesses at the hearing or by deposition, and (B) shall be entitled to serve interrogatories upon another party and have such interrogatories answered by the other party unless the board finds such interrogatory irrelevant or immaterial. Upon request of the board or grievant, the agencies shall promptly make available at the hearing or by deposition any witness under the control, supervision, or responsibility of the agencies, except that if the board determines that the presence of such witness at the hearing would be of material importance, then the witness shall be made available at the hearing. If the witness is not made available in person or by deposition within a reasonable time as determined by the board, the facts at issue shall be construed in favor of the grievant. Depositions of witnesses (which are hereby authorized, and may be taken before any official of the United States authorized to administer an oath or affirmation, or, in the case of witnesses overseas, by deposition on notice before an American consular officer) and hearings shall be recorded and transcribed verbatim.

"(5) Any grievant filing a grievance, and any witness or other person involved in a proceeding before the board, shall be free from any restraint, interference, coercion, discrimination, or reprisal. The grievant has the right to a representative of his own choosing at every stage of the proceedings. The grievant and his representatives who are under the control, supervision, or responsibility of the agencies shall be granted reasonable periods of administrative leave to prepare, to be present, and to present the grievance of such grievant. Any witness under the control, supervision, or responsibility of the agencies shall be granted reasonable periods of administrative leave to appear and testify at any such proceeding.

"(6) In considering the validity of a grievance, the board shall have access to any document or information considered by the board to be relevant, including, but not limited to, the personnel and, under appropriate security measures, security records of such officer or employee, and of any rating or reviewing officer (if the subject matter of the grievance relates to that rating or reviewing officer). Any such document or information requested shall be provided promptly by the agencies. A rating officer or reviewing officer shall be informed by the board if any report for which he is responsible is being examined.

"(7) The agencies shall promptly furnish the grievant any such document or information (other than any security record or the personnel or security records of any other officer or employee of the Government) which the grievant requests to substantiate his grievance and which the board determines is relevant and material to the proceeding.

"(8) The agencies shall expedite any security clearance whenever necessary to insure a fair and prompt investigation and hearing.

"(9) The board may consider any relevant evidence or information coming to its attention and which shall be made a part of the records of the proceeding.

"(10) If the board determines that (A) a foreign affairs agency is considering any action (including, but not limited to, separation or termination) which is related to, or may affect, a grievance pending before the board, and (B) the action should be suspended, the agency shall suspend such action until the board has ruled upon such grievance.

"(11) Within sixty days after the conclusion of any hearing, the board shall make written findings and issue a statement of reasons for its decision. If the board resolves that the grievance is meritorious—

"(A) and determines that relief should be provided that does not directly relate to the promotion, assignment, or selection out of such officer or employee, it shall direct the Secretary to grant such relief as the board deems proper under the circumstances, and the resolution and relief granted by the board shall be final and binding upon all parties; or

"(B) and determines that relief should be granted that directly relates to any such promotion, assignment, or selection out, it shall certify such resolution to the Secretary, together with such recommendations for relief as it deems appropriate and the entire record of the board's proceedings, including the transcript of the hearing, if any. The board's recommendations are final and binding on all parties, except that the Secretary may reject any such recommendation only if he determines that the foreign policy or security of the United States will be adversely affected. Any such determination shall be fully documented with the reasons therefor and shall be signed personally by the Secretary, with a copy thereof furnished the grievant. After completing his review of the resolution, recommendation, and record of proceedings of the board, the Secretary shall return the entire record of the case to the board for its retention. No officer or employee of an agency participating in a proceeding on behalf of an agency shall, in any manner, prepare, assist in preparing, advise, inform, or otherwise participate in, any review or determination of the Secretary with respect to that proceeding.

"(12) The board shall have authority to insure that no copy of the Secretary's determination to reject a board's recommendation, no notation of the failure of the board to find for the grievant, and no notation that a proceeding is pending or has been held, shall be entered in the personnel records of such officer or employee to whom the grievance relates or anywhere else in the records of the agencies, other than in the records of the board.

"(13) A grievant whose grievance is found not to be meritorious by the board may obtain reconsideration by the board only upon presenting newly discovered relevant evidence not previously considered by the board and then only upon approval of the board.

"(14) The board shall promptly notify the Secretary, with recommendations for appropriate disciplinary action, of any contraven-

tion by any person of any of the rights, remedies, or procedures contained in this part or in regulations promulgated under this part.

"RELATIONSHIP TO OTHER REMEDIES

"SEC. 693. If a grievant files a grievance under this part, and if, prior to filing such grievance, he has not formally requested that the matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part, then such matter or matters may only be considered and resolved, and relief provided, under this part. A grievant may not file a grievance under this part if he has formally requested, prior to filing a grievance, that the matter or matters which are the basis of the grievance be considered and resolved, and relief provided, under a provision of law, regulation, or order, other than under this part, and the matter has been carried to final adjudication thereunder on its merits.

"JUDICIAL REVIEW

"SEC. 694. Notwithstanding any other provision of law, regulations promulgated by the Secretary under section 692 of this Act, revisions of such regulations, and actions of the Secretary or the board pursuant to such section, may be judicially reviewed in accordance with the provisions of chapter 7 of title 5, United States Code.".

(b) The Secretary of State shall promulgate and place into effect the regulations provided by section 692 of the Foreign Service Act of 1946 (as added by subsection (a) of this section), and establish the board and appoint the member of the board which he is authorized to appoint under, as provided by such section 692, not later than ninety days after the date of enactment of this Act.

PREDEPARTURE LODGING ALLOWANCE

SEC. 405. Paragraph (2) of section 5924 of title 5, United States Code, is amended by striking out clause (A) thereof and inserting in lieu thereof the following:

"(A) a foreign area (including costs incurred in the United States prior to departure for a post of assignment in a foreign area); or".

AUTHORITY OF CERTAIN OFFICERS AND EMPLOYEES TO CARRY FIREARMS

SEC. 406. The Act of June 28, 1955 (22 U.S.C. 2666), is amended to read as follows:

"Under such regulations as the Secretary of State may prescribe, security officers of the Department of State and the Foreign Service who have been designated by the Secretary of State and who have qualified for the use of firearms, are authorized to carry firearms for the purpose of protecting heads of foreign states, official representatives of foreign governments, and other distinguished visitors to the United States, the Secretary of State, the Deputy Secretary of State, official representatives of the United States Government, and members of the immediate families of any such persons, both in the United States and abroad. The Secretary shall transmit such regulations to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate not more than twenty days before the date on which such regulations take effect.".

PLAN FOR IMPROVING THE FOREIGN SERVICE

SEC. 407. It is the sense of the Congress that the proliferation of personnel categories within the State Department and the United States Information Agency—the several categories being characterized by various standards for hiring, tenure, and pay—has resulted in a personnel system susceptible to inefficiency, inequity, and abuse. Therefore, within one hundred and twenty days of the enactment of this Act, the Secretary of State shall present to Congress a comprehensive plan for the improvement and simplification of this system, such plan to include a reduction in the number of personnel categories, and proposed legislation if necessary.

PART 2—GENERAL

TRANSFER OF APPROPRIATION AUTHORIZATION

SEC. 451. In addition to the amount authorized under section 101(a), 201(a), 301 (a), 341(a), or 453(b) of this Act, any unappropriated portion of the amount authorized under any such section is authorized for appropriation under any other such section, provided the amount authorized under such section is not increased by more than 10 per centum.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

SEC. 452. Section 2 of the Act of June 4, 1936 (41 Stat. 1463), is amended by (a) striking out "33,000,000" and inserting in lieu thereof "$4,500,000"; and (b) striking out "exceed $4,000,000", and inserting in lieu thereof "exceed $5,500,000".

MIGRATION AND REFUGEE ASSISTANCE

SEC. 453. (a) Section 2(c) of the Refugee and Migration Assistance Act of 1962 is amended to read as follows:

"(c)(1) Whenever the President determines it to be important to the national interest he is authorized to furnish on such terms and conditions as he may determine assistance under this Act for the purpose of meeting unexpected urgent refugee and migration needs.

"(2) There is established a United States Emergency Refugee and Migration Assistance Fund to carry out the purposes of this section. There is authorized to be appropriated to the President from time to time such amounts as may be necessary for the fund to carry out the purposes of this section, except that no amount of funds may be appropriated which, when added to amounts previously appropriated but not yet obligated, would cause such amounts to exceed $25,000,000. Amounts appropriated hereunder shall remain available until expended.

"(3) Whenever the President requests appropriations pursuant to this authorization he shall justify such requests to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives, as well as to the Committees on Appropriations.

(b)(1) There are authorized to be appropriated for the Department of State for fiscal year 1976, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations, and other purposes authorized by law, the following amounts:

(A) for "Migration and Refugee Assistance," $10,100,000; and

(B) such addition amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, or other nondiscretionary costs.

(2) Amounts appropriated under this subsection are authorized to remain available until expanded.

(c) In addition to amounts otherwise available, there are authorized to be appropriated to the Secretary of State for fiscal year 1976 not to exceed $20,000,000 to carry out the provisions of section 101(b) of the Foreign Relations Authorizations Act of 1972 (relating to Russian refugee assistance) and to furnish similar assistance to refugees from Communist countries in Eastern Europe. Not to exceed 20 per centum of the amount appropriated under this subsection may be used to resettle refugees in any country other than Israel. Appropriations made under this subsection are authorized to remain available until expended.

UNITED NATIONS COOPERATION REGARDING MEMBERS OF UNITED STATES ARMED FORCES MISSING IN ACTION IN SOUTHEAST ASIA

SEC. 454. The President shall direct the United States Ambassador to the United Nations to insist that the United Nations take all necessary and appropriate steps to obtain an accounting of members of the United States Armed Forces missing in action in Southeast Asia and to call on North Vietnam to comply with the provisions of the Agreement on Ending the War and Restoring Peace in Vietnam.

CONTROL OF MILITARY FORCES IN THE INDIAN OCEAN

SEC. 455. (a) It is the sense of Congress that the President should undertake to enter into negotiations with the Soviet Union intended to achieve an agreement limiting the deployment of naval, air, and land forces of the Soviet Union and the United States in the Indian Ocean and littoral countries. Such negotiations should be convened as soon as possible and should consider, among other things, limitations with respect to—

(1) the establishment or use of facilities for naval, air, or land forces in the Indian Ocean and littoral countries;

(2) the number of naval vessels which may be deployed in the Indian Ocean, or the number of "shipdays" allowed therein; and

(3) the type and number of military forces and facilities allowed therein.

(b) Not later than July 1, 1976, the President shall transmit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate with respect to steps he has taken to carry out the provisions of this section.

EMERGENCY PETROLEUM ALLOCATION EXTENSION ACT OF 1975

Mr. ROTH. Mr. President, I intend to ask unanimous consent to proceed with consideration of S. 2299. Before doing so, I shall state why I think it is important that unanimous consent be given for this purpose.

As I said earlier this afternoon, I believe the time is here for Congress and the President to agree on a national energy policy. As I said then, I thought it would be folly for us to delay 6 months further any action on the part of Congress, and for that reason I would vote to sustain the veto.

On the other hand, I think it would be just as serious for Congress to take no action at all, and it is for that reason I intend to ask unanimous consent that we proceed to the consideration of my bill to give a 45-day extension.

As I pointed out earlier, there is broad support for this approach.

As I read earlier such newspapers as the New York Times, an editorial yesterday, September 9, said that:

The national interest in fashioning a comprehensive program for energy conservation and development will best be served if Congress uses the proposed extension to cooperate with the White House in a gradual phase-out of controls, coupled with a dependable plan for reducing United States dependence on imported petroleum.

I believe we could dispose of this very readily by a voice vote, if we could take it up now.

For that reason, Mr. President, I ask unanimous consent that the pending business of the Senate be S. 2299, a bill

to extend the Emergency Petroleum Allocation Act of 1973 to October 15, 1975.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I was momentarily distracted. Was there a request made?

The PRESIDING OFFICER. There was a request by the Senator from Delaware that the Senate proceed to the immediate consideration of S. 2299.

Mr. ROBERT C. BYRD. Mr. President, I will have to object. I do not want to do so until the Senator has an opportunity to make further statement, or the Senator from Georgia may wish to make a statement. But I will object if the Senator presses the request at this time.

The PRESIDING OFFICER. Does the Senator wish to withhold his unanimous-consent request?

Mr. ROTH. I will withhold my request for a moment.

Mr. NUNN. Mr. President, I add my voice to the voice of the Senator from Delaware in supporting his move to extend the controls for 45 days.

I happen to be one of those who voted to override the veto.

I do not favor immediate decontrol, but at the same time I do not favor the status quo.

So, after 2 years of debate and hearings we really have never adopted any kind of oil and natural gas pricing policy here in Congress. And we are still in that situation now.

I think it is essential that we adopt a reasonable policy and that we do it as quickly as possible.

I certainly do not favor immediate decontrol, but I do favor some action here in Congress that would be in the nature of a consultation with the President of the United States. Such a compromise would take into account both the effect on our economy, and the fact that production of crude oil and natural gas in this country is not increasing. We are becoming more dependent on foreign sources. We are, thereby, losing control of our own domestic economic situation.

I hope that there will not be objection to this particular move for unanimous consent. I think it is very important that we move quickly, that we try to mitigate the damage that can be done in a very short time to our economy unless some form of control is extended on a temporary basis.

For that reason I hope that the Senator from Delaware would be able to obtain his unanimous consent.

If there are those here who feel they must object, and I certainly understand the position of others may differ, I would hope that certainly there would be an opportunity tomorrow or the day after to renew this request.

Without prompt action our energy policy will remain in limbo.

We do have a great danger of unnecessary and complicated legal situations. Court suits could intervene and the rights of parties in certain areas could vest in the very near future unless we take prompt action. I think it is very serious if we do not take action.

For that reason, Mr. President, I do support the 45-day extension as proposed by the Senator from Delaware. I am one of its cosponsors, and I would urge that the unanimous-consent request be seriously considered by this body.

Mr. GRIFFIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I commend the Senator from Delaware and associate myself with the remarks that he and the distinguished Senator from Georgia have made.

We have had the high noon confrontation now, unfortunately.

I happen to agree with the distinguished majority leader who, along with others, tried very hard to get a compromise before the showdown vote today. But we have had the showdown vote.

Those who felt that it would serve some purpose, political or otherwise, I hope now have been satisfied. The time now is to put politics aside. The Nation's interests need to come first.

I applaud the fact that we have a bipartisan leadership coming forth now, suggesting that we have a 45-day extension, and that we get about the business of enacting compromised legislation that will decontrol oil on a gradual basis so that the objectives will be achieved without unduly impacting in an adverse way upon the economy.

We can do it. The President wants to do it.

I hope that the Senate will respond now to the move being made and led by the Senator from Delaware.

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

Mr. GRIFFIN. I am happy to yield.

Mr. HELMS. Mr. President, I, too, commend the distinguished Senator from Delaware. I am a cosponsor of his measure to extend by 45 days the Emergency Petroleum Allocation Act.

However, I must say that I am one of those few who frankly favored immediate and absolute decontrol.

I am a cosponsor of the measure, along with Senator ROTH, and other Senators, because I firmly believe there is a compelling national interest involved, as the Senator from Michigan and the Senator from Georgia (Mr. NUNN) have indicated. Immediate action is needed, but if this 45-day extension of the Emergency Petroleum Allocation Act will provide the needed opportunity for all the competing considerations to be addressed so that the necessary action can be taken, then an additional few weeks of control would have been worthwhile.

Mr. ROTH. I thank the Senator from North Carolina and the minority whip for their support.

I also pay my special thanks to the Senator from Georgia, who is a cosponsor and who has worked very hard with me to try to avoid a confrontation.

I think most of us felt that it would have been in the Nation's best interest if we could have agreed upon a 45-day extension without the confrontation that was held earlier today. History cannot be changed, and of course now we are faced with the fact that there are no controls.

I am one who believes strongly that it would be a mistake to have no controls, that we should have a period in which to agree on a compromise package. I think that right before the August recess we were moving very close to that. I am hopeful that in a spirit of conciliation and a desire to bring about a solution, Congress can act effectively in establishing a national energy program.

Mr. President, at this time I ask unanimous consent that the pending business of the Senate be S. 2299.

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROTH. Mr. President, I ask unanimous consent for the second reading of S. 2299.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I will not object. The Senator from Delaware and the Senator from Georgia, I know, want this bill on the calendar, and sooner or later they are going to get it done. I will not object to the second reading.

The PRESIDING OFFICER. The bill will be stated by title. The assistant legislative clerk read as follows:

A bill (S. 2299) entitled "The Emergency Petroleum Allocation Extension Act of 1975."

Mr. ROTH. Mr. President, I object to further proceedings.

The PRESIDING OFFICER. Objection to further proceedings having been made, the bill will be placed on the calendar.

Mr. ROTH. Mr. President, I thank the majority whip for his cooperation in this matter.

I hope that we can reach an agreement on both sides of the aisle to pass this extension and to work together in a sound national energy program.

NATURAL GAS EMERGENCY STANDBY ACT OF 1975

Mr. PEARSON. Mr. President, I introduce, by request, a bill submitted by the administration entitled the "Natural Gas Emergency Standby Act of 1975." The enactment of this proposal is requested by the administration to alleviate severe natural gas supply curtailments during the course of the coming heating season.

Mr. President, I ask unanimous consent that the text of the "Natural Gas Emergency Standby Act of 1975," along with a section by section summary of its provisions and the transmittal letter signed by Federal Energy Administrator Frank Zarb be inserted in the RECORD immediately following these remarks.

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

(See exhibit 1.)

Mr. PEARSON. Mr. President, I further ask unanimous consent that the

Natural Gas Emergency Standby Act of 1975 be considered as having been read twice and placed on the calendar.

Mr. ROBERT C. BYRD. Mr. President, this matter has been discussed with Senator HOLLINGS and others who are very familiar with this measure, and based on those discussions, I will not object.

There being no objection, the bill (S. 2330) to provide temporary authority for the President, the Federal Power Commission, and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages, and for other purposes, was considered as having been read twice and was ordered placed on the calendar.

EXHIBIT 1

S. 2330

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 "Natural Gas Emergency Standby Act of 1975".

TITLE I

SECTION 101. (a) The Congress hereby finds that:

(1) inadequate domestic production of natural gas has resulted in serious natural gas shortages which threaten severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of agricultural production, and curtailment of vital public services;

(2) such shortages constitute a threat to the public health, safety, and welfare and to national defense;

(3) such shortages have created an unreasonable burden on certain areas of the country and on certain sectors of the economy;

(4) such shortages affect interstate and foreign commerce by jeopardizing the normal flow of commerce;

(5) while deregulation of wellhead prices of new natural gas is urgently needed to minimize such shortages in the future, serious shortages during the next two winters cannot be averted; and

(6) the adverse effects of such shortages can be minimized most efficiently and effectively by providing emergency authority to permit prompt further action by the Federal government to supplement existing Federal, State and local government efforts to deal with such shortages.

(b) The purpose of this Act is to authorize the President or his delegate, the Federal Power Commission and the Federal Energy Administration to deal with existing and imminent shortages and dislocations of natural gas in the national distribution system which jeopardize the public health, safety, and welfare; and to provide protection of natural gas service to customers who use natural gas for high priority end uses during periods of curtailed deliveries by natural gas companies. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of shortages or dislocations on the American people and the domestic economy.

SEC. 102. This Act shall expire at midnight June 30, 1977.

TITLE II

SEC. 201. This Title may be cited as the Interstate Pipeline Emergency Natural Gas Purchases Act of 1975."

SEC. 202. The purpose of this Title is to grant the Federal Power Commission authority to allow interstate pipeline companies with insufficient natural gas for their high priority consumers of natural gas to acquire natural gas from intrastate sources and other interstate pipeline companies on an emergency basis free from the provisions of the Natural Gas Act.

SEC. 203. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended by inserting immediately after subsection (9) thereof the following new subsections:

"(10) 'Gas distributing company' means a person involved in the distribution or transportation of natural gas for ultimate public consumption for domestic, commercial, industrial or any other use but does not include a natural gas company as defined in subsection (6) of this section.

"(11) 'High priority consumer of natural gas' means a person so defined by the Commission by rules and regulations."

SEC. 204. Section 7(c) of the Natural Gas Act (15 U.S.C. 717f(c)) is amended by designating the two unnumbered paragraphs thereof as paragraphs (1) and (2) and by adding at the end of paragraph (2) as designated hereby the following:

"Provided further, That within fifteen days after the enactment of this amendment, the Commission may by regulation exempt from the provisions of this Act the transportation, sale, transfer, or exchange of natural gas from any source, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), by a producer, an interstate pipeline company, an intrastate pipeline company or gas distributing company, to or with an interstate pipeline company which does not have a sufficient supply of natural gas to fulfill the requirements of its high priority consumers of natural gas, and which is curtailing deliveries pursuant to a curtailment plan on file with the Commission. No exemption granted under this proviso shall exceed one hundred and eighty days in duration."

TITLE III

SEC. 301. This title may be cited as the "Curtailed Consumers Emergency Natural Gas Purchases Act of 1975."

SEC. 302. The purpose of this title is to allow curtailed high priority consumers of natural gas to purchase natural gas from the intrastate market by enabling them to arrange for the transportation of such gas by regulated interstate pipeline companies.

SEC. 303. Section 2 of the Natural Gas Act (15 U.S.C. 717a), as amended by section 203 of this Act, is amended further by inserting immediately after subsection (11) thereof, the following new subsection:

"(12) 'Independent producer' means a person, as determined by the Commission, who is engaged in the production of natural gas and who is not (i) an interstate pipeline company or (ii) affiliated with an interstate pipeline company."

SEC. 304. (a) Section 1 of the Natural Gas Act (15 U.S.C. 717) is amended by adding at the end thereof the following new subsection:

"(d) The provisions of this Act shall not apply to the use of the facilities of a gas distributing company for the transportation of natural gas produced by an independent producer from lands, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331 (a)), and sold by such a producer directly to a high priority consumer of natural gas, provided that the rates applicable to the use of such facilities for the transportation of natural gas described in this subsection are subject to regulation by a State commission. The transportation of natural gas exempted from the provisions of this Act by this subsection is hereby declared to be a matter primarily of local concern and subject to regulation by the several States. A certification from such State commission to the Federal Power Commission that such State commission has regulatory jurisdiction over rates and service of such person and facilities and is exercising such jurisdiction shall constitute conclusive evidence of such regulatory power or jurisdiction."

(b) Subsection (c) of section 7 of the Natural Gas Act (15 U.S.C. 717f(c)), as amended by section 204 of this Act, is amended further by inserting therein the following new paragraph:

"(3) Pursuant to the substantive and procedural provisions of this section the Commission may in its discretion issue a certificate of public convenience and necessity upon filing of an application by a natural gas company to transport natural gas produced by independent producers from lands, other than any land or subsurface area within the Outer Continental Shelf as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), and sold by such producers directly to existing high priority consumers of natural gas whose current supply of natural gas is curtailed due to natural gas company curtailment plans on file with the Commission. *Provided, however,* That in issuing a certificate pursuant to this paragraph, the Commission need not review or approve the price paid by a high priority consumer or natural gas directly to an independent producer."

TITLE IV

SEC. 401. This Title may be cited as the "Emergency Energy Supply and Environmental Coordination Act Amendments of 1975."

SEC. 402. The purpose of this Title is to continue the conservation of natural gas and petroleum products by fostering the use of coal by power plants and major fuel burning installations, and if coal cannot be utilized, to provide authority to prohibit the use of natural gas when petroleum products can be substituted.

SEC. 403. Section 2 of the Energy Supply and Environmental Coordination Act of 1974 is amended by:

(a) Redesignating subsections (e) and (f) as subsections (f) and (g), respectively;

(b) Amending redesignated subsection (g)(1) to read as follows:

"(g)(1) Authority to issue orders or rules under subsections (a), (b), (d), and (e) of this section shall expire at midnight June 30, 1977. Authority to issue orders under subsection (c) shall expire at midnight June 30, 1975. Any rule or order issued under subsections (a) through (e) may take effect at any time before January 1, 1979."

(c) Inserting after subsection (d) the following new subsection (e):

"(e)(1) The Federal Energy Administrator may, by order, prohibit any powerplant or major fuel burning installation from burning natural gas if—

"(A) the Administrator determines that:

"(i) such powerplant or installation had on June 30, 1975 (or at any time thereafter) the capability and necessary plant equipment to burn petroleum products,

"(ii) an order under subsection (a) may not be issued, with respect to such powerplant or installation,

"(iii) the burning of petroleum products by such powerplant or installation in lieu of natural gas is practicable,

"(iv) petroleum products will be available during the period the order is in effect,

"(v) with respect to powerplants, the prohibition under this subsection will not impair the reliability of service in the area served by the plant, and

"(B) the Administrator of the Environmental Protection Agency has certified that such powerplant or installation will be able to burn the petroleum products which the Federal Energy Administrator has deter-

mined under subparagraph (A)(iv) will be available to it and will be able to comply with the Clean Air Act (including applicable implementation plans).

"(2) An order under this subsection shall not take effect until the earliest date the Administrator of the Environmental Protection Agency has certified that the powerplant or installation can burn petroleum products and can comply with the Clean Air Act (including applicable implementation plans).

"(3) The Federal Energy Administrator may specify in any order issued under this subsection the periods of time during which the order will be in effect and the quantity (or rate of use) of natural gas that may be burned by a powerplant or major fuel burning installation during such periods, including the burning of natural gas by a powerplant to meet peaking load requirements."

SEC. 404. Section 11(g)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out "June 30, 1975" wherever it appears and inserting in lieu thereof "June 30, 1977."

TITLE V

SEC. 501. This Title may be cited as the "Propane Standby Allocation Act of 1975."

SEC. 502. The purpose of this Title is to provide standby authority for the President to allocate propane during periods of actual or threatened severe shortages of natural gas.

SEC. 503. For purposes of this title, the following terms shall have the following meanings:

(a) "Propane" means propane derived from natural gas streams or crude oil, and mixtures containing propane.

(b) "United States" means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

SEC. 504. Upon finding that shortages of natural gas exist or are imminent and upon finding that such shortages or potential shortages constitute a threat to the public health, safety or welfare, the President is authorized to issue orders and regulations as he deems appropriate to provide, consistent with section 507 of this title, for the establishment of priorities of use and for systematic allocation and pricing of propane in order to meet the essential needs of various sections of the United States and to lessen anticompetitive effects resulting from shortages of natural gas.

SEC. 505. (a) Whoever willfully violates any order or regulation under this title shall be fined not more than $5,000 for each violation.

(b) Whoever violates any order or regulation under this title shall be subject to a civil penalty of not more than $2,500 for each violation.

(c) Any person or agency to whom the President has delegated his authority pursuant to section 513 of this title may issue such orders and notices as are deemed necessary to insure compliance with any order or regulation issued pursuant to section 504 of this title, or to remedy the effects of violations of any such orders or regulations.

SEC. 506. There shall be available as a defense to any action brought under the antitrust laws, or for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange any product covered by this title that such delay or failure was caused solely by compliance with the provisions of this title or with any regulations or any orders issued pursuant to this title.

SEC. 507. (a) Subject to subsections (b), (c), and (d) of this section, which shall apply to any rule or regulation, or any order having the applicability and effect of a rule as defined in section 551(4) of title 5, United States Code, and issued pursuant to this title the functions exercised under this title are excluded from the operation of subchapter II of chapter 5, and chapter 7 of title 5, United States Code, except as to the requirements of sections 552, 553, and 555(e) of title 5, United States Code.

(b) Notice of any proposed rule, regulation, or order described in subsection (a) shall be given by publication of such proposed rule, regulation, or order in the Federal Register. In each case, a minimum of ten days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time of notice and opportunity to comment may be waived where strict compliance is found to cause serious harm or injury to the public health, safety, or welfare, and such finding is set out in detail in such rule, regulation, or order.

(c) In addition to the requirements of subsection (b), if any rule, regulation, or order described in subsection (a) is likely to have a substantial impact on the Nation's economy or large numbers of individuals or businesses, an opportunity for oral presentation of views, data, and arguments shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the issuance of such rule, regulation, or order, but in all cases such opportunity shall be afforded no later than forty-five days after the issuance of any such rule, regulation, or order. A transcript shall be kept of any oral presentation.

(d) The President or any officer or agency authorized to issue the rules, regulations, or orders described in subsection (a) shall provide for the making of such adjustments, consistent with the other purposes of this title, as may be necessary to prevent special hardship, inequity, or unfair distribution of burdens and shall, by rule, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, rescission of, exception to, or exemption from such rules, regulations, and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the President or the officer or agency to whom he has delegated his authority pursuant to section 513 of this title and may obtain judicial review in accordance with section 508 of this title when such denial becomes final. The President or the officer or agency shall, by rule, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

SEC. 508. (a) The district courts of the United States shall have exclusive original jurisdiction of cases or controversies arising under this title or under regulations or orders issued thereunder, notwithstanding the amount in controversy; except that nothing in this subsection or in subsection (b) of this section affects the power of any court of competent jurisdiction to consider, hear, and determine any issue by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any agency under this title) raised in any proceeding before such court. If in any such proceeding an issue by way of defense is raised based on the constitutionality of this title or the validity of actions under this title, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(b) Except as otherwise provided in this section, exclusive appellate jurisdiction is vested in the Temporary Emergency Court of Appeals, a court which is currently in existence, but which is independently authorized by this section. The court, a court of the United States, shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Temporary Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. Except as provided in subsection (e)(2) of this section, the court shall not have power to issue any interlocutory decree staying or restraining in whole or in part any provision of this title, or the effectiveness of any regulation or order issued thereunder. In all other respects, the court shall have the powers of a circuit court of appeals with respect to the jurisdiction conferred on it by this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases over which it has jurisdiction under this title. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(c) Appeals from the district courts of the United States in cases and controversies arising under regulations or orders issued under this title shall be taken by the filing of a notice of appeal with the Temporary Emergency Court of Appeals within thirty days of the entry of judgment by the district court.

(d) In any action commenced under this title in any district court of the United States in which the court determines that a substantial constitutional issue exists, the court shall certify such issue to the Temporary Emergency Court of Appeals. Upon such certification, the Temporary Emergency Court of Appeals shall determine the appropriate manner of disposition which may include a determination that the entire action be sent to it for consideration or it may, on the issues certified, give binding instructions and remand the action to the certifying court for further disposition.

(e)(1) Subject to paragraph (2) no regulation of any agency exercising authority under this title shall be enjoined or set aside, in whole or in part, unless a final judgment determines that the issuance of such regulation was in excess of the agency's authority, was arbitrary or capricious, or was otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, and no order of such agency shall be enjoined or set aside, in whole or in part, unless a final judgment determines that such order is in excess of the agency's authority, or is based upon finding, which are not supported by substantial evidence.

(2) A district court of the United States or the Temporary Emergency Court of Appeals may enjoin temporarily or permanently the application of a particular regulation or order issued under this Title to a person who is a party to litigation before it. Except as provided in this subsection, no interlocutory or permanent injunction restraining the enforcement, operation or execution of this Title, or any regulation or order issued thereunder, shall be granted by any district court of the United States or judge thereof. Any such court shall have jurisdiction to declare (i) that a regulation of an agency exercising authority under this Title is in excess of the agency's authority, is arbitrary or capricious, or is otherwise unlawful under the criteria

set forth in section 706(2) of Title 5, United States Code, or (ii) that an order or such agency is invalid upon a determination that the order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence. Appeals from interlocutory decisions by a district court of the United States under this paragraph may be taken in accordance with the provisions of section 1292 of Title 28, United States Code; except that reference in such section to the courts of appeals shall be deemed to refer to the Temporary Emergency Court of Appeals.

(f) The effectiveness of a final judgment of the Temporary Emergency Court of Appeals enjoining or setting aside in whole or in part any provision of this Title, or any regulation or order issued thereunder shall be postponed until the expiration of time for filing a writ of certiorari with the Supreme Court under subsection (g). If such petition is filed, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the action by the Supreme Court.

(g) Within thirty days after entry of any judgment or order by the Temporary Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of Title 28, United States Code. The Temporary Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Temporary Emergency Court of Appeals, shall have exclusive jurisdiction to determine the constitutional validity of any provision of this Title or of any regulation or order issued under this Title. Except as provided in this section, no court, Federal or State, shall have jurisdiction or power to consider the constitutional validity of any provision of this Title or of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this Title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order, or to restrain or enjoin the enforcement of any such provision.

SEC. 509. Whenever it appears to any person or agency authorized by the President pursuant to section 513 of this Title that any individual or organization has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any order or regulation under this Title, such person or agency may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any such order or regulation. In addition to such injunctive relief, the court may also order restitution of moneys received in violation of any such order or regulation.

SEC. 510. (a) An agency or person exercising authority pursuant to section 513 of this Title shall have authority, for any purpose related to this Title, to sign and issue subpoenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths.

(b) Upon presenting appropriate credentials and a written notice to the owner, operator, or agency in charge, any agency or person exercising authority pursuant to section 513 of this Title may enter, at reasonable times, any business premise or facility and inspect, at reasonable times and in a reasonable manner, any much premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, in order to obtain information as necessary or appropriate for the proper exercise of functions under this Title and to verify the accuracy of any such information.

(c) Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the agency or person authorizing such subpoena may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and give testimony, or to appear and produce documents before the agency or person.

SEC. 511. Any person suffering legal wrong because of any act or practice arising out of this title, or any order or regulation issued pursuant thereto, may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment, writ of injunction (subject to the limitations in section 508 of this title), and/or damages.

SEC. 512. Section 5 of the Federal Energy Administration Act of 1974 (15 U.S.C. 761) is amended in subsection (b) by adding the word "and" after the semicolon in paragraph 10; by deleting paragraph 11; and by redesignating paragraph 12 as paragraph 11.

SEC. 513. The President may delegate the performance of any function under this title to such offices, departments, and agencies of the United States as he deems appropriate.

SEC. 514 (a) No law, rule, regulation, order or ordinance of any State or municipality in effect on the date of enactment of this title, or which may become effective thereafter, shall be superseded by any provision of this title or any rule, regulation or order issued pursuant to this title except insofar as such law, rule, regulation, order or ordinance is inconsistent with the provisions of this title or any rule, regulation or order issued thereunder.

TITLE VI

SEC. 601. Termination of this Act or the authorities granted under this Act shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to such date.

SEC. 602. If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SECTION-BY-SECTION ANALYSIS: NATURAL GAS EMERGENCY STANDBY ACT OF 1975

TITLE I

Section 101. Sets forth Congressional findings and purposes applicable to whole Act.

Section 102. Sets expiration date for whole Act of June 30, 1977.

TITLE II

Section 201. Names Title as the "Interstate Pipeline Emergency Natural Gas Purchases Act of 1975."

Section 202. States the purpose of Title to grant the Federal Power Commission authority to allow interstate pipeline companies with insufficient natural gas for their high priority consumers to acquire natural gas from intrastate sources and other interstate pipeline companies on an emergency basis free from the provisions of the Natural Gas Act.

Section 203. Definitions.

Section 204. Amends section 7(c) of the Natural Gas Act to permit the FPC to exempt from the provisions of the Natural Gas Act the transportation, sale, transfer or exchange of natural gas in connection with emergency acquisitions of natural gas by interstate pipelines. Exemptions could be granted for transactions between a producer, interstate pipeline company, intrastate pipeline company or gas distributing company, to or with an interstate pipeline company which does not have a sufficient supply of natural gas to fulfill the requirements of its high priority consumers of natural gas, and which is curtailing deliveries pursuant to a curtailment plan on file with the FPC. Exemptions could not exceed 180 days in duration.

TITLE III

Section 301. Names Title as the "Curtailed Consumers Emergency Natural Gas Purchases Act of 1975."

Section 302. States the purpose of Title to allow curtailed high priority consumers of natural gas to purchase natural gas from the intrastate market by enabling them to arrange for the transportation of such gas by regulated interstate pipeline companies.

Section 303. Definitions.

Section 304. Subsection (a) amends section 1 of the Natural Gas Act to make clear that FPC jurisdiction shall not extend to transportation by gas distributing companies of natural gas purchased under this Title by curtailed high priority consumers. Subsection (b) amends subsection 7(c) of the Natural Gas Act by providing explicit authority to the FPC to issue a certificate of public convenience and necessity to transport natural gas purchased under this Title, without the need to review and approve the price paid by a high priority consumer directly to the seller.

TITLE IV

Section 401. Names Title as "Emergency Energy Supply and Environmental Coordination Act Amendments of 1975."

Section 402. States the purpose of Title to continue the conservation of natural gas and petroleum products by fostering the use of coal by powerplants and major fuel burning installations, and if coal cannot be utilized, to provide authority to prohibit the use of natural gas when petroleum products can be substituted.

Section 403. Amends section 2 of the Energy Supply and Environmental Coordination Act of 1974 ("ESECA") to extend FEA's recently expired authority to require conversion to coal by gas and oil burning powerplants and major fuel burning installations, and to add a new authority to require conversion from gas to oil where coal conversion is not feasible and certain other requirements are met, including a certification by the Administrator of the Environmental Protection Agency that the particular powerplant or installation will be able to comply with the Clean Air Act while burning oil. Certain technical amendments of a conforming nature are also made to section 2 of ESECA.

Section 404. Amends section 11(g)(2) of ESECA by extending the expiration of Section 11 from June 30, 1975 to June 30, 1977.

TITLE V

Section 501. Names Title as the "Propane Standby Allocation Act of 1975."

Section 502. States the purpose of Title to provide standby authority for the President to allocate propane during periods of actual or threatened severe shortages of natural gas.

Section 503. Definitions.

Section 504. Provides standby authority to the President to issue such orders and regulations as may be appropriate in order to provide for systematic allocation and pricing of propane. Prior findings are required that shortages of natural gas exist or are imminent and that such shortages constitute a threat to public health, safety or welfare.

Section 505. Sets forth criminal and civil sanctions for violation of regulations and orders made pursuant to the Title, as well as authority to issue orders to insure compliance and to afford restitution to injured parties.

Section 506. Provides a defense under antitrust or contract law for failures or delays in providing, selling or offering for sale propane if such failures or delays result from compliance with the Title.

Section 507. Prescribes administrative procedures including the manner by which rulemakings are to be initiated. Also, sets forth the requirement for administrative procedures by which any inequities or hardships arising from the administration of the program can be prevented.

Section 508. Provides for judicial review by the federal courts, including the Temporary Emergency Court of Appeals and the Supreme Court, of the provisions of the Title and any rules, regulations or orders issued to carry out the purposes of the Title.

Section 509. Provides injunctive and other remedies for insuring compliance with the Title.

Section 510. Specifies subpoena power and the authority to inspect premises, inventories, documents and other items to carry out the provisions of this Title. It also provides for paying witnesses' fees and mileages and for compelling attendance of witnesses.

Section 511. Establishes a private right of action based on any legal wrong suffered because of acts or practices arising out of the Title.

Section 512. Amends the Federal Energy Administration Act of 1974 to clarify that any regulated pricing of propane may reflect factors other than the cost attributed to its production.

Section 513. Authorizes the President to delegate powers granted by Title to other offices, departments and agencies of the United States.

Section 514. Provides or the relationship of this Title to state and municipal laws, rules, regulations, orders, or ordinances.

TITLE VI

Section 601. Provides that the termination of the Act or of the authorities granted under the Act does not affect any action or pending proceedings not finally determined on such date, nor any action or proceedings based upon any act committed prior to such date.

Section 602. Preserves the validity of the remainder of the Act and its continuing application if any particular provision or application is held invalid.

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., September 10, 1975.

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

DEAR MR. PRESIDENT: Because legislative action on natural gas wellhead price regulation has been far too long deferred, the Nation now faces mounting shortages of natural gas. These shortages substantially increase our dependence upon foreign oil and could jeopardize our continued economic recovery and future economic vitality.

While demand for natural gas has been increasing, production peaked in 1973 and declined by about six percent in 1974 (the equivalent of over 230 million barrels of oil). In 1970, interstate pipelines began curtailments of interreputible customers, reflecting shortages of less than one percent of consumption (0.1 trillion cubic feet). Last year curtailments increased to 2.0 trillion cubic feet (Tcf), or ten percent of consumption. For 1975 they are estimated to increase to 2.9 Tcf, or about 15 percent of consumption.

The shortage is the most severe during the winter months; this winter's curtailments are estimated to be 30 percent more acute than those of last winter, and could be 45 percent worse if the weather is severe. Since natural gas is an essential fuel for a large sector of our industry and supplies almost half of the Nation's nontransportation energy use, shortages of this vital fuel pose a serious threat of significant unemployment, economic disruptions and personal hardships.

The gravity of the natural gas situation clearly requires the most immediate attention of the Congress. The single most important legislative initiative required to alleviate the growing problem is deregulation of the wellhead price of new natural gas. Until this critical issue is forthrightly addressed, the Nation will face an unending succession of future winters with every mounting shortages.

Deregulation is essential to help assure that the trend towards ever increasing curtailments is reversed. Even with immediate deregulation, however, the shortfall has become so acute that the Nation faces the certainty of serious curtailment for the next two winters. The gravity of the immediate situation requires prompt steps to cushion the impact of shortages during this winter. Accordingly, I am transmitting herewith the Natural Gas Emergency Standby Act of 1975. This legislation, to remain in effect until June 30, 1977, would:

Provide express authority for the Federal Power Commission to permit interstate pipelines whose high priority consumers are experiencing curtailments to purchase gas at market prices from intrastate sources or from other interstate pipelines on an emergency 180 day basis.

Explicitly allow high priority consumers of natural gas experiencing curtailments to purchase gas from intrastate sources at market prices and to arrange for its transportation through interstate pipeline systems.

Extend the recently expired authority to require electric utility and industrial boiler conversions from natural gas or oil to coal, and provide additional standby authority to require conversion from gas to oil where coal conversion is not practicable.

Provide authority to allocate and establish reasonable prices for propane in order to assure an equitable distribtuion of propane among historical users and consumers experiencing natural gas curtailments.

Because certain areas of the country, particularly the Mid-Atlantic and Midwestern States, face especially serious potential shortages, I urge prompt Congressional action to enact this legislation. Without such action, we will lack the ability to respond to these serious situations in the timely and effective fashion that their gravity warrants.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

FRANK G. ZARB,
Administrator.

ORDER FOR ADJOURNMENT UNTIL 10:30 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 10:30 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF MR. RIBICOFF TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders have been recognized on tomorrow under the standing order, Mr. RIBICOFF be recognized for not to exceed 15 minutes.

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

ORDER FOR ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. RIBICOFF tomorrow, there be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

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

ORDER FOR CONSIDERATION OF S. 1517 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume consideration of S. 1517, the Foreign Relations Authorization Act, 1976–77.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow, the Senate will convene at 10:30 a.m.

After the two leaders or their designees have been recognized under the standing order, Mr. RIBICOFF 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 Senators permitted to speak not in excess of 5 minutes each during that period.

Upon the conclusion of routine morning business, the Senate will resume consideration of the then unfinished business, S. 1517, a bill to authorize appropriations for the administration of foreign affairs; international organizations, conferences, and commissions; information and cultural exchange; and for other purposes. Rollcall votes are expected on amendments thereto and on final passage.

Rollcall votes may occur on other measures tomorrow.

Conference reports, being privileged matters, may be called up at any time, and rollcall votes may occur thereon.

ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. STONE. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until 10:30 a.m. tomorrow.

The motion was agreed to; and at 5:36 p.m. the Senate adjourned until tomorrow, September 11, 1975, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 10, 1975:

FEDERAL POWER COMMISSION

Richard L. Dunham, of New York, to be a member of the Federal Power Commission for the term expiring June 22, 1980, vice John N. Nassikas, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 10, 1975:

COUNCIL ON WAGE AND PRICE STABILITY

Michael H. Moskow, of New Jersey, to be Director of the Council on Wage and Price Stability.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

John B. Rhinelander, of Virginia, to be Under Secretary of Housing and Urban Development.

(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.)

EXTENSIONS OF REMARKS

INDEPENDENT PRESS-TELEGRAM SUPPORTS VETO OVERRIDE OF EDUCATION APPROPRIATIONS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 9, 1975

Mr. ANDERSON of California. Mr. Speaker, in an editorial published on Sunday, September 7, the Long Beach Independent Press-Telegram echoes the points I have been making for some time in regards to H.R. 5901, education appropriations.

The Press-Telegram destroys the myth that the bill is inflationary, pointing out that the funding levels merely maintain current levels of spending.

Second, the editorial notes that the impact on local school districts will be painful, with budgets already set for the upcoming year. State and local taxpayers would have to make up the $1.5 billion cut proposed by President Ford.

Third, the Press-Telegram expresses concern that many of the programs which President Ford criticized as "too much" in his veto message are indeed valuable. For example, included in the category of "inflationary" are education of the handicapped and library resources programs. Need I comment further?

At this point, I would like to include the full text of the editorial in the RECORD.

OVERRIDE FORD'S VETO

President Ford's veto of the education money bill—H.R. 5901—comes up for an override vote in the House of Representatives Tuesday. If that succeeds, the Senate will then vote on it.

Congress should vote to overturn the veto.

The bill provides $7.5 billion in funds for more than 100 separate education programs for state and local agencies. That represents no expansion in federal financing for education. Given the increases in inflation, the sum falls far short of providing the levels of aid needed.

The Long Beach Unified School District stands to lose $1.1 million in federal funds if the veto is sustained and if no substitute appropriations bill is approved by Congress and signed by the President.

That loss would be a particularly painful one for the Long Beach district, which has seen its reserve funds dwindle to below the danger point. If the entire $1.1 million in federal funds were lost, the district would have a $3.6-million deficit for the 1975–76 fiscal year.

President Ford vetoed the bill because it was $1.5 billion higher than his 15-month budget request for education, and also because the bill does not respect his desire to cut federal school aid drastically in certain areas: impact aid for communities with federal operations or federal housing projects that add to school population while reducing the local property tax base; emergency school aid for communities undergoing school desegregation; library resources; and aid for educating the handicapped.

These programs are worthy, as the President would no doubt agree, but Ford is concerned that full financing for them would have an inflationary impact.

The concern is a legitimate one. It is least persuasive, however, in the case of impact aid, which would represent by far the largest loss to Long Beach. That aid is designed simply to provide partial compensation to school districts for the loss of property tax funds that results from tax exemptions for federal installations and federal housing.

On the basis of average daily attendance, Long Beach has about 53,200 pupils whose parents are employed by local industries and businesses that pay property taxes and who live in residences that are taxed. Another 5,400 pupils have parents who are employed in tax-exempt federal activities or live in tax-exempt federal housing.

The cost of educating the children in the second group is roughly $6.5 million a year. State aid can be expected to provide $700,000. If the President's veto is overridden, the impact aid available will probably be $1,015,000. That still leaves the heaviest burden for educating these children on local taxpayers.

Any cut in federal aid would add to the local taxpayers' burden.

Across the nation, other communities are in similar predicaments. For that reason, a veto override is a strong possibility.

It should be achieved. If it is not, Congress should move swiftly to put together an education appropriations bill that can win the President's approval and restore as much money as possible to the nation's hard-pressed school systems.

Education is as important a national priority as any that America has. That priority should be reflected in congressional voting on appropriations.

FEDERAL RESERVE BOARD DELAYS IMPLEMENTATION OF EQUAL OPPORTUNITY ACT

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ANNUNZIO. Mr. Speaker, all citizens have a right to have their credit applications evaluated on their creditworthiness rather than being rejected simply because they are women. Yet, such discrimination has and does exist.

On October 28, 1974 the much heralded Equal Credit Opportunity Act was passed to end the practice by creditors of discriminating against women on the basis of their sex or marital status.

This legislation is scheduled to go into effect October 28, 1975. The year delay was for two purposes; to enable the Federal Reserve Board to prepare regulations to facilitate implementation of the law, and to allow creditors time to study the law and the regulations and adopt new procedures so that their business conduct would conform to the law and the regulations. Yet, 11 months later the Federal Reserve has yet to even finalize its regulations.

To extricate itself from its own unnecessary delay, the Board in its proposed regulations issued September 5, 1975 allowed important parts of the regulations to not take effect on October 28, 1975.

The Board has interpreted the regulation section of the law to permit it to disregard the express October 28, 1975 effective date and to delay implementation of important regulations requiring nondiscrimination by creditors.

The delays vary from 3 months to as much as 12 months. Even some of the regulations that will go into effect October 28, 1975 will have no application until the deferred regulations take effect.

The question here is not whether or not creditors need the delays. The merit of the need for delays can be properly addressed through congressional hearings and amendment of the law.

The question is whether or not the Board has the authority to break the law by delaying the effective date of this legislation? The answer is an emphatic No.

The regulation section of the law is not ambiguous. It states in part:

Such regulations shall be prescribed as soon as possible after the date of enactment of this Act, but in no event later than the effective date of this Act.

Congress required that the regulations be prescribed no later than October 28, 1975 so that the regulation could permit implementation of the law on its effective date.

There would have been no purpose in requiring that the regulations be pre-

scribed by October 28, 1975 if it meant merely that the regulations be literally in written form by then, but not go into effect on that date. Congress does not legislate a nullity. The Board's interpretation of this clear expression of congressional intent flouts the plain meaning and purpose of the above quoted provision of the law.

The Federal Reserve Board's action will please the creditors who pressured the Board to grant the delays. It has also set a bad and ironic precedent.

The very agency that has the duty to write the regulations to enforce this legislation is now the first to break the law and does so through the devious method of circumventing the express effective date of the law.

Such usurpation of congressional authority is a grave constitutional matter. If allowed to stand, the Board's action means that the Board can completely ignore congressional intent as to the effective date of not only this legislation, but all legislation for which it has authority to prescribe regulations.

The Constitution of the United States provides that Congress shall legislate, not the Federal Reserve Board. The Constitution of the United States provides that those who write our laws shall be our elected representatives, not the appointed members of the Federal Reserve Board.

Ending sex discrimination is of paramount importance. This law should not be delayed from going into effect one day, let alone 1 year. Consequently, I am now considering court action against the Federal Reserve Board to force the Board to obey the law. But, Mr. Speaker, I hope that such action will not be necessary and I urge the Federal Reserve Board to reconsider its decision to delay implementation of the law.

ROMANIA SPIED ON NORTH SEA OIL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. McDONALD of Georgia. Mr. Speaker, recently a very large Romanian spy ring operating in Europe was revealed. By the nature of the information it sought, it is obvious that it was being collected for one purpose—to aid the Soviet intelligence services. While it is true that Romanian foreign policy sometimes differs with the U.S.S.R., the coordination and cooperation among Communist intelligence in Eastern Europe is tightly directed and coordinated by the K.G.B. in Moscow. Ironically, President Ford was dancing in the streets wtih Romanian President Ceausescu a few weeks ago, other Romanians were doing less friendly things in Western Europe. The article from the London Daily Telegraph of September 1, 1975, follows:

[From the Daily Telegraph, Sept. 1, 1975]

RUMANIA 'SPIED ON N. SEA OIL'

(By John Miller)

Security officials in Western Europe have smashed a major Rumanian spy network seeking out a wide variety of industrial secrets, including North Sea oil technology.

The ring was broken up after Virgil Tipanut, 37, a third secretary at the Rumanian Embassy in Oslo, defected in June with a list of 40 Rumanian diplomats, scientists and students said to be involved.

Tipanut is reported to be in London with his wife and two children helping British security officers complete their inquiries into Rumanian industrial espionage in this country.

The Foreign Office said yesterday that it had no information on Tipanut's whereabouts. Nor was it able to confirm reports that sophisticated British oil and gas technology had been a target of the network.

However, it can be assumed that Whitehall would be reluctant to acknowledge the accuracy of the reports because of Britain's present efforts to improve relations with the Rumanian regime.

Mrs. Thatcher, the Conservative leader, flew to Rumania yesterday for talks and on Sept. 16 Mr. Wilson will go to Rumania to sign an agreement on economic co-operation.

NORWAY MAY PROTEST

The Norwegian authorities are showing no such sensitivity over the spy ring's activities and are considering protesting to the Rumanian Foreign Ministry.

Tipanut's defection led to the arrest of a Rumanian student of mathematics at Norway's Technical University. Two diplomats said by Tipanut to be engaged in recruiting Norwegians for industrial espionage left Oslo as inquiries got under way.

The network was said to have operated in Britain, West Germany, France, Sweden, Norway and Denmark.

But reports from Norway and France said the Rumanian agents also sought secrets of the Anglo-French Concorde project, Nato radar guidance systems, West German nuclear power projects, and laser technology.

THE RIGHT TO A NUTRITIONALLY ADEQUATE DIET

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. FRASER. Mr. Speaker, today I am introducing a concurrent resolution which would explicitly establish as the policy of the U.S. Government the right of all persons, both at home and abroad to a nutritionally adequate diet. The same resolution is being introduced in the Senate by the Honorable MARK O. HATFIELD.

The Government and people of the United States have long sought to ameliorate the plight of persons who suffer from hunger. Yet, despite our Nation's noble intentions and positive efforts, hunger remains a grim reality, casting its shadow over countless millions throughout the world. To allow this situation to endure violates the tenets of human decency and jeopardizes the security of an international order which grows more interdependent by the day.

Our Government possesses the capacity, in conjunction with other nations and international institutions, to create policies which might concretely help combat both the short-term and long-term dimensions of the world hunger crisis. Such policies will emerge, however, only if we are willing to discard many of the ideas that have influenced our decisionmaking over the last three decades.

Increasingly, our post-Vietnam policy debates must take their bearings from the imperatives of international humanitarianism. We must turn away from policies which have been distorted by an overreliance on military/strategic considerations and embrace instead policy options which have as their cornerstone the primacy of peoples' economic and social needs.

Significant progress in this direction has been made. In 1973, the Congress amended the Foreign Assistance Act by establishing the "new directions" strategy, a strategy which sought to focus our Nation's aid efforts on the poorest persons of the poor nations; at the World Food Conference last fall, Secretary Kissinger stated our Nation's intent to help insure "that within a decade no child will go to bed hungry, that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition"; earlier this year, the Ford administration announced that its 1976 food-for-peace shipments would exceed 6 million tons.

These are important steps. But, a long road lies ahead. Two measures currently before the Congress would, if enacted, do a great deal to help maintain the momentum of policy reorientation these steps have set in motion. The first, the School Lunch Act and Child Nutrition Act Amendments of 1975, would bring to an ever-widening number of school-aged children the opportunity to receive nutritionally sound meals during the schoolday. The second, the International Development and Food Assistance Act of 1975, would strengthen the new directions policy of the 1973 Foreign Assistance Act reform and extend this policy to our food-for-peace program. Reported out of the House International Relations Committee before the August recess, the act breaks new ground in the following areas: It separates economic and military/strategic assistance for the first time since the Marshall plan, it encourages the utilization of America's agriculturally oriented colleges and universities in bringing the fruits of agricultural research to the small farmers of food-poor nations, and it creates a special funding source for victims of man-made and natural disasters.

The resolution I am introducing today is intended as a supplement to these bills. It seeks to reaffirm Congress commitment to policies which enhance the dignity and well-being of all people, to policies which will help free all persons from the specter of starvation and malnutrition. If you are interested in cosponsoring the resolution, please contact my office.

The resolution follows:

H. CON. RES. 393

Whereas an estimated 460 million persons, almost half of them young children, suffer from acute malnutrition because they lack even the calories to sustain normal human life; and

Whereas those who get enough calories but are seriously deficient of proteins or other essential nutrients may include half of the human race; and

Whereas the President, through his Secre-

tary of State, proclaimed at the World Food Conference a bold objective for this nation in collaboration with other nations: "that within a decade no child will go to bed hungry that no family will fear for its next day's bread, and that no human being's future and capacities will be stunted by malnutrition"; and

Whereas all the governments at the World Food Conference adopted this objective; and

Whereas in our interdependent world, hunger anywhere represents a threat to peace everywhere, now and in the future; and

Whereas the coming bicentennial provides a timely occasion to honor this nation's founding ideals of "liberty and justice for all," as well as our tradition of assisting those in need, by taking a clear stand on the critical issue of hunger: Now, therefore, be it

Resolved That it is the sense of the (House of Representatives) (Senate) that—

(1) every person in this country and throughout the world has the right to food—the right to a nutritionally adequate diet—and that this right is henceforth to be recognized as a cornerstone of U.S. policy; and

(2) this policy become a fundamental point of reference in the formation of legislation and administrative decisions in areas such as trade, assistance, monetary reform, military spending and all other matters that bear on hunger; and

(3) concerning hunger in the United States we seek to enroll on food assistance programs all who are in need, to improve those programs to insure that recipients receive an adequate diet, and to attain full employment and a floor of economic decency for everyone; and

(4) concerning global hunger this country increase its assistance for self-help development among the world's poorest people, especially in countries most seriously affected by hunger, with particular emphasis on increasing food production among the rural poor; and that development assistance and food assistance, including assistance given through private, voluntary agencies, increase over a period of years until such assistance has reached the target of one percent of our total national production (GNP).

WASHINGTON CENTER FOR LEARNING ALTERNATIVES

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. HARRINGTON. Mr. Speaker, with the current emphasis on relevance and accountability in education, the need for quality innovative programs related to societal priorities has increased significantly. The congressional internship is one answer to the need for those innovative programs. Off-campus experiential education is becoming a major and acceptable part of undergraduate education across the country. The thrust of experiential education is that doing is the essence of learning. It is only in bringing the students into contact with the real world through an internship experience that one can hope to bridge the vast and seemingly insurmountable gap between theory and reality; and in another sense the internship is the most effective vehicle to educate young people in the functions and working of the U.S. Congress, an institution which recently has found itself under the skeptical eye of the public.

At the present time Washington finds itself with many internship programs, all bartering for the same goods and services in the city; all trying to get low-cost adequate housing for their students; all trying to get quality internships which will provide students with a meaningful learning experience; and all trying to get academic offerings in the city that meet the requirements of the academic institution. As the idea of internships continues to grow, the competition between internship groups in the Nation's Capital will grow and the duplication of efforts will also increase.

In an attempt to avoid this competition and duplication of efforts, the Washington Center for Learning Alternatives has been established. The goals of the Washington Center for Learning Alternatives—WCLA—are to: Assist institutions in designing educational programs with field experience components; develop and coordinate auxiliary educational services; expedite procurement of facilities and services; and contribute to the development of off-campus education through research and the dissemination of the information obtained. The program will allow students the opportunity to intern in a congressional executive, or public interest office in Washington for a period of one semester—approximately 3 months. WCLA will not only develop these internships, but will also assume responsibility for placing, housing, supervising, and evaluating the students.

WCLA will not be a degree granting institution. Instead, it will function as an adjunct to already established college and university programs. WCLA will offer colleges and universities readily accessible means of responding to some recent trends to American higher education. WCLA will give students the opportunity to first, relate theory to practice by direct application and observation in their chosen field, second, advance their maturity in a wholly new environment where they will learn to rely on personal resources perhaps never before developed; making their own choices and taking greater responsibility for their own education, third, sample the tempo and flavor of life in the Nation's Capital in a time when our national leaders are being called on for solutions to extremely difficult problems, fourth, enjoy a change of pace from the college life from a vantage point that will permit them to view a number of educational and other objectives with a fresh perspective.

In addition to the educational value of off-campus assignments, one of the most important benefits to the student is that the experience of participating in a world of work helps the student make career choices. The student can assess his/her ability to work in a given field in the direction he/she would choose as a profession.

WCLA does not just offer an isolated field experience, but rather a total educational program that includes seminars, site visitations by WCLA staff, and evaluations. WCLA supplements the work experience with academic offerings that are structured so as to relate directly to the student's work. These academic offerings will help students to clarify and integrate the learning experiences of the internship with concepts and theories in related academic disciplines. Academic offerings that will be available through WCLA will focus on such issues as the basic legislative process, administrative decisionmaking, budgeting, executive privilege versus congressional power, contemporary political issues, public interest groups, lobbying techniques, etc. There will be approximately 12 to 15 students assigned to each academic offering. The aim of WCLA is to have these academic offerings taught each semester by adjunct faculty members who are also practitioners in Washington as well as distinguished colleagues in their academic disciplines.

Credit will be granted by the students home institution. WCLA's seminars, academic offerings, and symposia can be used as criteria for awarding credit, if the students negotiate in advance with their faculty advisors to do so.

WCLA's placement will consist of full-time internships and will be in congressional offices, executive agencies, and public interest groups. Each participating office will have the privilege of determining criteria for the selection of students. Likewise, WCLA will enforce strong guidelines as to what will be acceptable assignments. WCLA will be looking for the learning experiences available in an office rather than just another job description. WCLA will also offer training sessions for supervisors so as to insure maximum quality placements. Each student will be asked to list their placement preferences, specific goals and objectives. The WCLA staff will then attempt to place the students by matching them with offices that will provide experiences that the students are looking for. It should be noted that when more than one student applies for the same internship, all of the applications, provided that they meet the sponsoring agency's criteria, will be submitted to the sponsoring agency for the final decision.

Recognizing the inordinate amount of time that would be necessary for students to find decent, reasonably priced, temporary housing in the Washington area, WCLA has secured a modern apartment building in downtown Washington. The apartment building is equipped to house approximately 385 students in efficiency and one-bedroom apartments, all of which are fully furnished and completely air-conditioned.

Since entering the House in 1969, I have watched the idea of field experience learning develop into an integral part of both undergraduate and graduate education.

The House of Representatives is a complex institution in which 435 individuals represent over 200 million Americans. At a time when our Government is under tremendous pressure and criticism, I would like to see more young people knowledgeable about and participating in what I feel is this country's greatest

contribution to mankind; that is, its governmental system. The congressional internship acts not as a substitute for an academic experience, but rather as a complementing experience in which a student may apply the theory learned in the classroom to a complex real-life situation of hard practicalities which exist on the Hill.

It is my sincere hope that the Washington Center for Learning Alternatives continues to grow with the final product being a more complete understanding of our governmental process and a sense of reality with which we, together, can solve the complex problems that face our country.

SENATE AMENDMENT TO H.R. 2559

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. HYDE. Mr. Speaker, just before the Congress left for its August recess, the House approved, by a one-vote margin, a resolution specifically agreeing to the Senate amendment to the House-passed bill H.R. 2559. The original House-passed bill was designed only to bring the Postal Service under section 19 of the Occupational Safety and Health Act of 1970. But the Senate amendment added a second title providing for automatic cost-of-living raises for the upper echelon Federal employees in the executive, judicial and legislative branches. It is important to note that the salaries for Federal judges, executives and legislators had, until then, been frozen since March of 1969. Since March 1969 the cost of living has risen 48 percent. Accordingly, the purchasing power of high level salaries has eroded by that much.

Mr. Speaker, I strenuously object to putting our own salaries on an automatic cost-of-living escalator. This was an unfortunate coupling of necessary salary increases for top level governmental employees, with a self-serving formula for automatic salary increases for Congress. The result was to immunize Congressmen from the inflation which they have helped to create by voting year after year for programs creating large spending deficits.

It is important, however, that we allow Federal salaries other than our own to rise to a competitive level. We must assure that the executive and judicial branches continue to be able to attract the best minds and talents in our Nation. Good government requires good people. The Government is competing for the same executive talent which in private business enjoyed a 40 percent salary increase during the same period while Government salaries were frozen.

For these reasons, I am today introducing legislation which would remove Senators and Representatives from the automatic salary escalator after the first increase which takes effect next month. My bill is simply worded. It merely amends the new law to say that no adjustment shall take place with respect to the salaries of Senators and Representatives after the end of this year. In this way, we can sever ourselves from the salary escalator while keeping it for Federal judges and executives. Our Government can thus compete effectively for executive and judicial talent so badly needed. And, in future years, if Congressmen feel the need for a salary increase, they can take new action, openly, in full public view.

DEREGULATION OF GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. COLLINS of Texas. Mr. Speaker, I would like to review for you all an actual experience that is very typical of today's gas production. The only way we are going to produce more gas and meet the demand requirements is to have a free, unregulated market. Let us take this production situation from west Denton County and northeast Wise County of Texas.

This provides a good cross section, as 100 wells have been drilled, which resulted in 60 producing wells and 40 dry holes within this proved developed area. This area covered 64,000 acres. It produced in the Atoka conglomerate zone at 6,500-foot level. There was much knowledge of the geology in this area and with increased prices available from intrastate sales, they were able to go in and develop it.

One essential fact to keep in mind is that the great recoveries will probably come from the old fields. But the low-cost, initial production has already been discovered and the oil and gas drained from them. The statistics I have detailed from a partial area where 10 wells were drilled, resulting in 6 producing and 4 dry holes, which were good results for this excellent recovery area.

These are shallow wells, and relatively low cost, so let us check all of the figures.

The cost per producing well was $102,000 and the development cost of the dry holes averaged $70,000, plus lease costs per producing well of $43,500. This left an average cost per producing well, including the development of the dry holes of $145,500. To this is added the direct estimated exploration cost, based on a ratio of eight producers found per six wildcats, which gives a total cost of $43,800. Add that up and you have a total cost to be recovered per producing well of $189,000.

Because this was intrastate, and they were able to negotiate an intrastate rate of $1.26 million cubic feet, it is estimated that the net operating income per producing well will be $287,300. This would give a profit per producing well of $98,000—or would mean a 16 percent rate of return before calculation for income tax.

One of the most interesting conclusions is the fact that the exact break-even point on this gas is $.84 per million cubic feet. This means that if they broke even on this area, where they had extensive geology and had excellent success in production, it would take $.84 per million cubic feet. This is a particularly key point. When you bear in mind the fact that the present FPC rulings are indicating $.55 or $.60 million cubic feet as the maximum. They could never have drilled this well under the present guidelines of the Federal Power Commission.

This area traces a drilling program that began in December 1971. Where they have had 4 years history of production. Over 100 wells are involved.

We have many old oil and gas fields, where we could make extensive recoveries, if the price of gas were in line. Gas has been artificially priced per British thermal unit of energy at a very low level. Compared to the $11.50 that we pay for OPEC oil, gas at the wellhead, in an equivalent competitive market, would be priced at $1.98 per million cubic foot. Gas is not only the clean fuel, but it is also an easy fuel to handle and would be the most desirable fuel. We could go back and develop all of these higher-cost, secondary fields if the market had realistic pricing.

It is hard to understand why America pays $11.50 to import foreign crude oil when, for $11.50 we could produce domestic energy, where all of the money, all of the production and all of the development would go entirely to Americans.

MYTH OF TRANSIT EFFICIENCY

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. FRENZEL. Mr. Speaker, this past Sunday, September 7, 1975, the Washington Star ran an article by David Lawyer titled "The Myth of Transit Efficiency," which casts serious doubt on the popular notion that public transit is inherently more energy efficient than the automobile.

While we lack the kinds of accurate data which would allow us to draw any firm conclusions on the subject, the data cited in this article is not very encouraging. The basic reason for this startling conclusion revolves around the issue of load factors. While there is no doubt that buses and subways filled to capacity are far more energy efficient than automobiles operating at the current average load of 2.2 passengers per vehicle, the article points out that this is an unreasonable basis for comparison. What data we do have shows that on the average only 18 percent of the bus capacity is utilized and the load factor increases to only 26 percent for electric transit vehicles.

The article states for example that the new BART systems "consumes nearly as much energy per passenger-mile as the typical gas-guzzling automobile." The author concludes that it may be easier to improve automobile load factors than it is to try and boost load factors for

transit. The proper response is, of course, that we must do both.

I commend the Lawyer article to my colleagues as a good look at load factors from a different viewpoint.

KISSINGER RAILROADING OF ISRAEL SUSPECTED IN SINAI PACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. BIAGGI. Mr. Speaker, yesterday the noted syndicated columnist Ernest Cuneo wrote a column negatively assessing the Interim Peace Agreement signed by Israel and Egypt. He raises some critically important points about the hard nosed tactics employed against Israel by Secretary of State Henry Kissinger.

Cuneo's opening sentence spells out the belief of myself and other people about this agreement, namely it will not bring final peace to the Middle East. The involvement of American personnel sets a dangerous precedent, one which could escalate into our becoming integrally involved in the turbulence of the Middle East. The benefits of such an arrangement are neither in this Nation's or Israel's best interest. Cuneo's column brings out some points which seem to fly directly in contradiction with Dr. Kissinger statement yesterday that Israel insisted that Americans be stationed in the Sinai.

Congress will be directing its attention very soon to the provisions of this agreement. I urge my colleagues to evaluate all the information carefully particularly with respect to our proposed commitment of American technicians. I feel that an alternative arrangement should be considered, including allowing the technicians to come from the United Nations, thus precluding the potential for a superpower confrontation in the Middle East which is a real possibility under the terms of the present agreement.

Mr. Speaker, at this point in the RECORD, I would like to insert Mr. Cuneo's column entitled "A Kissinger Sellout."

The article follows:

A KISSINGER SELLOUT

(By Ernest Cuneo)

JERUSALEM.—There will be no final peace in the Middle East. The terrific pressures of the powder kegs are close to the critical point of explosion by spontaneous combustion. Secretary of State Henry Kissinger's heralded interim accord will merely lengthen the fuse.

The price is heavy for Israel. Israel had no option. This is because Kissinger held a military and economic gun to Israel's head. The military gun is the refusal to furnish U.S. hardware. This cutoff is nearly all inclusive, from parts to ammunition.

Moreover, no U.S. commitments were made for the next year. This effects a strategic paralysis upon the Israeli general staff. It cannot estimate how much effective hardware will be left in case of attack and it does not know how much material it has in reserve.

In effect, Kissinger diplomatically severed the Israeli military line of supply. Thus, the retirement of the Israeli forces is not due to the Arab armies at its three borders, bristling with Russian armament. It is due to the activated threat of its purported ally to leave it naked to its enemies.

In order to understand the Kissinger step-by-step policy, it is necessary to cite the record. Egypt launched the Yom Kippur War two years ago. The 3rd and 2nd Egyptian armies forced the Suez Canal, driving east into Sinai. The Israeli army, in a brilliant flanking movement, practically simultaneously, invaded West across the Suez. It surrounded the helpless 3rd Egyptian Army in the south and could easily have crushed the 2nd Egyptian Army in the North.

The Russian general staff at once perceived the hopeless plight of the Egyptian forces. To relieve the lethal pressure on the stricken Egyptians, the Kremlin put heavy pressure on Kissinger.

It threatened military intervention. It loudly loaded two paratroop combat divisions and moved the Red Air Force into battle alert.

The bluff worked. Kissinger forced the cease-fire which saved the Egyptian armies. Two million Arabs cheered him when he showed at Cairo, as well they should.

In the further interests of his conception of peace, Kissinger forced the victorious Israeli army to yield the east bank of the Suez Canal. This caused more anguish in the Pentagon than in Jerusalem, since it doubled the Indian Ocean capacity of both the Black Sea and the Pacific fleets of the Red navy.

The vanquished Egyptians shrewdly refused to negotiate a peace with the Israelis. They well knew they held the Israeli ace—control of the U.S. supply line to Israel through their champion, Henry Kissinger.

Not satisfied with the retirement from Suez, the Egyptians demanded control of the Sinai passes, the keys to the gates of Israel.

Kissinger delivered them for the Egyptians. Fighting a diplomatic rear-guard action, the Israeli government, it appears, will be holding on to strategic ground at the Israeli end of the passes from which a desperate tactical defense might be established.

The Sinai oil wells will be given to Egypt, a handsome addition to the Kissinger gift of the Suez Canal.

The Israeli government, quite naturally, remembers vividly the "step-by-step" diplomacy of Secretary Kissinger by which the South Vietnamese army was misled to the gallows.

According to London sources, to force it, Kissinger had President Ford write a letter of such severity that Israeli Prime Minister Rabin withheld it from his cabinet. Clearly, the American people have a right to know if there was such a letter and what was in it.

Secretary Kissinger, it will be called, denied that assurances were given South Vietnam, until Sen. Henry M. Jackson, D.-Wash., produced documentary evidence that the secretary was a bare-faced liar.

DICK GREGORY'S ARREST

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. CLAY. Mr. Speaker, political activist Dick Gregory was arrested twice in front of the White House recently for protesting what he believes to be the CIA's involvement in the assassination of President John F. Kennedy and Reverend Dr. Martin Luther King. Doing all that one man can to perfect the democratic ideal, Mr. Gregory has demanded an investigation based on the not insubstantial evidence already unearthed.

Mr. Speaker, for his patriotic troubles, Mr. Gregory is arrested. But for the ominously undemocratic shenanigans of CIA, the agency receives great comfort and protection. The irony here is more than subtle. One could well suppose that were a one of our constitutional fore fathers alive today, he might well be sharing a cell with Mr. Gregory. For it appears that the business of defending liberty is never finished and most especially from those who so ardently mispeak the traditional underpinnings of American democracy, namely the CIA.

Mr. Speaker, staff writer Alfred Lewis describes Mr. Gregory's first arrest in the July 5 issue of the Washington Post. I commend his article to my colleagues' attention and now insert it in the RECORD:

DICK GREGORY IS ARRESTED OUTSIDE WHITE HOUSE

(By Alfred E. Lewis)

Dick Gregory, the activist and comedian, was arrested outside the White House yesterday while carrying a placard asking an investigation of the assassinations of President John F. Kennedy and the Rev. Dr. Martin Luther King, Jr.

Gregory, who was charged with demonstrating without a permit, said he had planned to be arrested to dramatize what he said is the need for a full investigation of the role of the Central Intelligence Agency in the two killings.

He said that rather than post the $50 collateral, he would remain in the central cellblock in D.C. police headquarters at 300 Indiana Ave N.W., and would refuse solid food, subsisting only on liquids.

Also arrested in the protest with Gregory was Ralph B. Schoenman, 40, a writer and lecturer, of Pennington, N.J. He said he would also fast.

Both men, who were arrested by the Park Police at 10 a.m., are scheduled to appear in Superior Court today. Two other persons took part in the demonstration but left after a police warning.

Signs carried in the demonstration, directed at President Ford and taking note of Independence Day, read, "Please give us a birthday present to remember: a Complete Investigation of Assassinations" and "For a bicentennial rebirth, stop the old conspiracy Inside America."

Gregory and Schoenman said they met on Thursday with Justice Department officials and gave them what the two men said were documents linking the CIA to the assassinations. Justice Department officials could not be reached for comment.

Gregory has been arrested at the White House at least twice before, most recently on March 1. He was one of 62 persons demonstrating against U.S. involvement in Indochina and the President's amnesty program who refused to leave the grounds at the end of a public tour.

WHAT'S AHEAD FOR ENERGY

HON. PHILIP H. HAYES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. HAYES of Indiana. Mr. Speaker, Representative MIKE MCCORMACK of the

State of Washington, Chairman of the Subcommittee on Energy Research, Development and Demonstration of the House Committee on Science and Technology, has contributed an article to the September 1975 issue of Nation's Business magazine which I think should be read and analyzed by my colleagues in the 94th Congress.

Representative MCCORMACK is one of the most insistent futurists of this Congress. In this article he has most eloquently urged the Nation to look beyond our present, and most important, center of the energy debate to what he calls the "stark realities."

What in this Congress could be called the "McCormack Rule" is embodied in his phrase, "Each nation has its own date with reality, and few lie very far into the next century."

MIKE MCCORMACK'S article is an important foundation for understanding the directions of energy policymaking and why our decisions now are so crucial.

I ask unanimous consent that this article be printed in the RECORD.

WHAT'S AHEAD FOR ENERGY—PUTTING DOWN THE SCARE STORIES AND FACING REALITY

(By Rep. Mike McCormack)

The one certain thing about energy is the confusion that exists almost everywhere.

But one concept has emerged that has almost universal acceptance—namely, that we must reduce waste in our use of energy.

What is not apparent, however, even to many sincere and concerned policymakers, is that the total energy consumption of our nation must continue to increase, even if we establish very successful conservation programs.

Additional energy will be required for new homes, new jobs, upward mobility of low income groups, employment for women, more protection for the environment, and more industry.

This will be true even if we have zero population growth.

PRODUCTION IS DECLINING

Unfortunately, most of the debate on the energy crisis, in spite of the perils, has centered around such subjects as import tariffs, quotas, gas taxes, allocations, regulations, and incentives.

While all of this is important, it is something like wrestling for deck chairs on the Titanic.

The stark realties are that, while this debate goes no, our production of oil and natural gas is down from last year. In fact, we are running out of both. So is the entire world, including the Middle East.

Each nation has its own date with reality, and few lie very far into the next century.

Today we are consuming about six billion barrels of oil a year, about four billion of which come from domestic sources. The National Academy of Sciences reports that our production is peaking at that level. We will be down to 1.5 billion barrels a year, the academy estimates, by the year 2000.

OUTLOOK FOR SOLAR ENERGY

An energy policy must be based on the best scientific and engineering facts available. We cannot afford the luxury of basing policies on wishful thinking. Assuming that solar or geothermal energy will bail us out, or that we will be lucky enough to find enough natural gas or petroleum to keep us going, is wishful thinking.

So is the hope that the American people will voluntarily slash their consumption of energy at the cost of a much lower standard of living and massive unemployment.

In 1972, this nation consumed the equivalent of 34 million barrels of oil a day. That's the total for all our sources of energy—coal, natural gas, hydroelectric power, nuclear power, as well as petroleum itself.

This year, Americans will consume the equivalent of 37 million barrels a day.

However, since 1972 our domestic natural gas production has dropped the equivalent of one-half million barrels a day and domestic oil production has dropped one million barrels a day.

Coal production has scarcely changed at all in the past three years. It is up from the equivalent of six million barrels a day to 6.5 million. Hydroelectricity has increased a little. In 1972, it was equivalent to 1.4 million barrels a day. Now production is 1.5 million.

Only nuclear energy has shown a big increase. It is up from the equivalent of 300,000 barrels a day to one million.

But the increase is far outstripped by imported oil, which is up from 4.5 million barrels a day in 1972 to seven million now.

What of the future?

We will consume the equivalent of about 48 million barrels a day by 1985. This forecast assumes an extremely aggressive conservation program which would cut our traditional growth rate in energy consumption in half—from 3.6 percent to 1.8 percent.

The forecast also assumes a very aggressive search for oil and gas.

ENERGY AND PRODUCTION

What if we cut consumption below 48 million barrels?

There is a very close relationship between energy consumption, gross national product, and employment. So if we do, we will be reducing employment by an estimated 900,000 jobs for each million barrels.

An equilibrium should exist between energy consumption, a reasonable program for protecting our environment, and maintenance of a stable, responsive economic system.

We cannot expect to have energy production without some impact on the environment, and we can't expect to have jobs for the American people unless we produce more energy.

Thus, we have several environments to protect. Not only are there those we normally think of—air and water—but there is also the economic, environment and industrial capacity that will maintain this nation's national security and economic stability.

Finally, there's the environment of our own homes, where we must have enough energy for a decent standard of living.

Our national energy policy must strike a balance between them in a rational manner.

RESEARCH FOR NEW SOURCES

One general misconception is that research and development, generously funded, can solve energy problems in the very near future. Nothing could be further from the truth. Even with a crash program, the time required between successful demonstration in a laboratory and implementation of such technology takes ten to 30 years. Usually, the time lag is closer to 30.

There is no way, for example, that a tidal wave of federal funds could make solar energy or geothermal energy a significant resource for this nation before 1990—or nuclear fusion before the year 2000.

So, while we must support an aggressive research and development program, our nation must rely for the immediate and short-range future on energy sources which are available to us today.

Coal is our greatest resource of fossil fuel. We must rely heavily upon it. We will need to increase dramatically our coal production. To do so, we must allow coal to be surface mined under realistic regulation and responsible reclamation of the land.

USE OF NUCLEAR POWER

One of our greatest strokes of good fortune is that our nuclear industry is as well advanced as it is today. It is ready now to provide much of the energy this nation will need during the next 50 years.

Nuclear energy is the cleanest and cheapest source of energy available with the least impact on the environment. If we did not have nuclear energy available to us for the coming decades, our country's future would be black indeed.

Meanwhile, ill-informed antinuclear activists are clamoring for a moratorium on nuclear energy—our only hope for self-sufficiency during the rest of this century.

Much to-do has been made about the hazards of nuclear power. Many false or flagrantly distorted news stories and TV programs about those dangers have been foisted on the public.

ATOMIC EXPLOSION

Some scare stories reach the point of absurdity. For example, is it correct to believe that a nuclear power plant might explode like an atomic bomb?

"It is impossible for nuclear power plants to explode like a nuclear weapon," says Dr. Norman C. Rasmussen of the department of nuclear engineering at the Massachusetts Institute of Technology.

"The laws of physics do not permit this," he points out in a study he directed for the U.S. Atomic Energy Commission, "because the fuel contains only a fraction (three to five percent) of the special type of uranium that is used in weapons."

It is essential, of course, that every reasonable safety precaution be taken in the design and operation of nuclear power plants. The nuclear industry, like any other, poses some risks.

But how great are they?

With 100 plants on the line, the report says, the danger of injury to any individual or group will be about the same as their danger of being struck by a meteor.

Predictably, the antinuclear lobby assailed Dr. Rasmussen's report. They charged that the report was too conservative by a factor of ten to 16. Thus, if we take their word for it, the danger of death from an atomic power plant is only ten to 16 times as great as the chance of being killed by a meteor.

This helps put the subject into perspective.

Radiation injury is another bugaboo the report discusses.

Assume that 1,000 nuclear power plants are on the line by the year 2000, it says.

Then the average American will receive the following radiation:

From natural background: 102 millirem per year.

From medical X rays and therapeutic radiation: 73 millirem per year.

From nuclear power plants: 0.4 millirem per year.

RADIATION SAFEGUARDS

"The only way that potentially large amounts of radioactivity can be released is by melting the fuel in the reactor core," the study says. "Not once in some 200 reactor years of commercial operation has there ever been a fuel melting."

Nuclear power plants, of course, have numerous systems to prevent core melting.

Today there are 55 nuclear power plants licensed to operate in the United States. By the end of next year, 72 plants should be operating. Another 149 are under construction or being planned.

If they are on the line by 1985—and they can be if we simply eliminate unnecessary delays and provide capital for construction—then the nation will have a nuclear capacity of about 220 thousand megawatts. That would amount to about 30 percent of our electric generating capacity.

Each nuclear power plant saves us the equivalent of ten to 12 million barrels a year. Thus it would take seven million bar-

rels of oil a day to produce the same amount of electricity as these nuclear plants will generate.

That's the equivalent of all the oil and petroleum products that the United States imports today.

FUSION IN OUR FUTURE

Three future sources of energy which have attracted a great deal of public attention are solar energy, geothermal energy, and nuclear fusion.

Congress has appropriated hundreds of millions of dollars for research and development of all three. However, we can't expect miracles overnight from any of them.

With well-managed, well-funded, aggressive programs, we may be able to provide two percent of our energy from the sun by the year 1990, but not before.

Even with a crash program, it is unlikely that we can produce one percent of our total energy from all geothermal sources before we are into the 1990's.

What about nuclear fusion?

In the past three years, researchers have made great progress in controlling this new source of energy. Now, for the first time, we understand the physics and dynamics of the plasma in which the thermonuclear reaction must take place.

PREDICTION OF SUCCESS

For the first time, we are in a position to predict success. Congress has appropriated this year $192 million to back this research, double what it spent last year.

By the mid-1990's, or a few years later, we should have a commercially feasible fusion electric demonstration plant in operation. If this program is successful, we may be able to look forward to providing unlimited quantities of clear, cheap energy forever.

That means we can look forward to phasing out burning fossil fuels and the use of nuclear fission to produce electricity. But that happy day won't dawn until the 21st century.

Meanwhile, the nation must depend for most of its energy on coal and nuclear fission.

There is no choice.

If we do not develop a comprehensive national energy policy now, we will face a disastrous energy crisis in 1985—far worse than the one we face today.

The result would be equivalent to losing a major war.

The challenge is equivalent to organizing for and fighting one.

TENTH ANNIVERSARY OF FOSTER GRANDPARENT PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. GRADISON. Mr. Speaker, it is appropriate that we honor the 10th anniversary of an organization which has made a tremendous contribution to the development of our most precious resource: our children.

Through the foster grandparent program, older Americans can continue to participate actively in their communities by working with children who otherwise might not receive much-needed attention and companionship.

Foster grandparents work 4 hours a day, 5 days a week and receive a small stipend and a physical examination each year. This program is as rewarding for the older Americans who participate as it is for the children whose lives they touch.

The value of the foster grandparent program is apparent to all observers. A cost-benefit study by Booz, Allan Inc., concluded "it would be difficult to find a federal program as productive as the Foster Grandparent program." Certainly no higher praise can be given.

The First District of Ohio is well represented at the 10th anniversary conference this week in Washington by Mrs. Daisy Pope and Mrs. Izelle Kendrick. Mrs. Pope has been a foster grandparent since the beginning of the program and Mrs. Kendrick is the only remaining director of one of the original 20 projects across the country. These women richly deserve the recognition they are now receiving for their fine efforts of the past 10 years.

I am sure all my colleagues join with me in saluting the foster grandparent program.

CLEAN MEAT STANDARDS MAY BE LOWERED

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SMITH of Iowa. Mr. Speaker, Secretary of Agriculture Earl Butz is moving ahead with plans that could severely harm the clean meat protection afforded consumers under the Federal meat inspection program by increasing to 80 percent the Federal payment for the cost of inspection in those State plants which are permitted to ship meat in interstate commerce.

This would encourage them to use State inspection instead of Federal for plants which have the most problems with cleanliness. GAO studies show these State plants are not as well inspected.

On Friday, September 5, I placed in the CONGRESSIONAL RECORD starting at page 27802, a letter I wrote the day before to Secretary Butz. It explains in detail what the Butz plan would do and why it should be stopped.

I have now learned that Secretary Butz has secured clearance for his plan, which would be illegal and in violation of the will of Congress, from the Office of Management and Budget.

It seems almost certain that the Butz plan will go into effect.

If that happens, farmers as well as consumers will ultimately be harmed. The Butz plan would lower confidence in the quality and cleanliness of meat at a time when fewer persons are buying meat.

The U.S. Department of Agriculture now has 287 plants where, it is claimed, meat is inspected by State employees under the supervision of Federal inspectors. Investigations have shown that this is theory, not practice and that the inspection in those plants is not adequate. The problem plants are, therefore, encouraged to seek the non-Federal inspection.

The Department, after making a check around the country, today has informed me that there are only 69 so-called circuit inspectors assigned to these plants. So, in effect, these 287 plants are State inspected. They are allowed to ship in interstate commerce.

The Butz plan could greatly expand the number of these State inspected plants which can ship across State lines because they are supposedly under Federal supervision. That means that what is in fact State-inspected meat will be shipped in huge volume across State lines.

Congress has repeatedly rejected efforts to allow State-inspected meat to be shipped in interstate commerce. So the Butz plan, which has no authority in law and flies in the face of the expressed will of the American people as represented in Congress.

The Des Moines Register, in an editorial of September 9, made the following comment:

Why pump federal taxes into an effort to maintain a triple system of meat inspection—federal, federal-state and state. . . .

Why indeed? Why, at a time when there is so much concern about too many layers of government performing inefficiently in the same area, should this plan be considered?

For those Members concerned about consumer protection, a healthy livestock industry, fiscal responsibility, and sound government, I am placing in the RECORD the Register editorial.

I am also placing in the RECORD an article by James Risser, a Washington correspondent for the Des Moines Register, which explains the Butz plan and its implications.

The material follows:

[From the Des Moines Register, Sept. 9, 1975]

RETREAT ON MEAT

When Representative Neal Smith (Dem., Ia.) says Agriculture Secretary Earl Butz is trying to undermine the meat inspection system set up by the Wholesome Meat Act of 1967, he is worthy of attention. Smith is the principal author of the law, and he has been a crusader for better meat inspection.

Butz told the Senate Agriculture Committee that the U.S. Agriculture Department was considering a plan to keep the states in the meat inspection business by paying them 80 percent of the state inspectors' salaries instead of the 50 per cent they have been getting.

Smith thinks 80 per cent subsidy would be illegal. Butz thinks he can do it under a 1962 law which permits cooperation between state and federal meat inspection services at state option. State-inspected meat can move in interstate commerce under this law provided state inspection is supervised by federal inspectors. Twenty-six states take advantage of this law, but only a small number of plants are covered.

Butz shares President Gerald Ford's prejudice against federal regulation.

Senator Dick Clark (Dem. Ia.) agrees with Smith that the Butz proposal is undesirable and would mean less reliable meat inspection.

The first federal meat inspection law was passed in 1967. The 1967 law applied only to meat sold in interstate commerce. Some states began inspecting meat sold locally, but as late as 1967, seven states had no meat

standards, 12 had only voluntary standards, and the rest had standards of varying quality, generally below federal standards.

The 1967 law made some improvement, but not much. The 1967 law gave the states three years to get up to federal standards or the federal inspectors would take over.

By now over half the packing and processing plants in the country are under direct federal inspection. Another 25 percent of the plants have state inspection under federal supervisors, the rest are state-inspected but are supposed to meet federal standards.

Smith is convinced that states often do not meet the standards, even under federal supervision. A 1970 General Accounting Office study confirmed this view.

States are finding meat inspection costly, even if they are eligible for the 50 per cent federal aid. The federal government would do the whole job for nothing. Thirteen states now have federal inspection, some of them voluntarily. Two other states will start federal inspection Oct. 1.

Butz wants to preserve the remaining state inspection services by raising the subsidy. He is fighting the tide of history and will be loading unneeded duplication onto the taxpayers if he gets away with it.

Why pump federal taxes into an effort to maintain a triple system of meat inspection—federal, federal-state and state—when the state systems are waning because of cost and poor quality while the federal-state system never really caught on?

[From the Des Moines Register, Sept. 6, 1975]

SMITH: BUTZ WOULD EASE MEAT CHECKS—ASSAILS PLAN TO AID STATE INSPECTIONS

(By James Risser of the Register's Washington Bureau)

WASHINGTON, D.C.—Representative Neal Smith (Dem., Ia.) Friday charged Agriculture Secretary Earl Butz is trying to illegally undermine the 8-year-old federal meat inspection system.

Butz plans to use an "obscure" 1962 law to funnel federal funds to states so that they can operate their own meat inspection systems under loose guidelines, said Smith.

The proposal violates the law and is an attempt to circumvent Congress' refusal to go along with a similar plan 3 years ago, said Smith.

It would produce a "hodge-podge" of inspection systems, and would ultimately harm the Federal meat inspection program and reduce consumer confidence in our meat inspection service," he added.

PRESSURE SEEN

In a letter to Butz objecting to the proposal, Smith said it apparently has resulted from pressure by state secretaries of agriculture who are upset that a number of state legislatures have decided to give up state meat inspection and turn the task over to the federal government.

The state agriculture officials "understandably are reluctant to give up some of their bureaucratic empire," he said.

Under the so-called Talmadge-Aiken Act of 1962, which authorizes co-operation between federal and state governments in carrying out various federal agricultural programs, the federal government now pays half of the salary of state inspectors who work under federal supervision at a small number of meat plants in 26 states.

SALARY PLAN

According to Smith, Butz intends to increase the federal payment to 80 per cent of the inspectors' salaries, without any approval from Congress.

"This would, in effect, bribe the states to shift to the so-called Talmadge-Aiken approach," Smith said.

Of the some 12,000 meat packing and processing plants in the U.S. only 287 now operate under Talmadge-Aiken agreements with the Agriculture Department.

The rest are inspected under the terms of the Wholesome Meat Act of 1967, of which Smith was a main sponsor. Of these, 6,292 plants are entirely under federal inspection.

SPECIFIC LIMIT

The remaining 5,835 are state-inspected under provisions of the Wholesome Meat Act which permit a state to conduct meat inspection if its standards are equal to the federal standards.

Under that act, states are specifically limited to recovering 50 per cent of their costs from the federal government. A Butz proposal in 1972 to raise that figure to 80 percent was rejected by Congress.

Smith contends that Butz is now trying to circumvent that congressional decision by applying the 80 per cent aid figure to the Talmadge-Aiken Act, which contains no direct mention of federal funding.

In theory, meat plants inspected under Talmadge-Aiken agreements are held to the same standards as other meat plants. But in practice, Smith said, that has not been the case.

KEY DIFFERENCE

A 1970 study by the U.S. General Accounting Office found that sanitation standards at Talmadge-Aiken plants were generally inferior to those at plants inspected by federal meat inspectors under the Wholesome Meat Act, he noted.

A key difference between the two laws is that meat plants inspected under the Talmadge-Aiken Act may ship their products to other states. Plants inspected by state inspectors, under the provisions of the Wholesome Meat Act, may not ship meat in interstate commerce.

Smith's office said consumer groups have learned of Butz's proposal and are opposed to it.

Also, Clyde Weber, president of the American Federation of Government Employes, whose membership includes federal meat inspectors, said Friday "we're very concerned about the use of Talmadge-Aiken funds in this fashion."

HEARINGS URGED

Weber said he has asked for detailed information from the Agriculture Department about the proposal. He said the federation is urging congressional hearings and may seek to block the plan in court.

Butz acknowledged, at a meeting of the Senate Agriculture Committee this week, that the plan is under consideration as a way to keep states involved in meat inspection. Committee Chairman Herman Talmadge (Dem., Ga.) said he supports the plan.

Because of the high cost of running state meat inspection programs, even with federal assistance of 50 per cent, 13 states plus the Commonwealth of Puerto Rico have turned to total federal inspection. On Oct. 1, plants in Connecticut and Tennessee also are scheduled to come under federal inspection.

RABBITT INN—JUSTICE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. MOAKLEY. Mr. Speaker, on October 5, 1974, several Boston policemen caused harm to innocent people at the Rabbitt Inn in South Boston.

The entire situation was very disturbing because the police action was far more violent than the incident they were allegedly responding to. They showed up in riot gear which did little except to make identification difficult. And, most disturbing, the complaint to which they were supposed to be responding appears on the police log several minutes after their arrival.

Because of these questions, I called FBI Director Clarence Kelley at home at 7:30 the following morning and was assured that the FBI would investigate.

Since then I have spoken to Mr. Kelley, to the Assistant Attorney General in charge of the Civil Rights Division and to members of their staffs. For almost a year I have been assured that this is an "active" investigation. But how active can an investigation be that has produced no results in a year?

Mr. Speaker, it is with deep regret that I must rise at this time to accuse the FBI of a coverup. But the record of foot dragging and inaction leaves no other conclusion possible.

By failing to fulfill its responsibility the FBI has denied justice to many innocent South Boston residents hurt in the police riot and has denied justice to the Boston Police Department, the thousands of officers who have offered commendable service to our city while a few policemen ran wild.

THE AMERICAN PEOPLE SPEAK OUT ON THE ECONOMY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. CONYERS. Mr. Speaker, the People's Bicentennial Commission has performed a singular service to the Congress and the Nation in sponsoring one of the most thorough public opinion polls on the state of the economy ever conducted. The findings are remarkable and should strengthen the conviction that the people are often ahead of their Government in judging what the general well-being requires and what good Government means.

Given the economic shambles and political standpatism, is there any ground for hope? The Commission's poll is affirmative.

A mood of disaffection and even despair toward Government exists alongside a contrary mood of political expectation. There is no leader on the horizon but a tremendous yearning for leadership. Having been locked into a Government at the Watergate, if not at the watershed, and not knowing of its crime and corruption, is world's apart from having such a Government's dirty linen exposed and watching the Congress make an attempt to remedy official lawlessness. Public opinion polls are registering more and more popular discontent with the corporate stranglehold over the economy. The idea of economic democracy is winning more and more adherents. Something has to give.

Disaffection and expectation are curiously commingled. Is it fanciful to suggest that this twilight state may be conducive

to far-reaching political change? A healthy political tension exists, drawing from the energy of agitation, barely beneath the calm surface of American politics, and from the pull of popular expectation slowly crystallizing in the minds of millions of Americans that this country can and should be what it says it is, but has never been.

I recommend to my colleagues close scrutiny of the People's Bicentennial Commission poll. When the time comes to consider seriously legislation for full employment, to break up the monopolistic petroleum industry, to regulate multinationals, let us keep this record of public opinion in mind and have courage.

The poll follows:

PUBLIC OPINION POLL ON THE ECONOMY CONDUCTED FOR PEOPLE'S BICENTENNIAL COMMISSION

As we approach our Bicentennial as a Nation, a majority of the American public are calling for basic changes in our economic system that are as sweeping as the changes our founding fathers called for in our political system 200 years ago.

The P.B.C. commissioned Hart Research Associates to conduct a Nationwide telephone poll of 1,209 Americans on the week of July 25, 1975 on issues relating to our economic system and possible alternative solutions. Mr. Peter D. Hart, of Hart Research Associates, is a former vice president with Louis Harris Associates and Oliver Quayle and Company. His clients include the Washington Post and CBS News with whom he serves as a key election night analyst.

KEY FINDINGS

33 percent of the public believe that our capitalist economic system has already reached its peak in terms of performance and is now on the decline, while only 22 percent believe that it has not yet reached its peak and is still getting better.

57 percent of the public agree with the statement that both the Democratic and Republican parties are in favor of big business rather than the average worker, while only 35 percent disagree.

58 percent of the public believe that America's major corporations tend to dominate and determine the actions of our public officials in Washington, while only 25 percent believe that public officials in Washington tend to dominate and determine the actions of America's major corporations.

49 percent of the public agree that big business is the source of most of what is wrong in this country today while 45 percent disagree.

49 percent of the public feel that it would do more good than harm to develop a political movement to challenge the influence of big business, while 39 percent feel it would do more harm than good.

41 percent of the public are in favor of making a major adjustment in our economy to try things which have not been tried before, whereas 37 percent favor minor adjustments and only 17 percent favor keeping the economic system as it is and allowing it to straighten itself out.

A majority of those who voiced an opinion on the issue favored public ownership of oil and ther natural resources.

A majority of the public favors employee ownership and control of U.S. companies—employees owning all of the company stock and determining broad company policies, including the selection of management. In addition, 74 percent of the public favors a plan whereby consumers in local communities are represented on the boards of companies that operate in their local region.

56 percent of the public say they would definitely support or probably support a presidential candidate who favored employee control of United States companies.

POLL RESULTS SUMMATION

The American public has clearly lost confidence in our economic system. In every major area of performance except one, the public gives American business an overall negative rating in terms of performance. This disenchantment goes beyond just the immediate economic situation of the country with one out of three people believing that the capitalist system itself is on the decline. In terms of the political process the public goes further, with a majority feeling that both the Democratic and Republican parties are in favor of big business rather than the average citizen. A majority of the public also feels that America's major corporations "tend to dominate and determine the actions of our public officials in Washington."

Finally, by a plurality of 49 percent to 45 percent, the American public feels that "big business is the source of most of what is wrong in this country today." This deep-seated opposition to big business is reflected in the fact that by a margin of 49 percent to 45 percent, the American public favors a "political movement to challenge the influence of big business."

This lack of confidence in big business has led a plurality of 41 percent of the public to favor major adjustments in our economy "to try things which have never been tried before." When asked about specific major adjustments, 66 percent of the public said that they favored employee ownership and control of U.S. companies.

Up to now there has been virtually no public discussion or debate on the question of employee ownership and control of U.S. companies, and no major elected officials have come out in support of such a proposition. Moreover, at present there are only a handful of U.S. companies that are employee owned and controlled. Despite these facts a majority of the American people are in support of this fundamental and sweeping change in the economic system of this country.

The Hart Poll indicates that on the eve of the Bicentennial, a majority of the American public favor basic changes in our economy that will promote democratic participation at the work place and direct employee control over company policies.

This public opinion survey represents the first step in a year long "Common Sense" campaign by the Peoples Bicentennial Commission. We believe that it is time to extend democratic principles and individual rights to the economic life of the nation. We are at a critical turning point in history where the old cliches in support of both capitalist and socialist doctrines are inadequate to meet the needs and aspirations of the American people.

We advocate a new economic system where each company is democratically owned and controlled directly by the employees, with each firm operating competitively in a free market economy.

According to the Hart Poll, 67 percent of the American public feel that there has been too little discussion about the concept of employee ownership and control of U.S. corporations.

COMPLETE HART POLL RESULTS

THE NATION'S ECONOMIC HEALTH

55 percent of the public now term the nation's economic health as "poor" or "below average," while just 10 percent rate the health of the economy as "above average" or "excellent." The remaining 30 percent with an opinion saw it as "average."

VIEWS ON THE CAPITALIST SYSTEM

33 percent of the public believe that our capitalist economic system has already reached its peak in terms of performance and is now on the decline, while only 22 percent believe that it has not yet reached its peak and is still getting better, and another 30 percent believe that it is neither improving nor on the decline.

RATING THE PERFORMANCE OF AMERICAN BUSINESS

69 percent of the public give American business a negative rating in "keeping profits at reasonable levels," while only 26 percent give business a positive rating.

55 percent of the public give American business a negative rating in "providing good quality products," while 43 percent give business a positive rating.

59 percent of the public give American business a negative rating in "enabling people to make full use of their abilities" while only 35 percent give business a positive rating.

72 percent of the public give American business a negative rating when it comes to "really caring about the individual," while only 25 percent give business a positive rating.

84 percent of the public give American business a negative rating when it comes to "keeping down the cost of living," while only 12 percent give it a positive rating.

50 percent of the public give American business a negative rating when it comes to "safeguarding the health of workers and consumers" while 46 percent give it a positive rating.

75 percent of the public give American business a negative rating when it comes to "preventing unemployment and economic recessions" while only 18 percent give it a positive rating.

The public gives American business a negative rating in every category of performance except one; paying good wages and salaries.

55 percent of the public give American business a positive rating when it comes to "paying good wages and salaries" and 41 percent give it a negative rating.

THE EFFECTIVENESS OF ANTI-TRUST LAWS: PAST AND FUTURE

63 percent of the public believe that anti-trust laws have been "only somewhat effective" or "of little effect" in the past in "keeping corporations from getting too big," while only 31 percent believe they have been "very effective" or "fairly effective."

In terms of the future, once again, a majority of the public, 55 percent believe that anti-trust laws will be "only somewhat effective" or "of little effect," while only 31 percent believe that they will be "very effective" or "fairly effective."

WHAT IS WRONG WITH OUR ECONOMIC SYSTEM

72 percent of the public agree that "profits are the major goal of business even if it means unemployment and inflation," while only 24 percent disagree.

66 percent of the public agree that "generally people don't work as hard as they could, because they aren't given enough say in decisions which affect their jobs," while only 29 percent disagree.

67 percent of the public agree that "company management and stockholders are the people who benefit most from increased productivity," while only 27 percent disagree.

58 percent of the public agree that "local community interest and needs are not represented in making company policy," while 31 percent disagree.

61 percent of the public agree that "there is a conspiracy among big corporations to set prices as high as possible," while only 32 percent disagree.

56 percent of the public agree that "the increases that labor unions have gotten for

workers are too large" while 36 percent disagree.

57 percent of the public agree that "both the Democratic and Republican parties are in favor of big business rather than the average worker," while only 35 percent disagree.

49 percent of the public agree that "big business is the source of most of what's wrong in this country today," while 45 percent disagree.

DOES WASHINGTON CONTROL CORPORATIONS, OR DO CORPORATIONS CONTROL WASHINGTON

58 percent of the public say that "America's major corporations tend to dominate and determine the actions of our public officials in Washington," while just 25 percent believe that the reverse is true and that "public officials in Washington tend to dominate and determine the actions of our major corporations."

WHO BENEFITS FROM PROFITS

68 percent of the public believe that "profits mainly benefit stockholders and management," while only 23 percent believe that the reverse is true, and that profits mainly "improve the general economic prosperity of everyone."

ARE MAJOR CORPORATIONS LOYAL TO THE U.S.

54 percent of the public today say that if "corporations had an opportunity to sign a contract (with a foreign country) which would be profitable to the corporations but harmful to the interests of the United States," the corporations "would sign such a contract, while only 31 percent believe that the corporations "would not sign the contract."

HOW MUCH CHANGE IN OUR ECONOMY IS NEEDED

When asked which of three alternatives they favored to improve the economy, a plurality of 41 percent of the American people favor "making a major adjustment to try things which have not been tried before." By way of contrast, a smaller 37 percent favor "making minor adjustments to correct for current problems." Only 17 percent feel that the economic system ought to be "kept as it is, allowing it to straighten itself out."

SUGGESTIONS FOR CHANGING THE ECONOMY

Only 25 percent of the American public feel that it would do "more good than harm" to "eliminate all welfare and aid benefits except social security," while 67 percent feel that it would do "more harm than good."

A plurality of 44 percent of the American public feel that it would do "more good than harm" to "institute public ownership of oil and other natural resources" while 42 percent feel that it would do "more harm than good."

44 percent of the American public feel that it would do "more good than harm" to "institute a regulation where by companies can grow only to a certain size," while 47 percent feel that it would do "more harm than good."

66 percent of the American public feel that it would do "more good than harm" to "develop a program in which employees own a majority of the company's stock," while only 25 percent feel that it would do "more harm than good."

27 percent of the American public feel that it would do "more good than harm" to "limit all inheritances to $100,000," while 59 percent feel that it would do "more harm than good."

A plurality of 49 percent of the American public feel that it would do "more good than harm" to "develop a new political movement to challenge the influence of big business," while a smaller 39 percent feel that it would do "more harm than good."

74 percent of the American public feel that it would do "more good than harm" to "institute a plan whereby consumers in local communities are represented on the boards of companies that operate in their local region," while only 17 percent feel that it would do "more harm than good."

13 percent of the American public feel that it would do "more good than harm" to have "government ownership of all major companies," while 81 percent feel that it would do "more harm than good."

52 percent of the American public feel that it would do "more good than harm" to "institute a plan in which employees determine broad company policy," while only 38 percent feel that it would do "more harm than good."

CHOOSING BETWEEN THREE DIFFERENT ECONOMIC SYSTEMS

In exploring different approaches for our economy, the American public was given three types of companies and asked which one they would like to work for.

66 percent of the American people would favor working for a company that is employee owned and controlled. Only 8 percent of the public say they would want to work for a company that is owned by the government. Just 20 percent of the public say they would like to work for the now-dominant type of American business, the outside investor owned and controlled corporation.

WOULD EMPLOYEE OWNED AND CONTROLLED COMPANIES IMPROVE THE ECONOMIC CONDITION OF THE COUNTRY

50 percent of the American public feel that employee owned and controlled companies—where the people who work in the company select the management, set policies and share in the profits—would improve the condition of the economy, while only 14 percent say that such an arrangement would worsen the economy's condition. 29 percent feel the institution of employee ownership and control of companies wouldn't make much difference in terms of the country's economic condition.

WHAT IS THE POSSIBILITY OF HAVING EMPLOYEE OWNED AND CONTROLLED COMPANIES WITHIN THE NEXT TEN YEARS

44 percent of the American public believe that there is a "great possibility" or "some possibility" that our country will have employee owned and controlled companies within the next ten years, while 49 percent believe that there is "little possibility" or "no possibility."

WOULD YOU SUPPORT A CANDIDATE FOR PRESIDENT WHO FAVORED EMPLOYEE OWNERSHIP AND CONTROL OF U.S. COMPANIES

56 percent of the American public would "probably support" or "definitely support" a candidate for President who favored employee ownership and control of U.S. companies, while only 26 percent said they would "probably not support" or "definitely not support" such a candidate. 18 percent volunteered that their presidential decision would be based on other factors or were not sure.

GENERAL DISCUSSION ABOUT EMPLOYEE OWNERSHIP AND CONTROL OF U.S. COMPANIES

67 percent of the American public feel that there has been "too little discussion" about employee ownership and control of U.S. companies, while only 10 percent feel that there has been "too much," and just 9 percent feel that there has been "about the right amount."

STATE SCHOOL SUPERINTENDENT RILES POINTS TO BASIC SOLUTION FOR EQUALITY IN EDUCATION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ANDERSON of California. Mr. Speaker, the daily papers indicate that the question of busing to achieve school integration continues to be a difficult one for children, parents, and administrators.

A rational approach is needed and in a recent interview in the Los Angeles Times, the State of California superintendent of schools, Mr. Wilson Riles, made some comments that get to the point.

Mr. Speaker, I would like to include this article in the record.

[Los Angeles Times, Tues., Sept. 9, 1975]

ARGUMENT FOR BUSING ABSURD, RILES ASSERTS

(By Paul Houston, Times Staff Writer)

Washington—California schools chief Wilson C. Riles said Monday, "The concept that black children can't learn unless they are sitting with white children is utter and complete nonsense."

Thus challenging the basic premise of many advocates of school integration, Riles went on to attack sharply the use of crosstown busing.

The way to provide a good education for all, he told a group of California reporters, is not with a "Mechanistic" busing program but with better schools in ghettos and better job and housing opportunities for minorities.

"Give a person an opportunity to get a job and access to move, where he wishes to move, and you deal with the problem," he said.

"He can move to Beverly Hills or Encino. But to say you're going to pick youngsters up on 111th St. in Watts and bus them to Encino (a 28-mile freeway trip) in order to integrate them—that's where I get off.

"The minorities are not going to be happy with it, the majorities are not going to be happy with it, and I see no educational value in that nonsense unless you equip the bus with a television set and a teaching machine."

Riles stated similar views in his 1970 campaign for election as state superintendent of public instruction when he was running as a liberal black against Max Rafferty, a white conservative. But an aide said Riles spoke out "more vigorously" Monday as controversial school busing programs were being carried out in Boston and Louisville.

Riles said those two cities had "practically lost the battle, and it will take years to heal the wounds."

He urged President Ford and the governors, mayors and school officials in Massachusetts and Kentucky to "counsel their people to be rational and sit down as men and women and work this thing out. Unless your leadership stands up strongly and speaks out for law and justice and peace and fairness, the people are just going to fly apart."

Riles was here to lobby for education bills. He made his remarks when the reporters asked about his views on busing.

DEMO CAUCUS GOES PUBLIC

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, as chairman of the House Republican Conference I want to commend our Democratic counterpart, the caucus, on following our lead in opening its sessions to the public. I also want to commend the Democrats on abandoning their rule which permitted binding Democratic votes on the House floor. I think our Democratic colleagues will find

as we have that sunshine is not fatal and that they are capable of exercising their independent judgment in a responsible manner without binding party instructions. I would hope that this spirit and logic will also be applied to voting in committees. While the rule binding floor votes has only been used once in recent years, the practice of binding Democratic committee votes has been resorted to more frequently—particularly on the Rules Committee of which I am a member.

I welcome the obituary on "King Caucus" delivered yesterday by the caucus chairman and can only hope that such reports on the death of King Caucus have not been highly exaggerated. Only time will tell. Opening the wake to the public will permit us all to observe the King Caucus carcass in final repose and detect any attempts to revive it. At this point in the RECORD I include the text of the resolutions adopted by the Democratic caucus yesterday along with today's Washington Post account of that action:

DEMOCRATIC CAUCUS,
September 9, 1975.

At the Democratic Caucus meeting of September 9, 1975, the following changes in the Caucus Rules were approved by voice vote:

(1) Repeal Rule 8 and amend Rule 7 to read as follows:

"No Member shall be elected to serve as Chairman, Secretary, or Assistant Secretary of the Democratic Caucus for more than two consecutive terms.

"With respect to voting in the House for Speaker and other officers of the House, for each committee chairman, and for membership of committees, a majority vote of those present and voting at a Democratic Caucus meeting shall bind all members of the Caucus."

(2) Strike in its entirety standing rule R9 and substitute the following:

"R9. Admittance to Caucus Meetings.

"All that portion of any Caucus meeting, regular or special, that involves action by the Caucus with respect to proposed legislation shall be open to the public, except when a majority determines by a roll call vote, a quorum being present, that the portion of the Caucus meeting involving action by the Caucus with respect to proposed legislation shall be closed.

"During the closed portion of any Caucus meeting, no persons, except Democratic Members of the House of Representatives, a Caucus Journal Clerk, and other necessary employees, shall be admitted to the meeting of the Caucus without the express permission of the Chairman."

[From the Washington Post, Sept. 10, 1975]

HOUSE DEMOCRATS WILL OPEN SOME CAUCUSES TO THE PUBLIC

(By Richard L. Lyons)

House Democrats voted yesterday to open parts of their party caucuses to the public and to repeal a 1911 rule by which a two-thirds caucus vote can bind all Democrats on House floor votes.

The "sunshine" rule will open the caucus of all House Democrats when they are debating and voting on legislative proposals, unless a majority votes on the record and in public to close it. This is the same rule that has opened most House committee meetings. Discussion of caucus rules changes, election of committee chairmen and other intra-party matters will still be held behind closed doors.

Some liberals opposed the change for fear it would dilute the effectiveness of the caucus—as its original conservative sponsors had hoped. But Rep. Phillip Burton (Calif.), activist chairman of the caucus, said he had no such fears.

The once-dormant Democratic caucus has been revived over the past half-dozen years to become the most effective tool in the liberal drive to open up the House, break the seniority system and thrash out party positions on issues.

For a time, with Burton's election as chairman and the addition of 75 eager freshmen last January, it even appeared to envision becoming a legislative body.

It directed Democrats on the Rules Committee to permit a floor amendment repealing the oil depletion allowance to be offered to the tax-cut bill. Later, while a request for more military aid to Vietnam and Cambodia was before the International Relations Committee, it adopted a resolution expressing its view that no more aid should be given.

They began the push to open up caucus meetings, led by Rep. Bill Chappell (Fla.) and other conservatives opposed to letting the liberal majority set legislative policy within the caucus.

Rep. Bob Eckhardt (Tex.), a liberal who favors closed caucuses, said yesterday's action was supported both by conservatives who want to slow down caucus action and by idealistic liberals who think open is good. Burton said the resolution was adopted by an "overwhelming" voice vote in the closed session.

Eckhardt, who led the earlier move to open up committee meetings, said the Democratic caucus should remain closed because it is vital that a political party meet by itself to plot strategy. If the caucus is open, then its real work will be done at some earlier informal closed session, he said.

House Republicans opened their conferences earlier this year, but as a one-third minority they have less to do.

The dispute over whether the Democratic caucus should tell a committee how to write legislation is now virtually dead. The caucus has not tried to tell a committee what to do since it opposed further military aid to Indochina in March.

But that muscular action provoked Republicans to complain of "King Caucus" trying to run the House. They referred to the two-thirds binding caucus rule, used only twice in the past 50 years but still on the books. Sixty years ago, Democrats used the binding rule often to ram legislation through. But its only use in recent years was on a 1971 vote repealing a rule that would have given Republicans one-third of all committee staffs.

Burton said the binding rule was repealed without opposition yesterday at the request of the reform-minded Democratic Study Group, who said it served no purpose "other than as a prop for Republican fairy tales about the evils of King Caucus."

WOMEN'S COALITION FOR THE THIRD CENTURY SIGN A DECLARATION OF INTERDEPENDENCE

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mrs. CHISHOLM. Mr. Speaker, this morning some of my colleagues and I participated in a ceremony on the steps of the Capitol in which we signed a "Declaration of Interdependence." This document was issued by the Women's Coalition for the Third Century, a national coalition of diverse women's groups working around the Bicentennial theme. The statement calls for a new order in this country as we begin our 200th year as a nation. We must realize that—despite all our accomplishments and acquisitions, despite our role as the most powerful Nation in the world—we have yet to meet the human needs of many of our own citizens and the people who need our help throughout the world.

I insert into today's RECORD the text of this document on behalf of my colleagues who signed it so that all the Members of this body can review it and consider its principles:

PREAMBLE

Two hundred years ago the United States of America was born of the courage and strength of women and men who while searching for liberty, gold or adventure, endured to lay the foundation of our nation with their lives.

Believing in a people's right to govern themselves, they drafted a Declaration, initiated a revolution and established this republic. Some who struggled for freedom were not fully free themselves: youth, native Americans, blacks, women of all races, and the unpropertied.

Each of us emerges out of the past with a different story to tell. We inherit a nation which has broken through to a technological age with all the dangers and promises that holds. Responsibility rests on us. We are committed to the Constitution of the United States, amended by the Equal Rights Amendment, and the evolving democracy it protects. We believe in the right of all people to self-government.

History teaches us that both unlimited power and powerlessness breed corruption; that where all human beings are not valued, humanity is violated; that where differences divide us, they limit and distort us; that independence is an illusion and unlimited freedom is tyranny, plunging whole societies and people into chaos and bondage. Human survival requires interdependence.

We have been called to new consciousness by impending crises that threaten to overwhelm us if we obediently serve institutions that do not serve us.

We will no longer endure the corruption of power which risks the world's future by ignoring the rights and well-being of persons and communities. The imperative of the present is to integrate the struggle for greater humanization. To be more fully human is to share life, to respond to the dignity of ourselves and others, to be committed to the growth of one another, to develop and vitalize human community. It is necessary then to risk, to be in conflict, to suffer, to love and to celebrate.

DECLARATION

We therefore make this declaration. We are interdependent with the good earth, with all people, and with devine reality.

In declaring our interdependence with all peoples, we recognize geographic communities of persons and their interdependence with one another. We affrm our common humanity and we respect one another's uniqueness. We accept our responsibility to share the visions, hopes and needs of one another and pledge ourselves to protect each other's freedom.

We shall be dedicated to the empower-

ment of all people and to the expression of each person's creativity.

We shall commit ourselves to a world in which food, shelter, clothing and health care are the rights of all people.

We shall seek protection for people in need of care in our society, and work to provide support systems for those responsible for their care and nurture.

We shall create a climate for the creative development of each person's human potential, and for the utilization and enjoyment of all human resources for the good of all people.

We shall respect the dignity and privacy of expressions of individual personality and living relationships.

We shall be committed to lifelong learning with access to education for all persons and for the responsible uses of communication media.

We shall be committed to all people's responsibility for public institutions of government law, education, business, and religion, and to the concept that those institutions be responsive to the direction of the people.

We shall value and share use of free access to all public information and shall protect and value individual privacy.

In declaring our interdependence with the earth we affirm our reliance on it, our mutual responsibility for it and the rights of all persons to the fruits thereof.

We shall enjoy, protect, restore and improve the world that we inherit.

We shall produce the world's resources and share them among all peoples.

We shall enjoy and cherish the sacredness and privacy of our bodies and shall bring into the world children who are wanted.

We shall use and control technology for the survival and protection of nature and all people.

In declaring our interdependence with Divine Reality we recognize the possibilities of a sacred mystery within and around us.

We shall honor and protect people's right to gather as they choose in religious communities.

We shall support each other in pursuit of truths which emerge from our diverse experiences and histories, rejecting those exclusive claims to truth which deny the sacred existence of others.

We shall be open to revelations that extend beyond the boundaries of our current understanding and wisdom.

We shall recognize the divine within ourselves and in one another.

We women and men and children make this Declaration living in the midst of a world in which women are subservient and oppressed, men are repressed and brutalized, and children are violated and alienated. In making this Declaration we seek a new order and covenant ourselves to a fully interdependent society. We live in a world in which love has yielded to war, art to science, religion to materialism, and sexuality to violence. We are committed to the discovery of a humanity which lays claim to the fullness of life.

We disclaim any right to privilege in order to honor the full dignity and development of all and take up responsibility for instituting freedom.

We long for light to shine on our darkness and life on the shadow of death, and for our feet to be guided in the way of peace. We shall live with grace and struggle with courage through the transitional years that lie ahead.

The Women's Coalition for the Third Century offers this Declaration of Interdependence to the people of the United States for response. In so doing we declare our intent to be architects of our Third Century. The future belongs to those who can dream with courage and creativity, plan with intelligence and wisdom, and act with power and compassion for the liberation of humanity. We invite others to join us in this declaration.

DECLARATION OF IMPERATIVES

We are aware of humanity's suffering, for as women we have been in bondage to unjust systems. Now we will define ourselves and find release from the values, images, myths, and practices that for centuries defined us.

We will no longer be governed by institutions that do not seek, respect and include our leadership.

We will not be taxed without representation.

We will not be bound by the authority of legal systems in which we participate only minimally in the making and administration of the laws.

We will not be exploited in the labor force.

We will not be the only ones responsible for child care, homemaking and community building.

We reject educational systems that distort our reality.

We will not accept philosophies and theologies that deny our experience.

We will not abide prophets of the future who ignore our struggle.

We will not be reduced to sex symbols nor have our sexuality determined by others.

We will not be the principal source of morality for this nation. We insist that our contributions to conscience be incorporated into the public as well as the private sector. And we will not be destroyed by unethical and immoral leadership. We will not be divided by the distinctions that have traditionally alienated us from one another.

We will share the leadership of society and its government. We will demand respect for work inside and outside the home. We will share in the labor force and treasure leisure. We demand education that maximizes human potential. We will share in raising families. We will develop philosophies and theologies. We will enjoy our sexuality. We well create the future and act with strength in the fulfillment of these imperatives.

The Women of the Coalition for the Third Century make this Declaration to make certain our rights are not once again denied and our value and values ignored. Our concern for interdependence requires of each full partnership with all in the search for a human order.

HEROIN USE INCREASES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. RANGEL. Mr. Speaker, the commissioner of the New York City Addiction Services Agency has provided me with an alarming report, which cites, among other things, a significant increase in the number of heroin users in my city of New York as well as other cities and towns throughout this country. In addition to the upturn in usage, there has also been a dramatic increase in the quality of heroin that is now available. My own community of Harlem has been used as an example citing the fact that street heroin with a purity of 25 percent has been seized compared to 3.5 percent the previous year.

The report clearly indicates that the corner in the battle against this deadly menace has not been turned and that we must intensify our efforts to prevent an epidemic of unprecedented proportions from sweeping the country and destroying the lives of this Nation's youth. I commend the full report to my colleagues and place it in the RECORD at this point.

ADDICTION SERVICES AGENCY,
New York, N.Y., August 6, 1975.

Hon. CHARLES B. RANGEL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CHARLES RANGEL: According to all official and unofficial sources, heroin addiction is once again on the rise in New York City and in cities across the nation.

At the end of 1974, according to unofficial estimates of the Drug Enforcement Administration, the number of heroin users had increased nationally to 724,000 from 612,000 the previous year. Although all previous years had shown progressive increases this was a much greater increase than in any year since 1970.

Moreover, by the end of 1974, heroin overdose cases represented 8.9 percent of all drug emergency cases in reporting hospitals across the country. This was a 31 percent increase over the same period in 1973, and is considered a particularly accurate indicator of the state of heroin use.

According to figures just released by the U.S. Commissioner of Customs, there was a 35 percent increase in heroin seizures during the first six months of 1975 over the same period last year. And seized quantities of such drugs as morphine and codeine showed an even greater increase of 166 percent over the same period in 1974.

Further, at the end of 1974 narcotic overdose deaths nationally increased 35 percent over the same period in 1973. This was not true in New York City, where overall narcotics related deaths had shown a decrease since their peak in 1971. Nevertheless, 1973 and 1974 showed dramatic increases in *methadone* related deaths in New York City, to the point that they are now twice as common as heroin related deaths.

In the New York City area, the purity of available heroin rose considerably to about seven percent purity per $2 "bag" from about 3.5 percent purity for the same quantity the previous year. In some sections of New York City, notably the East Village, Chinatown, and parts of Harlem, the New York City Police Department has recently reported seizures of street heroin with a purity as high as 25 percent.

The only area in which heroin related statistics show a decline is in arrests. Heroin and Cocaine arrests City-wide at the end of 1974 were 7,415, a slight decrease from the 1973 figure of 7,574 and a dramatic decline from the 1971 figure of 29,358. This average decline in arrests probably indicates an attempt by local police forces to concentrate their arrests on wholesale "pushers" rather than small-time users. It does not indicate a decline in the number of users.

Property crimes nationally increased 17 percent in 1974 over 1973. The increase was particularly dramatic in New York City where property crimes increased 13.8 percent in 1974 over the previous year. While the Addiction Services Agency does not regard the property crime index as an adequate reflection of the prevalence of addiction, it does not discount such increases as a measure of increased drug use, either.

Another excellent indicator of the availability of heroin and other hard drugs is the demand for treatment. In New York City, the 33,000 persons in methadone maintenance

programs represent a 97 percent utilization of treatment capacity for that mode of treatment. Although the utilization for the City's 100 drug free programs is at a lower level, the utilization varies from program to program and is expected to be close to 100 percent in the fall.

Moreover, recently released Federal figures indicate that by March 1975, the utilization of the 217,000 Federally funded treatment slots across the country had approached 100 percent. In New York City, it was 93 percent.

Almost every day, figures come across my desk like those I have listed above, indicating a dramatic increase in drug abuse across the nation. To some extent, we in New York City have been more fortunate than people in other cities because although we have the largest drug abusing population in the world, we also have the largest treatment and rehabilitation network and a Police Department that has rapidly increased its capability to deal with narcotics at the source.

Nevertheless, because the profits in narcotics dealing are vast, and because the demand for drugs is ceaseless, the drug problem has continued to mushroom.

Last month, the largest opium crop in Turkish history was harvested. Although Turkish and United Nations officials have claimed that new procedures will prevent diversion of Turkish heroin to the streets of New York City, I prefer to believe the worst until I am proven wrong.

Moreover, we are now seeing large quantities of so-called "brown rock" heroin grown in Colombia, Venezuela, and Mexico and shipped clandestinely across the Mexican border, a far more difficult entry point to control than the docks of New York City.

All of this comes at a time when Federal and State funds for the treatment and rehabilitation of drug abusers in New York City are being slashed drastically. Some of the Federal funds that formerly went to treatment are now being diverted to law enforcement. Although I am not critical of the law enforcement sector's desire for more funds. I wonder what we at ASA will be able to accomplish in 1975 and 1976 if there is a massive increase in the number of heroin addicts and inadequate funds to treat them.

This is why I am writing to you. As a legislator you have the power to influence the allocation of funds that the Addiction Services Agency and New York City's 305 rehabilitation programs for drug abusers badly need.

I want you to know that we at ASA have demanded cost effective programs and will continue to demand accountability.

Drug addiction has not gone away. It isn't going to go away. Indeed, in the next few years it may get far worse than it has ever been.

If you would like to discuss this epidemic with me further, as I hope you will, please call me at 433-3790. My staff and I stand ready to work with you.

Sincerely,

JEROME HORNBLASS,
Commissioner.

DÉTENTE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. GOLDWATER. Mr. Speaker, on May 28 of this year, Rabbi Juda Glasner was awarded the Freedom Foundation's George Washington Certificate in recognition of the subject matter in a chapter extracted from his recently published book, "Faith in Spite of All." The chapter, entitled "Détente: Is It Real Peace or Is It Just a Subterfuge?" was chosen for its sobering appraisal of our current relationship with the U.S.S.R.

I sincerely hope my colleagues will take a few moments to read, consider, and reflect on the words of Rabbi Glasner:

[From B'nai B'rith Messenger, Sept. 27, 1974]

DÉTENTE: IS IT REAL PEACE OR IS IT JUST A SUBTERFUGE?

(NOTE.—Rabbi Juda Glasner was born in Czechoslovakia in 1918. At age 26 he was thrown into a nazi slave labor camp. Escaping, he was promptly captured by the Russian Communists. Escaping again, he aided in the rescue of thousands of other refugees. Since 1952, he has lived in the Los Angeles area, where he has earned the respect of the veterans and patriotic organizations. This is an extract from his new book—"Faith In Spite Of All,"—Vantage Press.—Editor)

(By Rabbi Juda Glasner)

Many people, knowing of my lifelong struggle against Communism, are asking me today, "Does the present détente mean real peace in our time?"

The present détente, in my opinion and based on my life experience, is only a subterfuge to get from the American people the technical know-how the U.S.S.R. needs. When the time is ripe . . . when Russia has received sufficient technological and economic assistance from us . . . when the Soviets no longer fear any danger to themselves, thanks to their overwhelming military superiority, then they will show their true face again! I shudder to think what that face will be!

You must remember that Brezhnev served his apprenticeship in the same slaughter house as did Lenin, Stalin, Kruschev and Kosygin, and he wields the same cleaver of tyranny handed down by his predecessors.

Now that Brezhnev is working diligently to dismantle the cold war and bring about new relationships with the United States, I cannot help thinking of the ways by which the Soviets have circumvented all previous agreements so that they could consolidate Communism worldwide. Their goals, there can be no doubt about it, are still the abolition of the free choice of peoples to elect their leaders, and the establishment of an anthill type of society throughout the world!

Many naive people exclaim enthusiastically, "What a wonderful light of international understanding rises now." But Pravda, official organ of the Russian Communist Party, comments, "Coexistence does not mean a discontinuation of the class struggle, only the renunciation of military methods."

Krushchev's boast, "We shall bury you!" still animates the leaders of the Soviet Union. The latter is basically hostile to the United States. It would like to see a weakening of American power and influence everywhere.

The light on the horizon, optimistically called "detente," the meetings between American and Russian leaders, Brezhnev's visit to the United States, did not prevent Russia from pursuing a dangerous policy in the Middle East, one which once more brought the world to the brink of World War III. She poured, and is still pouring, billions of dollars worth of armaments into the Arab states, not because of any love for the cause of the Arabs, but in order to realize her long-time aim, to acquire bases in the Mediterranean and to set foot in the Indian Ocean.

Had the Arabs defeated Israel, the Russians would be in a position to lay their hands on the world's oil resources and to dictate to Europe. They would have at the same time secured their flanks and occupied an impregnable position in Asia. The stakes were high; the expected results justified the heavy expenses.

While they thus armed the Arabs, they were speaking of detente and of peaceful coexistence. At a time when Brezhnev was posing for the photographers with American leaders, the most sophisticated Russian arms were being delivered to Egypt and Syria, in order to enable the Russians to fight by proxy, by the pawns and puppets they were moving, for their ambitious interests.

It was not a Westerner but Andrei Sakharov, a celebrated Soviet scientist, who issued the loudest warning to the West not to give technological assistance to the Soviet Union without forcing a change of the police system now prevailing in that country. At a historic press conference Sakharov made the following statement:

"I emphasize the need for mutual trust, which to be achieved, requires wide public disclosure and openness in a society as well as democratization, the freedom of dissemination of information, of the exchange of ideas and respect for all basic rights of the person, particularly respect for the right to choose the country where one wishes to live."

Americans should heed the words of this courageous Russian, and of the talented author Alexander Solzhenitsyn. They know more than anyone else what it means to live in an unfree country. They constitute but the latest spearhead of the dissidents, victims of a society intolerant of intellectual dissent, fearful of new ideas, suspicious of all that fails to conform with rigid Communist Party dogma enforced by the power and the mentality of the secret police.

"Never in the history of any land," Solzhenitsyn contends, "has any people suffered so much at the hands of their government as under the Soviet system." Solzhenitsyn in fact estimates that Soviet repression has been 10 to 1,000 times greater than Czarist repression, depending on whether one is talking about arrest, exile or execution. We could amplify this, speaking of the Russian Communists: "They preached liberation and they have enslaved their people."

The Soviet Union brands as "enemies of international peace" all those who warn against strengthening the Russian * * * freedom are ignoring the fact that a totalitarian society has no control over its rulers. By the very nature of totalitarianism, such a a government feels insecure, and constantly extends its power in order to find the security which eludes it!

The euphoric "peaceful co-existence"—in the name of which the Soviet Union now obtains from the West the technology she has been unable to develop herself—has its own Communist meaning. It is Brezhnev's and Kosygin's view that "co-existence" will be given a new turn whenever opportunities present themselves to obtain sudden and great advantages.

Détente could be a beginning, but détente is not enough. For a lasting peace, freedom must reign everywhere. The people must be informed, made part of the decisions of their governments. Ideas and individuals must travel freely inside and across geographic borders. A utopian goal? Perhaps, but one that is made imperative by the atomic age when an arbitrary government, a clique of madmen or a tyrant thirsty for power can initiate atomic warfare which would spell the destruction of mankind.

From a slogan, from a vision, universal freedom has become a condition essential to mankind's survival!

SOCIAL SECURITY FOUNDER MAKES RECOMMENDATIONS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. PICKLE. Mr. Speaker, the Social Security Subcommittee of the Committee on Ways and Means, on which I serve, has spent a great amount of time this year exploring all aspects of the financial problems facing our social security system. We have found hope in the fact that solutions are possible—if complicated.

In sorting out what course to recommend, we have sought the advice of all elements and segments involved, and I now welcome the advice offered us by one of the original drafters of the Social Security Act of 1934. He is the Honorable Wilbur J. Cohen, and his recommendations were summarized in an article he wrote for the New York Times, Monday, August 18, 1975. We may not agree with all he says, but he says it convincingly. I insert the reprint of that article for the benefit of my colleagues at this time:

[From the New York Times, Aug. 18, 1975]

SOCIAL SECURITY REACHES AGE 40

(By Wilbur J. Cohen)

ANN ARBOR, MICH.—Forty years ago, Aug. 14, 1935, on a warm afternoon in the Cabinet room of the White House, President Franklin D. Roosevelt signed the landmark Social Security bill into law. He said the law "represents a cornerstone in a structure which is being built but is by no means complete."

Since that time, the law has been amended in major respects on some dozen different occasions, broadening and expanding the limited initial effort on an incremental pragmatic basis into an important feature of the American way of life.

Today, under the Social Security Act, about 32 million individuals are receiving regular monthly cash insurance benefits for old age, survivors and disability; about ten million persons a year have some of their medical bills paid under Medicare, and 25 million poor persons under Medicaid; over ten million persons have drawn benefits under the unemployment-insurance features of the law during the 1974–75 recession; over four million aged, blind and disabled persons are drawing Supplemental Security Income payments.

Some eleven million persons draw aid for dependent children, and thousands of parents and children receive maternal and child health, crippled children and child welfare services under the act.

Over $100 billion was paid out under the Social Security Act last year. Along with other Federal, state and private pension and social welfare programs, the total amount being currently disbursed exceeds $15 billion a month—a significant volume of purchasing power that has set a floor under consumer income and moderated the adverse economic impact of the recession on families and the economy.

Today, all income maintenance and welfare service payments represent about 15 per cent of the nation's personal income—a far change from 1929 or even 1960!

The widespread acceptance of Social Security is due in large part to the contributory earnings-related social-insurance philosophy that emphasizes the work ethic and individual responsibility and has appealed to both liberals and conservatives, Democrats and Republicans, and individuals in all socio-economic groups.

The statutory right to earned benefits without recourse to welfare restrictions appeals to minorities as well as the majority.

The low cost of administering the program (only 2.5 per cent of benefits) and the compassionate, helpful and friendly attitudes in the local offices has made the Social Security program a distinctive and acceptable feature of a free society.

But despite the remarkable achievements, there are many proposals for changes and reforms in the program.

Looking ahead, the number of persons age 65 and over will grow from the present 22 million to 30 million by the year 2000 and fifty million by the year 2030.

We must begin to consider how to prepare our society for a much greater proportion of older people—perhaps 15 per cent of the total population.

The long-run implications need imaginative consideration. For instance, consideration might well be given to increase the amount of benefits substantially (4 per cent a year) for those who delay retirement after age 65.

There are, however, important short-run changes needing prompt attention.

The most immediate Congressional action is to restore the financial integrity of the Old Age Survivors and Disability Insurance program.

This can be done by increasing the maximum earnings base for contributions and benefits, which is now $14,100 a year. This figure, it is estimated, will automatically rise to about $17,000 in 1977.

An increase to about $24,000 in 1977 and succeeding years would result in enough additional income to cover expected expenditures in the near future and rebuild the reserve fund.

It is essential that Congress enact such legislation this year to foreclose the anxieties about the future financing of the system.

The 1975 refund of Social Security contributions for individuals earning less than $4,000 should be extended.

The most far-reaching legislation needed is the enactment of a national health-insurance plan as part of the Social Security system.

This can be done by building upon the tried-and-tested Medicare program.

Instead of trying to put all medical benefits for all of the American people, into effect at one time, a step-by-step expansion is more desirable.

The combined Social Security and health-insurance system should be financed by employers paying one-third of the cost, the Government one-third, and employes one-third.

The existing discrimination against women should be eliminated, especially that against divorced women and married working women who are not now entitled to full benefits. All household services should be covered, including those of the nonpaid wife or husband.

Two benefit improvements need to be made to take account especially of problems arising from the recession: Individuals who are 55 years old and over who are totally disabled for their regular and customary work should be entitled to benefits; and those persons between 60 and 62 should be entitled to draw their Social Security benefits on an actuarially reduced amount as persons age 62–65 now can do.

To assure that the Social Security program is administered without regard to political effect, the program should be placed as it was originally under a three-person board with terms of office rotated so as to assure the political independence of the board members.

The Social Security program is a sound structure on which we can build and adapt to changing needs. It is one of the institutions we have built with care and intelligence. We have both the economic resources and the administrative capacity to continue to improve it incrementally in relation to our national priorities and productivity.

THREAT TO BEACHES

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mrs. CHISHOLM. Mr. Speaker, I think that it is important that we, as Members of Congress, remind ourselves occasionally of the position which oil is accorded in our society. Few commodities which are so vital to the national economy have become so exclusive and so expensive in such a short time. We can see the effect of the fourfold increase in oil prices in the last 2 years not only in the official Government unemployment statistics but also in the expressions on the faces of our unemployed constituents. If the President's plan, which is supported by the major oil companies, prevails, oil, which all of us require in some fashion, will join the growing list of extinct items on the shopping list of the poor and near poor. Oil, the price of which we should be controlling, is taking control over us.

Much like our desire for cheap coal which brought us millions of acres of unreclaimed strip mined land, our craving for oil now threatens the coastal waters and beaches of the eastern shore of the United States. We already have been asked to give up a greater portion of our incomes for oil; now we are asked to give up our recreational areas for this commodity. I am wondering where this dangerous trend is going to lead and when it is going to stop. We must not overlook the position which we have assigned to oil.

New York Times columnist, William V. Shannon, has written an excellent article about our affection for oil and its effect on our lives, our land, and our water. The article, entitled "Threat to the Beaches," appeared in the Times, August 24, 1974, during the recess, and I would like to share it with my colleagues. The article follows:

[From the New York Times, Aug. 24, 1975]

THREAT TO THE BEACHES

(By William V. Shannon)

WASHINGTON, Aug. 23—Do we use oil or does oil use us?

The glum question is evoked by the Interior Department's announcement this week that it plans to lease 1,300 square miles of the Atlantic sea bottom from north of Atlantic City, N.J., to Rehoboth Beach, Del., for oil and gas drilling. To anyone who knows this overbuilt but still beautiful stretch of shore, the coming of the oil men can only set off angry questions.

What do we use oil for? About one-half

of it is refined into gasoline. What do we use gasoline for? The one hundred million Americans who live along the Atlantic seaboard use a lot of it every summer driving to the seashore. Once the oil companies start drilling offshore, what will these motorists find when they get to the beach?

Oil. There will be a skim oil, sometimes invisible, sometimes a shimmering blue, atop the rolling surf. There will be black oil tar oozing up through the sand and coating the soles of your feet. If the almost inevitable "blowout" occurs, there will be crude oil by the thousands of gallons fouling the beaches for miles and coating the feathers of shorebirds in its greasy, deadly embrace.

I have walked the coastline of Louisiana and seen the devastation wrought by offshore drilling. I have swam at beaches around Los Angeles and spent an hour at home after each swim trying to wash the oil off my bathing suit. I lived for a year in Santa Barbara—before the enormous "blowout" of 1969—when the lights of only one "Texas tower" could be seen winking in the harbor. Because of seepage, the water was too oily to swim in. Like most Santa Barbarans, I used the beaches only for walking and sunbathing, getting my feet oil-stained.

As soon as this article is published, platoons of oil company vice-presidents will descend upon me to insist that such misfortunes never—well, hardly ever—occur any more thanks to the marvels of petroleum technology. If their faith in technology proves misplaced and Atlantic beaches are fouled with oil, they will then blandly explain that all energy taken from the earth involves some "tradeoff" in environmental damage.

But even if the confident safety claims of the oil companies are valid, there is still no escaping the hideous damage that offshore oil drilling will do to the coastal villages and unspoiled beaches.

Robert Bendiner, writing in The Times Sunday Magazine (June 29), describes the impact on fragile shorelines of the oil rigs themselves. "Gigantic structures, they must be assembled at points as near to their intended operating sites as possible. At these shore points they are placed side down on great barges and towed to sea. The leg section of the largest platform is itself some 23 stories tall. . . .

"The building and siting of these towering 'islands' inevitably requires an onshore task force to operate the essential fleet of boats and barges, to supply the daily needs of the crews but, above all, to assemble the platforms in the first place. Along with their families, this working force, swooping by the thousands on a small coastal community, creates monumental problems—both social and environmental, both immediate and long range."

Dismal as this prospect is, oil drilling off the Atlantic coast will not even make any great difference in solving this country's dependence on imported oil. The Geological Survey estimates that there may be ten billion to twenty billion barrels of oil on the Atlantic continental shelf, enough to offset present imports for only four to nine years. So much depredation for so little gain.

But what about "Project Independence" and the goal of becoming self-sufficient in energy by 1985? Isn't oil from the Atlantic essential to meet this goal?

In truth, Project Independence is a fraud, one of many politico-public relations frauds concocted by former President Nixon. The nation is not going to be independent of foreign sources of energy in the forseeable future. But Project Independence, irresponsibility perpetuated by the Ford Administration, is a marvelous cover for the oil-gas-and-coal conglomerates. Any rip-off of the public from unregulated strip-mining to quick exploitation of the continental shelf can be justified by the pretext of making the nation self-sufficient.

Notwithstanding the smog of propaganda laid down by the Ford Administration and the oil companies, there is nothing inevitable or necessary about drilling the Atlantic shelf if citizens become aroused and make their resistance known.

Those oil rigs seeking to move up the Atlantic coast are not the agents of fate or of the national interest. They are only propelled by the mindless greed for profits. It is time to call a halt, time to make clear at last that oil must not be the master of us all.

HOW NOT TO REGULATE LOBBYING

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. TEAGUE. Mr. Speaker, a most interesting editorial appeared in The Washington Post on Sunday, September 7, 1975, by Mr. Alan B. Morrison entitled "How Not To Regulate Lobbying." I wish to commend Mr. Morrison's common sense and perception of an important issue facing the Congress.

There are many "lobby bills" introduced to the Congress, one of which I drafted. The reason for several bills is obviously due to the fact that we are in need of reform of the old 1946 law regulating lobbyists. Let us make sure that we pass sensible legislation. I commend the editorial by Mr. Morrison to you, my colleagues, and the general public because he makes sense.

The editorial follows:

[From the Washington Post, Sept. 7, 1975]

HOW NOT TO REGULATE LOBBYING

(By Alan B. Morrison)

The scene: The door to the chamber of the House of Representatives. It is the final minutes before a key roll call vote. Members are trying in vain to enter to cast their ballots, but the door is clogged not only with lobbyists offering advice, but also with their secretaries recording the names of everyone they speak to and what advice they are offering. The reason: The new lobbying law requires the lobbyist to record each meeting with a member of Congress and the substance of each conversation so that it can be included in his quarterly report.

The scene: A cocktail party in Georgetown which is just about to break up. Everyone is busily writing down names, positions and subjects of conversations with the numerous congressional and executive branch employees who are in attendance. The reason: The new lobbying law applies to all conversations with congressional employees and those thousands of employees in policy-making positions at all levels of the executive branch.

The scene: A small town in middle America. The postman has just arrived with a letter from the Federal Election Commission advising Mr. Jones, who has never been to Washington, that he has violated a federal law by not registering as a lobbyist. The reason: Mr. Jones was told by a Social Security employee that his one-day-a-week job was earning him too much money and that he would have to quit it or lose his Social Security pension. When he found out that his neighbor who received $20,000 a year in dividend income could still draw social security because he didn't "earn" the extra money, Jones started calling his congressional delegation and their staffs, urging them to change the law. Under the new law on lobbying, because he made eight calls in a quarter, he became a lobbyist and could go to jail for not registering.

The scene: The home of a Washington area resident who has just received a call from a local charity asking him for a large contribution. The caller pointed out that the resident had contributed $125 to Common Cause and that his charity was at least that deserving. The reason for the call: A check of the files of the Federal Election Commission reveals the names and addresses of all members or organizations that lobby if the member gave more than $100 a year.

Fortunately, none of these events has yet taken place. The lobbying law amendments that could make them happen are still before the Senate Government Operations Committee, which held hearings last spring and plans more hearings this fall, and a House Judiciary subcommittee chaired by Rep. Walter Flowers will open hearings on these and similar amendments this week. While the National Association of Manufacturers, Common Cause, the AFL–CIO and the Justice Department all favor amending the present law on lobbying, they cannot agree on what the new law should look like.

A MEANINGLESS LAW

There can be little doubt that the present law, which is unchanged since its passage in 1946, is only slightly short of meaningless. It is so confusing and vague that it was nearly struck down by the Supreme Court as unconstitutional on the ground that ordinary citizens could not understand it. However, with a Herculean feat of "interpretation," the Supreme Court, by a 6 to 3 vote in 1954, narrowly construed its scope and thereby saved it from total demise. To effect the salvage, Chief Justice Earl Warren read the law to apply only to those persons who attempted to "buttonhole" members of Congress directly. This excluded from the act's coverage attempts to influence legislation through congressional staffs and through grass-roots lobbying efforts which are used to generate mail and telegrams to Congress. Thus, thousands of dollars being spent by the Chamber of Commerce and the National Association of Manufacturers to defeat the Consumer Protection Agency bill can be kept secret from the public. The result is that, if you never see a member of Congress face to face, or talk to one on the telephone, you are not a "lobbyist" and you don't have to register or disclose the money spent trying to pass or defeat legislation.

Another major loophole created by the court's interpretation is that only persons who receive money for the "principal purpose" of lobbying must register and file the required reports. Thus, where a Washington lawyer serves many functions, only one of which is as a lobbyist, there is no registration requirement unless lobbying is the principal purpose for which he is being paid. Similary, trade associations which perform many Washington functions for their members have not had to report lobbying expenses because of this "principal purpose" loophole.

As if the situation were not bad enough with exceptions that practically overwhelm the law, compliance is virtually voluntary because of the pattern of non-enforcement that has developed. Reports are supposed to be filed with the clerk of the House and the secretary of the Senate, and then be made available to the public. But neither of those officials has any powers to compel recalcitrant lobbyists to file the required reports. The Justice Department does almost nothing to enforce the law until officially notified of violations and even then does very

little to prosecute violators. There has been only a scattering of prosecutions in the nearly 30 years of the law's existence, and only five cases have been referred to Justice for investigation in the last three years. Occasionally, adverse publicity from non-registration will cause a lobbyist to file, but there is virtually nothing that makes anyone file the kind of reports that do more than occupy space in a file cabinet.

The result is that expenditures now reported for lobbying are worse than useless because the figures listed actually mislead the public. For example, in 1972 the American Association of Railroads initiated a million-dollar public relations campaign in support of the Surface Transportation Act, and yet it reported a lobbying expenditure of less than $5,000. The El Paso Natural Gas Co. reported no lobbying expenses in 1971 despite the fact that it spent $439,862 "for purposes of influencing public opinion." In one recent quarter the U.S. Chamber of Commerce's lobbying report showed $350 in total receipts and $285 in total expenditures.

On the other hand, Common Cause has taken the opposite approach and has included in its lobbying reports virtually every expenditure that might conceivably be considered lobbying-related, including a prorata portion of its overhead, for a total last year of $2 million. Indeed, at one time it reported expenses five times the amount of the next largest group lobbying the Congress. As anyone who is at all familiar with the current reports will attest, the expenditure figures are useful for one purpose only: to prove that the present lobbying law and its reporting requirements are badly in need of overhaul.

STRESS ON DISCLOSURE

There is, of course, nothing illegal or improper about trying to convince Congress to adopt a law or to persuade an agency to change a regulation. And that is basically what a lobbyist does. The difficulties arise when lobbying is conducted in secret with the identity of the person paying the lobbyist hidden from public scrutiny; they are compounded when reasoned persuasion is not the prime method of convincing a member to vote a certain way, but campaign contributions, lavish entertaining, payoffs and pressures from "important people back home" are utilized.

Thus, the theme of lobbying laws, both at the federal and state level, has been disclosure and not regulation. The basic premise of all such laws is that the public should be informed about what kinds of influences are being brought to bear on decision-makers so that the public can decide for itself whether a particular member has been "improperly" influenced. A secondary motive, although rarely mentioned, is the belief that many of the least savory aspects of a lobbyist's work will stop if there is required disclosure of, for example, the use of a corporate vacation hideaway by a senator sponsoring an amendment the corporation is known to favor.

The backdrop against which the problem of amending the lobbying law must be considered is the First Amendment to the Constitution which provides that "Congress shall make no law . . . abridging . . . the rights of the people . . . to petition the Government for a redress of grievances." There is no doubt that Congress could not constitutionally prohibit lobbying entirely, and in fact any attempt to regulate any aspect of it will be very carefully scrutinized by the courts. All restrictions on freedoms protected by the First Amendment can be sustained only if they are carefully and narrowly drawn to meet specific abuses, and if the means selected to reach those ends represent the least restrictive way of controlling the evil.

In considering amendments to the lobbying law, the first question to be addressed is: Who should be covered by a law requiring registration and disclosure? Under a number of the proposals now pending before Congress, private citizens, acting entirely on their own initiative and with their own money, would be required to register as lobbyists if they have more than a minimum number of "contracts" with members of Congress, their staffs, of employees of the executive branch during any three-month period. In light of every citizen's constitutionally protected right to petition the government, the only justification for any infringement of this right would be a record replete with alleged abuses carried on by private citizens. Yet the testimony in the Senate discloses not a single example of such an abuse that even suggests a possible use for the registration of individuals who wish to express their views to Congress and the imposition of burdensome record keeping requirements on them.

The case for requiring registration by individuals who are paid to lobby on behalf of organizations stands on an entirely different footing. Organizations, whether they are corporations, trade associations, labor unions or membership organizations, can act only through individuals, and it is entirely reasonable to require that those who are hired to influence matters pending before Congress be required to identify the interests paying their salaries. Moreover, it should make no difference whether the lobbyist is receiving a salary from his corporate employer, a trade association or a citizen group, or whether an individual is retained solely or partly for the purpose of lobbying for the organization paying the retainer. The principle is the same: The identity of the source of the funding should be a matter of public record.

The present lobbying law is written to cover only attempts to influence actions of Congress and does not even purport to cover activities in the executive branch. Many critics of the law consider this distinction to be a loophole which needs to be closed, but once again the record to support applying the lobbying laws to the executive branch has yet to be made. ITT's attempts to solve its antitrust difficulties outside of the courts and the efforts of the milk producers to raise the price of milk supports through campaign contributions would hardly have been distributed by requiring those involved to register as lobbyists. Most of the contacts were made by persons readily identified with the interests involved, and the problems related not to the fact of the meetings but to the type that was used to achieve the results.

Many of the same ends can be achieved far more simply. Already four agencies—the Consumer Product Safety Commission, the Federal Energy Administration, the Department of Justice and the Federal Trade Commission—require high officials to maintain logs listing all substantive meetings and telephone calls with outside persons and a general statement of the subjects discussed. These rules could easily be extended to all agencies, and if the logs were promptly made public, with perhaps a few limited exceptions, the needed disclosures would be achieved. Such rules would place the burden of recording contacts on those who are accountable to the people for their actions. (Unlike the executive branch, whose high officials are reasonably stationary, members of Congress are constantly talking with lobbyists on and off the floor; for them, a logging requirement would be next to impossible to implement—much the same as would be true if the lobbyist were required to keep records of all contacts with all members and their staffs.)

Once Congress determines what kinds of individuals or organizations should register as lobbyists, the next, but rather different question is what information should be made public.

There are a number of items on which there is little, if any, dispute. No one questions the need to identify the principal behind the agent who is doing the lobbying, nor is there much dispute that gifts or "honoraria" from lobbyists and extensive entertaining of members of Congress and their staffs should be reported. But even this latter disclosure could raise occasional line-drawing problems, both as to minimum amounts spent, and whether social contacts involving long-standing friendships or even family members need be spread on the public record. This area of entertainment, gifts and free transportation is one of the few in which the case for disclosure of activities involving executive branch employees as well as congressional employees is persuasive.

There is also general agreement that when Congress starts to receive large numbers of letters from the public on a given subject, and an organization is the moving force that led to the letter-writing campaign, Congress and the public ought to be aware of that source and be informed of the size and nature of the campaign.

WHAT TO DISCLOSE

But beyond these and perhaps a few other items, the need for disclosure is not at all clear. Rhetoric calling for lobbyists to work in the open and for an end to secrecy simply does not substitute for hard analysis of the reasons behind requiring disclosure of certain specific information.

Indeed, no one has gone so far as to propose requiring every lobbyist to carry a tape recorder at all times and to make public transcripts of all substantive discussions with members of Congress and their staff. That would be the ultimate in openness, but the price in loss of privacy would be far too high for the benefits from having a complete record.

Consider, for instance, the question of requiring lobbyists to file a list of expenditures for all lobbying-related activities. In the first place, there is an enormous problem of determining what are lobbying-related activities. But even if that obstacle could be overcome, there are significant questions as to what difference it makes if a corporate employee engaged in lobbying activities is paid $10,000, $20,000 or $40,000 a year. Proponents may argue that such information is quite easy to obtain, that relatively accurate estimates of the proportion of time spent by an individual on lobbying-related activities can be made, and that therefore the information should be disclosed as an indication of the relative value that the organization places on the lobbying activities of that person. Opponents might then counter that a full-time lobbyist will often work on hundreds of items during a three-month period and that without a costly breakdown the figures are meaningless. It is this kind of give-and-take that ought to take place on all these questions, and yet even on such basic items as salaries, there is still no record of what benefits will be derived from having specific items of information in the public opinion, often long after the fact.

Then there is the matter of requiring every lobbyist to record the subject matter and identities of the participants in every conversation and every member of Congress and his staff. What does it prove to know that Lobbyist X talked to Congressman Y on a certain date regarding a particular bill? Requiring the recording of the substance of every conversation will doubtless produce little more than useless generalities. No one can expect any such report to include the lobbyist's friendly reminder to the congressman of contributions made in the last campaign or a suggestion that the member might have similar needs in the upcoming election. Instead, reports will degenerate into form replies such as "discussed pros and cons of pending energy legislation." Unless one is prepared to assume that every visit by every

lobbyist inevitably influences the member's vote, it is difficult to see how the mere logging of every contact with elected representatives is going to add to the public's knowledge of how the business of government is conducted.

Another reporting proposal that has stirred up controversy directs an organization which employs lobbyists to file a list of any person or other organization that contributes more than $100 to it in a given year. In a number of cases involving the NAACP, state requirements that membership lists be disclosed have been struck down by the Supreme Court as inconsistent with the First Amendment's right of free association. Even if the courts would not apply those cases to business trade associations or to citizen groups actively seeking to influence legislation, what difference does it make who the 13,000 members of the NAM are or which contributions of a citizens' group give more than $100 in dues every year? If there is a case to be made for requiring that such information be disclosed in order to improve the functioning of the legislative process, it has yet to be made on the public record.

This does not mean, of course, that everything about a membership organization can or should be kept secret. One key fact about lobbying by groups such as the NAM or Common Cause is the method by which they decide whether to support particular legislation. There should be no objection to requiring that an association state whether its members were polled and, if so, what the results were, or whether the decision was made by officers or a steering committee.

Another question which should be evaluated is what the public and the Congress will do with all this information once it is on file. One of the pending bills indicates that its purpose is to enable Congress and the public to "better evaluate" the effects of lobbying on our system, yet its proponents have never explained the connection between this goal and the massive amounts of information that will have to be reported.

But even if all this information were considered beneficial, it is by no means clear that it would be either sensible or constitutional to require that it be reported. In addition to the cost to the government from so much increased paperwork, there is the enormous cost to the lobbyist of providing much of this information. If one of the concerns about present lobbying practices is the unequal effect on Congress of wealthy groups, that inequality can only become more pronounced by requiring struggling public interest organizations to expend large amounts of time and money filing reports on their activities.

Then there is the question of how the public would handle all this information. Given the number of reports and the details required, it will take an enormous effort by anyone to make sense and find patterns from the data on file. The oft quoted remark of Justice Louis Brandeis that "sunlight is said to be the best disinfectant" is true, but too much sunshine can also produce sunstroke.

SUBTLE AND COMPLEX

What action, then, should the Congress take? There is no doubt that action is required and that reform is badly needed, but not at any price. In this area, where, in the words of Sen. Bill Brock, we are dealing with "subtle and complex issues" we need particularly fine tuning in our legislative draftsmanship. Haste is precisely the wrong ingredient.

There are signs that this point is being recognized in the Senate Government Operations Committee. As a result, a new draft now being prepared seems certain to eliminate the most objectionable features of the proposed amendments.

We are, after all, dealing with the First Amendment right of the people to petition their government. As the U.S. Chamber of Commerce has stated, the question that should be asked by Congress about each proposed reporting requirement is, "What is the benefit to be derived from the requirement in light of the potential burden and sanctions it places upon my constituents in the exercise of their constitutional rights?"

THE LITTLE RED HEN

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mrs. HOLT. Mr. Speaker, I am submitting for inclusion in the CONGRESSIONAL RECORD, a thought-provoking article sent to me by a constituent:

THE LITTLE RED HEN

A modern version of this favorite children's tale is proving popular among many adults. That version, with its thought provoking message, is reprinted here. Because the identity of the author is unknown, we are unable to give him/her the appropriate credit.

Once upon a time there was a little red hen who scratched about the barnyard until she uncovered some grains of wheat. She called her neighbors and said, "If we plant this wheat, we shall have bread to eat. Who will help me plant it?"

"Not I," said the pig.

"Not I," said the cow.

"Not I," said the duck.

"Not I," said the goose.

"Then I will," said the little red hen.

And she did. The wheat grew tall and ripened into golden grain.

"Who will help me reap my wheat?" asked the little red hen.

"Not I," said the duck.

"That's not my responsibility," said the pig.

"I'd lose my seniority," said the cow.

"I'd lose my unemployment compensation," said the goose.

"Then I will," said the little red hen, and she did.

At last it came time to bake the bread.

"Who will help me make the bread?" she asked.

"That would be overtime for me," said the duck.

"I'd lose my welfare benefits," said the cow.

"I'm a dropout and never learned how," said the pig.

"If I'm to be the only helper, that's discrimination," said the goose.

"Then I will," said the little red hen.

She baked five loaves, and her neighbors wanted some.

In fact, they demanded a share. But the little red hen said, "No, these loaves are the result of my hard work. Each of you had the opportunity to earn a share and you turned it down."

"Excess profits!" cried the goose.

"Capitalist leech!" screamed the duck.

"I demand equal rights!" yelled the cow.

And the pig said, "I'll report you."

They painted picket signs and marched round and round the little red hen, shouting obscenities.

When the government agent arrived, he said to the little red hen,

"You must not be greedy."

"But I earned the bread," said the little red hen.

"Exactly," said the agent. "That is the wonderful free enterprise system. Anyone in the barnyard can earn as much as he wants. But under our modern government regulations, the productive workers must divide their product with the idle."

And they lived happily ever after, including the little red hen, who smiled and clucked, "I am grateful. I am grateful."

But her neighbors wondered why she never again baked any more bread.

THE LOSS OF JACK DOBY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. PICKLE. Mr. Speaker, the citizens of Travis County suffered a genuine loss with the tragic accidental death of Mr. Jack Doby recently. Mr. Doby was the county extension agent and had been recognized by his peers as one of the leading practitioners in his field in the United States. The people of Travis County, both urban and rural, knew him to be immensely helpful on every occasion.

I extend my deepest sympathy to his family. I would like to insert this editorial from the Austin American about Mr. Doby.

The editorial follows:

THE LOSS OF JACK DOBY

Farmers, ranchmen and even the city folk with no more than one little pecan tree in their back yard suffered a tragic crop failure over the Labor Day weekend in the death of Travis County agriculture extension agent Jack T. Doby in an auto-pedestrian accident.

Jack's spread covered a lot more acreage than Travis County. He was among the cream of the crop of county agents across the nation.

The National Association of Agricultural Agents presented him the Distinguished Service Award at its convention last fall at Tucson, Ariz. In 1971, the association selected his "Town and Country" column in The Austin American-Statesman as the best agriculture column in the nation.

He shared his knowledge of growing things with all of the public, not just those with maize and cotton fields or big pastures for running herds of livestock.

Doby wrote about small home gardens after inflation caused families in the urban areas to try their hand at raising tomatoes, okra, onions and basic vegetables for their dinner tables. A big bunch of them saved a lot on their grocery bills this year by reading what to do about bugs and blight in his column.

If Doby wasn't writing about it, he was telling anyone who telephoned exactly how to combat the worms who were chewing the leaves off a shade tree.

Yet Jack was much more than a plant and animal man. He was as congenial a human being as anybody runs across in a whole lifetime.

He never appeared in public during his 10 years as county agent without a warm smile on his face. We suspect he was grinning when he was born 47 years ago, knowing even then that every living thing in the world could be harvested for the benefit of mankind as long as people treated it the way the Lord meant for them to do.

All who knew Jack reaped a few bushels more of humanity than we would have made without him. He was jogging with his son when an auto-pedestrian mishap claimed his life on Saturday.

We sort of felt like a drouth was beginning until remembering that Doby had never left a field unplowed.

THE CENTER FOR CONSTITUTIONAL RIGHTS: ACTIVISTS IN THE STRUGGLE AGAINST OUR REPUBLIC

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the value of legal defense organizations to revolutionary activists was recognized early by the world Communist movement. In 1922 the Comintern—Third International—established a defense agency known as the MOPR, the Russian-language acronym for International Class War Prisoners Aid Society, known generally in English as the International Red Aid, to "render material and moral aid to the imprisoned victims of capitalism."

The American section of MOPR was formed in 1925 and operated until the early 1940's under the name International Labor Defense—ILD. During its existence the ILD helped to form two other Communist fronts, the International Juridicial Association and the National Lawyers Guild—NLG.

From 1936 until the mid-1960's, the NLG acted as the "foremost legal bulwark of the Communist Party, its front organizations and controlled unions." Having now some 4,000 members—lawyers, law students, legal workers, and "jailhouse lawyers"—the NLG operates as a peculiar coalition of Old Left Communist Party, U.S.A., members and supporters, Maoist Communists, Castroites, and other New Left activists.

Perhaps the most aggressive offspring of the National Lawyers Guild is the Center for Constitutional Rights, founded in 1966 by several leading members of the National Lawyers Guild who had been active in providing legal assistance to persons and organizations involved in militant civil rights disturbances. They included Arthur Kinoy, William M. Kunstler, and Morton Stavis.

Arthur Kinoy has been associated with Communist causes since his student days at Harvard when he served on the national executive committee of the American Student Union, cited as Communist by five different investigating committees. By the early 1950's, Kinoy's rank among Communist attorneys is indicated by the fact that he was selected to write the last minute motions for a stay of execution in the Rosenberg espionage case—denied.

During the late 1960's, Kinoy drifted away from the Old Left and now has taken on the role of a New Left Lenin, developing the theoretical base for his own revolutionary party, the National Interim Committee for a Mass Party of the People. A report on Kinoy's new group appeared in the CONGRESSIONAL RECORD on May 13, 14, and June 2, 1975.

William Moses Kunstler has been active in revolutionary causes for some 15 years. These range from taking a lead in early 1960's efforts to pardon Morton Sobell, convicted on espionage conspiracy charges with the Rosenbergs to advocacy of the cause of the Red Army Fraction, also known as the Baader-Meinhoff Gang, a band of revolutionary terrorists now on trial in West Germany.

Morton Stavis, when called by the House Un-American Activities Committee as a witness, took his fifth amendment privilege to avoid answering questions about Communist Party membership.

The Center for Constitutional Rights, with offices at 853 Broadway, 14th floor, New York, N.Y. 10003—212/674-3303—states that it was created to play "a central role in advancing the goals of progressive organizations and individuals while protecting them as they engage in their struggles."

In its 1974-1975 annual report, released at the end of July, the CCR proclaimed:

> The CCR's role in history is as a legal instrument of the people; * * * We are activists in a struggle for justice and against illusory democracy.

Review of the Center for Constitutional Rights docket reveals a high proportion of armed struggle cases among its defense work for "progressive organizations and individuals." Among these have been American Indian Movement members charged with offenses during the armed takeover of Wounded Knee; Carlos Feliciano, charged with being a member of the MIRA terrorist bombing gang who eventually pled guilty to lesser charges of possession of explosives after a lengthy series of court proceedings; a Puerto Rican Socialist Party activitst charged with bombing; and prison inmates eventually convicted of murder and assault during the Attica Prison rebellion.

The CCR's current officers include: Benjamin E. Smith, president, New Orleans; with his law partner and fellow CCR associate, Bruce C. Walzer, Smith has served as a registered foreign agent for Fidel Castro's regime in Cuba. His associations with such well-known Communist Party, U.S.A. organizers as Hunter Pitts O'Dell—Jack O'Dell—go back to the early 1950's and he worked with the Southern Conference Educational Fund when it was the CPUSA's principle front in the South. He has held national office with the NLG, and with Arthur Kinoy and William Kunstler comprised the legal strategy team behind the Mississippi Freedom Democratic Party. Robert L. Boehm, treasurer, New York.

Volunteer staff attorneys are presently Arthur Kinoy; William Kunstler; Morton Stavis, to whom the new CCR annual report is dedicated, "whose vision, wisdom, and energy have time and again propelled him into the leadership of the people's struggles;" and Peter Weiss, a patent attorney who joined CCR about 1969 and who from 1962-72 served as president of the American Committee on Africa, the principle U.S. support group for African Marxist guerrillas. The husband of Vietcong supporter Cora Weiss, Peter Weiss recently filed suit against the Central Intelligence Agency in Federal district court in Manhattan on behalf of Grove Press, a publisher of leftist and pornographic literature.

Paid staff attorneys include Rhonda Schoenbrod Copelon; Doris Peterson; Elizabeth M. Schneider; Nancy Stearns and William H. Schaap, the former law partner of David and Jonathan Lubell, identified during their Harvard Law School days as Communist Party youth organizers in New England. Schaap served with the NLG's Southeast Asia military law project, fomenting subversion in the military overseas. Schaap is currently representing more than a dozen demonstrators from CPUSA's New York Coalition to Fight Inflation and Unemployment charged with disorderly conduct, criminal solicitation and other charges during protests against a recent subway transit fare increase.

CCR staffers include Elizabeth Bochnak, Dianne Boesch, Georgina Cestero, Gregory H. Finger, Lisa Roth, Jeffrey Segal, and Joan L. Washington.

CCR's Board of Cooperating Attorneys inculdes:

Daniel L. Alterman, New York City;

William J. Bender, Seattle, Wash.; a former law student of Kinoy's at Rutgers and former CCR staff attorney;

Edward Carl Broege, Newark, N.J.; active with Students for a Democratic Society in the late 1960's; also a former student of Arthur Kinoy and former CCR staffer;

Alvin J. Bronstein, Washington, D.C.; head of the American Civil Liberties Union's Prison Project;

Haywood Burns, New York City; active with both the radical National Conference of Black Lawyers and the National Lawyers Guild;

Ramsey Clark, New York City; former U.S. Attorney General and traveler to Hanoi;

Vernon Z. Crawford, Mobile, Ala.;

I. T. Creswell, Jr., Washington, D.C.;

William C. Cunningham, S.J., Santa Barbara, Calif.

William J. Davis, Columbus, Ohio;

Bernary D. Fischman, New York City;

Janice Goodman, New York City;

Jeremiah Gutman, New York City, active with the American Civil Liberties Union.

William L. Higgs, Albuquerque, N. Mex.; in February 1963, Higgs, then 27, a native of Mississippi and 1958 graduate of Harvard Law School, received the American Civil Liberties Union's Lasker Award in New York City. Later that month he was convicted in absentia in Jackson, Miss., of corrupting the morals of a runaway 16-year-old Pennsylvania boy. For this misdemeanor, Higgs was sentenced to 6 months imprisonment and a $500 fine, which was not carried out because Higgs never returned to Mississippi; following conviction, Higgs was disbarred in that State.

Morals convictions being no handicap in New Left circles, Higgs took an active role in Students for a Democratic Society until its dissolution in 1969, writing articles for the SDS newspaper, New Left Notes. In 1965, Higgs supported the Kinoy-Kunstler-Smith legal maneuvers of the Mississippi Freedom Democratic Party as a member of the ACLU Lawyers Lobby.

In 1968, Higgs went to Albuquerque to assist Reies Tijerina, who had achieved

notoriety for his 1967 armed attack on the Tierra Amarilla courthouse. In her book, Tijerina and the Land Grants—International Publishers, 1971—Patricia Bell Blawis of the Communist Party wrote:

In the fall of 1968 there appeared at Alianza headquarters civil rights lawyer William Higgs of Mississippi, * * *. Although unable to argue cases in court, Higgs served as legal adviser in the Alianza office with unquestionable skill. He also showed a fondness for adventurist schemes in which he did not take part, such as the burning of the Forest Service signs at Coyote. This incident, in which Tijerina nearly lost his life, and later was sentenced to three years in Federal prison, was hinted at by Higgs to the Albuquerque Journal several days before it happened, when he told the newspaper ("giggling," the report said) that "something unusual" would happen at Coyote on the weekend.

The services of Higgs cost the Alianza the courtroom assistance of Beverly Axelrod. Tijerina placed his confidence in Higgs, and Mrs. Axelrod was elbowed out of legal decisionmaking. Higgs' apparent dislike of women extended in particular to a brilliant lawyer who opposed some of his plans. There was nothing for her to do but leave.

Higgs left New Mexico for Washington, D.C., in 1972, where he worked with Socialist Julius Hobson. In August 1972, Higgs and two other radical activists filed one of the early lawsuits attacking the Central Intelligence Agency, asking for a detailed and itemized breakdown of all CIA expenditures and calling for an end to all CIA covert activities. Higgs has also been on the advisory board of the Law Students Civil Rights Research Council.

Phillip J. Hirschkop, Alexandria, Va.; an official of the National Committee Against Repressive Legislation, an identified Communist Party front.

Linda Huber, Washington, D.C.

Susan Jordan, Berkeley, Calif.

Percy L. Julian, Jr., Madison, Wis.

C. B. King, Albany, Ga.

Beth Livezey, Los Angeles, Calif.; a 1969 graduate of Vanderbilt Law School and former CCR staffer.

George Logan, III, Phoenix, Ariz.

Charles M. L. Mangum, Lynchburg, Va.

Howard Moore, Jr., Berkeley, Calif.

Harriet Raab, New York City.

Margaret Ratner, New York City.

Michael Ratner, New York City.

Jennie Rhine, Berkeley, Calif.

Dennis J. Roberts, Oakland, Calif.

Catherine G. Roraback, New Haven, Conn.; 1972–73 president of the National Lawyers Guild.

Michael Sayer, Gardiner, Maine.

Benjamin Scheerer, Cleveland, Ohio.

Helene E. Schwartz, New York City.

David Scribner, New York City; an identified member of the Communist Party, U.S.A.

Abbott Simon, New York City.

Tobias Simon, Miami, Fla.

Richard B. Sobol, Ann Arbor, Mich.

Michael B. Standard, New York City, of the firm Rabinowitz, Boudin and Standard. Victor Rabinowitz refused to discuss under oath before the Senate Internal Security Subcommittee whether or not he was a Communist on fifth amendment grounds. Both Rabinowitz and Leonard Boudin have both represented Fidel Castro's Cuban Communist regime in the United States.

Daniel T. Taylor III, Louisville, Ky.; an NLG activist who has been subject to disbarment procedings after contempt citations.

Neville M. Tucker, Louisville, Ky.

Bruce C. Waltzer, New Orleans, La.; law partner of Ben Smith, CCR president.

A tax deductible organization, the CCR continues to work in close cooperation with the NLG, to which the overwhelming majority of CCR staff and cooperating attorneys are affiliated. The CCR annual report noted:

Perhaps one of the most fruitful educational relationships the CCR has had has been with the National Lawyers Guild. Under NLG sponsorship, CCR lawyers have participated in what have become known as "Road Shows" wherein attorneys with expertise in a particular area, such as illegal surveillance, travel throughout a geographical region sharing legal information.

In a letter dated July 1975, which accompanied the new annual report, Arthur Kinoy discussed a report recently released by the Department of Justice regarding "its reason for consistently losing its political prosecutions." Wrote Kinoy:

To quote from the report, "It is worthy of note that the technicality of modern trials lends itself to abuse by skilled counsel who know how to manipulate procedure."

"It is also notable that while prosecutorial staffs changed with each trial, defense staffs maintained some overlap. In many of these cases, defendants were represented either at trial or on appeal by lawyers affiliated with the National Lawyers Guild or the Center for Constitutional Rights. There was thus a recurring group of experienced personnel for trial work and research."

The Kinoy letter then continues on a note of smirking self-congratulation:

Of course, when the government talks about our "abuse" and "manipulation" of procedure, it is really referring to our attacks against prosecutorial misconduct, illegal wiretapping, agents and informers in the defense camp, selective and bad faith prosecution, and motions to remove biased judges.

The CCR proudly pleads guilty to having filed such motions. Indeed, we plead guilty to having invented some of them. * * *

The Center for Constitutional Rights docket, as described in the annual report, clearly reveals in its rhetoric, the CCR and NLG pro-revolutionary bias. For the information of my colleagues, some of CCR's cases include:

Drinan, et al. v. Ford, et al.: From the original commitment of troops pursuant to the fraud of the Gulf of Tonkin incident * * *, the CCR fought tirelessly to convince the judiciary that it had the legal right and responsibility to declare the war unconstitutional.

Our final attempt, in the winter of 1975, was a lawsuit brought on behalf of twenty-one United States Congresspeople and one serviceman seeking to enjoin the military and logistical support for the Lon Nol regime in Cambodia. On March 26, 1975, * * * the Federal District Court in Boston dismissed our complaint. Though the dismissal represented the last in a long series of dismal instances of judicial cowardice with respect to antiwar litigation, the lawsuit did, like those before it, educate many Americans not only as to the criminality of the war, but also as to judicial complicity in the crime.

Nguyen Da Yen, et al. v. Kissinger, et al.: This is an effort to return to the custody of the Communist regime in South Vietnam many of the children rescued by the last minute Operation Babylift. CCR writes:

* * * one of the final acts of the U.S. government was the mass uprooting of Vietnamese children allegedly considered orphans by American officials. * * * it constituted nothing more than a final, cynical attempt by the Administration to put public relations pressure on Congress * * *.

CCR lawyers were urgently contacted by anti-war forces in California, where the children were being held pending adoption, to see if the "Babylift" and adoptions of children could be stopped.

"It was explained * * * that the extended family culture of the Vietnamese did not even recognize the Western concept of being an orphan * * *.

"CCR attorneys moved quickly, filing a class action suit on behalf of the children seeking to reunite them with their immediate or extended families and to prevent the finalization of any adoptions. The new government of South Vietnam, via telegram, has indicated its desire for the return of the children * * *. At this writing, the Federal District Court in San Francisco, the plaintiffs and the defendants are attempting to conclude a consent decree which would substantially provide the relief requested."

State v. *John Hill* and *State* v. *Charles Pernasilice (N.Y.)*: "From the outset, this lengthy trial was permeated with prosecutorial misconduct and unequal treatments which resulted in the first degree murder conviction of Hill and the attempted assault in the second degree conviction of Pernasilice. * * *

"* * * once again, we saw the ever present agent in the defense camp, this time in the person of a young woman F.B.I. informer who had infiltrated the Attica jury project which was charged with the highly sensitive task of developing a strategy for choosing jurors.

* * * It is hoped that the Appeals courts will have the courage to reverse the convictions, as the sordid record of this case requires."

United States v. *Delfin Ramos:* "Delfin Ramos is a carpenter. He lives in Puerto Rico and * * * is also an active supporter and organizer for Puerto Rican independence and a member of the Puerto Rican Socialist Party. * * * In December, 1974, * * * while no one was at home, F.B.I. agents, armed with a search warrant, entered Ramos' home and, lo and behold, found allegedly stolen explosives.

"Ramos was charged with violating the federal Explosives Control Act. The fact that the prosecution is a federal one is noteworthy for it constitutes the first political prosecution brought by the federal government in Puerto Rico since the anti-colonial upheavals of the early 1950's.

"CCR attorneys are representing Ramos in such a way as to not only expose the government's political motivations for the prosecution, but to reveal the oppressive nature of the colonial relationship itself. * * * CCR lawyers are preparing a major challenge to the composition of the jury based on the fact that the overwhelming majority of potential jurors whose English in adequate to follow a federal court proceeding are from the upper income strata of Puerto Rican society. This built-in bias dramatically illustrates the inherently exploitative and unequal character of a colonial relationship."

The Center for Constitutional Rights is also representing Arthur Turco, a former lawyer who pleaded guilty to a misdemeanor after being charged with murder in the torture killing by Black Panthers in Baltimore of a suspected police informant. The CCR is

appealing Turco's disbarment to the U.S. Supreme Court.

The CCR's statement of income for the year ended December 1974 shows an income from contributions of $273,419 against $303,890 for 1973. Arthur Kinoy's letter ended with the expected appeal for tax exempt contributions "so that we can continue to do what the Justice Department rightly accuses us of doing—defending the Bill of Rights and the people."

However, it is clear from CCR's own publications that in fact it is attempting to destroy our form of government and "illusory democracy, and that, in the words of CCR attorney William Kunstler, it is endeavoring "to bring down the system through the system."

FOSTER GRANDPARENTS PROGRAM 10TH ANNIVERSARY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SEIBERLING. Mr. Speaker, one of the most successful and enduring projects started by the Office of Economic Opportunity is the foster grandparent program which this month is celebrating its 10th anniversary. Today and tomorrow foster grandparents from around the country are meeting in Washington to attend the 10th Anniversary Conference.

As the representative from Akron, I am particularly proud of the foster grandparent program because Akron was one of the first 21 FRP projects funded 10 years ago, and it is still going strong. Five of the conference delegates are from Akron, including Mr. Benjamin Jennings who is 93. Mr. Jennings has been a foster grandparent for 8 years, and is the oldest delegate attending this week's conference. The four other Akron delegates have all been participating in the program since its inception. They are Mrs. Alma Patterson, Mrs. Lois Perry, Mrs. Lorraine Poe and Mr. Leslie Heathington.

It is easy to understand why the foster grandparent program has been so successful because the concept behind the program makes such eminently good sense. The program gives retired, low-income persons the opportunity to continue to contribute to their community and to enjoy the self-respect and satisfaction which comes from such work. In addition, the small stipend which foster grandparents receive makes a big difference to most in making ends meet. Equally important, the program provides badly-needed individualized care and attention to children with special needs, and helps these children to grow physically, emotionally, socially, and mentally.

In 10 years, FGP has grown from an original appropriation of approximately $5 million to $28.4 million in fiscal year 1975. Each day, more than 30,000 needy children receive the attention and care of some 13,000 foster grandparents. Although President Ford requested a cutback in the program's funding for fiscal year 1976, fortunately, the House voted to maintain the present funding level and I am hopeful that the Senate will follow suit.

One has only to visit a FGP project, and see the expressions on the faces of its participants—both young and old—to know that the very modest investment we make in this program is returned many fold to society. The foster grandparent program is one government program which is unquestionably deserving of our continued and growing support.

CUBA TRADE EMBARGO

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. YOUNG of Florida. Mr. Speaker, the subject of "normalizing" our relations with Communist Cuba has been much in the forefront of public attention in recent weeks. The administration has taken steps to ease the trade embargo, and Congress will soon be considering legislation to alter our present lack of relations with Cuba. The following discussion of this issue by syndicated columnist John D. Lofton, Jr., contains some facts and thoughts which should not be overlooked as we analyze this situation.

[From the Denver (Colo.) Rocky Mountain News, Aug. 22, 1975]

CASTRO STILL EXPORTING REVOLUTION—TRADE EMBARGO SHOULD REMAIN UNTIL CUBA BECOMES CIVILIZED

(By John D. Lofton, Jr.)

It hardly takes a crystal ball to see that our relations with Communist Cuba are moving, as Secretary of State Henry Kissinger says, "in a new direction."

Last month, the Organization of American States (OAS) voted to allow its members to lift their 14-year trade embargo against Cuba. And in an uncharacteristic show of magnanimity, Fidel Castro recently returned the $2 million in ransom money paid him by Southern Airways in 1972 to get back one of its hijacked airplanes.

Castro has even gone so far as to concede his own fallibility, admitting that he was wrong to get angry 13 years ago, when Soviet Premier Nikita Khrushchev removed his offensive nuclear missiles from Cuba, thus avoiding what could have been an atomic war.

But before the United States normalizes relations with Cuba, before we start "detentin' with Castro," as George Wallace would put it, Sen. Bill Brock thinks we ought to first make a few demands. The most important among these have to do with basic human rights, and Castro's exporting of violent revolution and terror:

(1) The acceptance by Cuba of fundamental human rights through a liberalization of travel restrictions, free emigration of Cubans and American citizens in that country, access by impartial observers to prisons and detention centers, and the extension of constitutional guarantees to those now unlawfully imprisoned, and

(2) Acceptance of principles set down in the charter of the OAS, including the principle of nonintervention in the affairs of other nations.

Even among the most notorious Castro sycophants there is the admission that civil liberties in Cuba are being violated. For example, in his new book "Revolution in Cuba," former New York Times reporter Herbert Matthews writes:

"The worst that can be said of the revolutionary regime—at least, as I see it—is that the practice of holding political offenders in prison and labor camps goes on year after year.

"Even Generalissimo Franco in Spain and—when he was in power—General Papadopoulos in Greece . . . gave amnesties to political prisoners.

"Fidel Castro has not given one in 16 years. . . ."

In a 1973 pamphlet titled "Epidemic Torture," Amnesty International listed Cuba among the more than 30 countries where "torture is systematically applied to extract confessions, elicit information, penalize dissent and deter opposition to repressive government policy."

As regards Cuba's exporting of violence and terror, despite the denials of Castro's second-in-command Carlos Rodriguez, there is considerable evidence that such activities continue.

Castro himself appeared just a few weeks ago in Cuba with Gen. Otelo de Carvalho, one of Portugal's three ruling generals, at his side, and declared: "The Portuguese revolutionary movement can rely on our firmest support in whatever circumstance."

In an interview in Oui magazine in January, Castro asked himself some questions, and answered them:

"Do we sympathize with revolutionaries? Yes, we do. Have we aided revolutionaries as much as we have been able to? Yes, we have. Has the influence of the Cuban Revolution been felt in other countries? Yes."

And indeed it has. Early this year in New York City, a man who bombed a tavern was identified by authorities as a Puerto Rican-born master spy and saboteur who received his terrorist training in Cuba.

Two months ago in Chicago, federal investigators disclosed that at least six persons, trained in Cuba to carry out guerrilla warfare and prepare explosive devices, were members of FALN, a Puerto Rican nationalist group responsible for two terror bombings in the windy city's Loop area.

In France in July, three high-ranking Cuban diplomats were expelled from the country because of their connection with a man called Carlos, who is believed to be an important link in a worldwide terrorist network which includes West Germany's Baader-Meinhoff gang and the Japanese "Red Army" group.

Kissinger is correct when he says there is no virtue in a perpetual antagonism between the U.S. and Cuba. And Fidel Castro also is right when he says that one way or the other we owe it to ourselves to live in peace. But if Cuba wants to be treated like a civilized country, it will first have to start acting like one.

For now, the embargo should continue.

UNTIMELY DEATH OF MARSHALL C. McGRATH

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. CONTE. Mr. Speaker, I was deeply saddened to learn of the untimely death this weekend of a dear personal friend, Marshall C. McGrath.

As my colleagues may know, I represent a congressional district that once was known as virtually the paper-making capital of this country. In my efforts to assist the paper companies in my area stem the tide that was sweeping away more and more of our paper operations,

I shared a common interest with Mr. McGrath, who for many years served the International Paper Co. as its expert in forest industry-government relations. In that firm, he rose to the position of director of the corporate affairs office here in Washington, a post he held at his death.

A native of Danville, N.H., he graduated from Clark University in Worcester, Mass., and attended graduate school at the University of Bridgeport, Conn.

Marshall McGrath had a keen interest in, and wealth of knowledge of, the out-of-doors. He was an avid conservationist, ever mindful of the need to preserve for future generations the splendor of our natural resources.

This thoughtfulness was a hallmark of his character. I do not believe I know a kinder man than Marshall McGrath. He was considerate of his fellow man in everything he did. He was a valued friend.

At this time, I would like to express my deepest sympathy to Marshall's wife Carolyn, daughter Cheryl, and the rest of the McGrath family.

FOOD STAMPS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. JOHN L. BURTON. Mr. Speaker, time and time again the issue of food stamps has been raised by Members of this body.

The following editorial from the Los Angeles Times on that subject matter should be of interest to all Members.

[From the Los Angeles Times, Aug. 31, 1975]

WHAT TO DO ABOUT FOOD STAMPS

Any program that has 19 million participants and costs an estimated $6 billion has problems. So it is with the food stamp program.

But its problems don't add up to the boondoggle that critics allege. The facts indicate that the program is working pretty much as Congress intended. It may be working too well.

Perhaps it's fashionable to attack the program. Treasury Secretary William E. Simon deplores food stamp "chiselers" on the flimsiest basis. Vice President Rockefeller incorrectly says the program "adds a million people a month." Shoppers, whose dollars seem to shrink between the shelf and checkout counter, may recoil when others pay with food stamps. They may nod approvingly when they hear such talk.

There is a move in Congress to reduce food stamp participation and cost. Legislation sponsored by Sen. James L. Buckley of New York and Rep. Robert H. Michel of Illinois would ravage the program in the name of reform.

Reform—that's the magic word. The program has more defenders—farm area representatives and liberals—than critics. And they talk reform. Sens. Robert Dole of Kansas and George McGovern of South Dakota say the problems can and must be corrected.

For all the rhetoric and righteous indignation, the food stamp debate is a sham. It is not a debate but, rather, a political fight that ignores the important issue.

That is, if 19 million Americans can't afford to buy food without government help, should they be given money instead of a subsidy in the form of food stamps? The question should extend to housing assistance, medical aid—the whole range of social welfare programs.

For the long-term, Dole wants a fundamental review of these programs. He is right. A review should have as its goal serving the people best at the least cost. But Congress and the Ford Administration are not talking about that, and that is the problem.

For the short-term, Dole says the food stamp program should be fiscally responsible and responsive to human needs. It is hard to quarrel with that approach. The best argument for short-term reform is that the program fills a need at a time when people are struggling.

As for the politics of food stamps, McGovern believes it has succeeded "busing" and "welfare cheats" as a political issue. The level and tone of the discussion suggest he is correct, and that is unfortunate.

Consider, for example, Simon's comment earlier this month that the program is a "well-known haven for the chiselers and rip-off artists." His basis was an ad for a booklet purportedly telling $16,000-a-year families how to obtain stamps.

Before he made that remark, the Department of Agriculture had asked the Federal Trade Commission to consider charges of misleading and deceptive advertising.

Because of the complex eligibility formula, it is *possible* for a family with that income to qualify. But the family would be a statistical freak. Facts are more compelling than permutations and combinations, however.

Consider, for example, the Agriculture Department's June report to Congress on the after-tax income of food stamp households: 77% have incomes below $5,000, 92% have incomes below $7,000, 100% have incomes below $10,000.

The fraud rate in 1974, according to the department, was 8/100ths of a percent. This May, officials said the incidence of fraud was negligible.

Some critics claim the food stamp program is out of control. Perhaps what they mean is its extraordinary growth—about 5 million—in the last year. The growth did not occur in a void.

The growth took place after the program became nationwide, including Puerto Rico. The growth took place at the same time unemployment was rising. Since food stamps are not restricted to poverty or welfare households, the growth also suggests the program has become respectable among the working poor and even low middle-income families.

But participation in recent months has declined. From April to June, the decline was 200,000 a month. The July decline is 100,000. The Agriculture Department forecast for 1980 anticipates a continuing decline in participation and cost.

Still, the food stamp program has problems.

College students, many from comfortable homes, have received food stamps in something of a "beat the system" spirit. The law has been changed to prevent this abuse. Starting next month, students claimed as tax deductions by nonparticipating families are ineligible.

The 55% error rate, as of June, 1974, is much too high. But the rate must be explained. It applies only to nonwelfare families, or about half the food stamp purchasers. About 18% of them were ineligible, mostly because of procedural reasons like a missing signature. While 26% paid too little for stamps, 11% paid too much.

Clearly, this is an area that demands reform. A simplified eligibility formula and less red tape seem to be the answers. Also, a reasonable maximum income limit, as proposed by Dole, would ensure that only the needy benefit.

Food stamp administration needs tightening. Congress is likely to tinker with the program and clean up some problems. That would be a most modest reform. The real reform would be to overhaul all the social welfare programs.

Until that happens and until the economy recovers, it would be indecent to gut the food stamp program. It does help people, and it is not a boondoggle. If there is a boondoggle, it is that people in need have again become a political scapegoat.

NONNEGOTIABLE AID TO EDUCATION

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ZEFERETTI. Mr. Speaker, a number of years ago, Congress decided that the national Government must assist States, localities and school districts in educating our children. Since that decision was made, successive Congresses and administrations have erected, in most cases in a totally bipartisan manner, an imposing structure of aid to virtually all forms of education, including programs in elementary, secondary, vocational and bilingual education. One program after another has been set up addressing the special educational needs of millions of youngsters. The record of achievement so far is both impressive and overwhelming. And, it can be said that no investment made by the taxpayers of this country has returned greater dividends than this cumulative package of school funding programs.

Therefore, it was with sadness and surprise that I viewed the recent Presidential veto of the Education Division and Related Agencies Appropriation Act. This action by the President, if sustained by Congress, would have meant a critical cutback in the federally aided programs on all levels of our educational system, and in such programs, for example, responsible for granting students loans for the fiscal year ending June 30 of next year. In addition, it would have meant a substantial cutback in the desperately needed special programs for such groups as the handicapped children in our country.

The veto of the critical measure was not only unnecessary, but shortsighted as well. The appropriations are large, but not unreasonable; the bill was $400 million less than the new budget guidelines for 1976 education programs had established this past May. And, since the budgets for the 1975–76 school year are already fixed, local education officials now require solid assurances from the government as to how much Federal money will be available to them. If the veto had been sustained, these local officials would have to begin worrying about cutting back on the necessary services and personnel in their schools. Tuitions would have to be raised. In addition, new sources of tax revenues would have to

have been sought from the already overburdened State and local governments.

However, my greatest concern rests with the children who would have been hardest and most directly affected by the sustaining of the Presidential veto. Existing programs have been successful. No argument can be raised against the critical need for their maintenance at at least their present levels. These programs help children. They make our educational efforts more effective. They put more and better teachers in our classrooms. They upgrade facilities and teaching materials. They address the special needs of many millions of youngsters, needs so long ignored in previous generations. This is especially true in the case of our handicapped students, those who deserve the special attention and aid that the education appropriations bill would guarantee. It is this group of children which would suffer from any cutback in funds to insure the continuation of special services or the best possible care available today.

How simple it is to rave about fiscal integrity, important though it is, while advocating cuts that deprive children of the best education or force them to "make do" with less than we can really afford.

I voted to overturn the President's veto, and wish to state that I am deeply pleased that this Congress had the courage to prevent an ill-advised effort to erode several decades of painfully acquired progress.

A SMALL BUSINESS NEED FOR REGULATORY REFORM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ARCHER. Mr. Speaker, our country is increasingly suffering from the intrusion of big government into almost every facet of our life. A small businessman in Houston, Tex., recently wrote and expressed some very deep concerns about how Federal regulations are hurting him and his employees. I thought it would be helpful for all of my colleagues to have the benefit of his thinking.

DEAR BILL: We have a non-participating profit-sharing plan, less than one hundred thousand. The new law now will cost us in attorney fees and CPA fees over $3,500.00 just to fill out all necessary forms for the Labor Department; this means double reporting to two different agencies. When our plant was first instituted, we were given the go ahead by IRS; now, not only do we have to satisfy IRS, we have to satisfy the Labor Department. Now our tax attorney and CPA tell me that in order to "terminate" a too costly administrative fee for our plan, that the cost will be staggering and the IRS will make us pay back saved tax dollars and with penalty. This law, which I call a "retirement fund" for tax attorneys and accountants, naturally gets the blessing of this group. But, who suffers—the small business man and his family. If we do not terminate our profit sharing plan we will have to let it become dormant, for I will not see our hard saved dollars eaten up by government regulations, even if it will cost me a penalty to terminate our employee non-participating profit sharing plan. We have enough paper work and expenses now by having to fill out endless forms for OSHA, city, county and state regulation agencies. I personally feel that if our government cannot help us small businessmen, please do not hurt us. I promised each of my employees that at the end of 10 years, when our plan would fully vest, that I would strive for a goal of $50,000.00 for each man. Now, I feel differently. To meet all rules and regulations for the next 5 years remaining on the plan it will cost 30% for administrative fees, just to satisfy the different agencies. Bill, it's simply not worth the time, worry and trouble. Larger companies have a staff of attorneys, tax advisors and CPA's, but we don't.

The hours, money and headaches we have to go thru, just to fill out forms, including the income tax form, cost us 10% of our net profit each year . . . and it's still going up. These funds could be used to buy needed equipment that would put another man to work, but instead just to satisfy all of the regulatory agencies from the lowest level of our government to the highest, we have to spend time that we could be "producing" profits on filling out forms so we can conduct business in our "free" society. We simply do not have the money to fight back.

Sincerely,

ROBERT R. JOHNSON.

COMMEMORATION OF CITIZENSHIP DAY

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. J. WILLIAM STANTON. Mr. Speaker, in recognition of Citizenship Day and Constitution Week on September 17, 1975, I take great pleasure in introducing a resolution—H. Res. 701—providing for the commemoration of these days by the reading of the preamble and article I—legislative powers—of the Constitution of the United States by a Member of Congress to be designated by the Speaker. In addition, I would like to cite the National Conference on Citizenship, a nonprofit organization chartered by Congress in 1953, for its outstanding job in its continuing work in carrying out the observance of Citizenship Day and Constitution Week, as directed by its charter. Particularly, I would like to recognize its honorary chairman, former Attorney General Tom C. Clark, and its President, Joseph H. Kanter, for their deep commitment to the ideals of American citizenship.

This resolution also invites the National Conference on Citizenship to provide a replica scroll of the Constitution so that Members of Congress can rededicate ourselves to the principles of the Constitution, the cornerstone of our Nation, by signing the replica as a symbolic gesture of that rededication on September 17 in the Gold Room of the Rayburn Building at 4:30 p.m. I would hope that we will all take this opportunity to express our reaffirmation of the principles of our Constitution.

SYMPOSIUM ON THE WORLD FOOD CRISIS—III: LAND REFORM ISSUES IN DEVELOPING COUNTRIES

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. BRECKINRIDGE. Mr. Speaker, landholding patterns have an important relationship to the productivity of agriculture throughout the world and, consequently, to the problem of world hunger. Americans, who tend to think of farmland in terms of outright ownership or of renting it out, are sometimes surprised at the wide diversity of landholding patterns in other nations.

A knowledgeable exposition of this issue was presented as part of the World Food Crisis Conference April 1 and 2 at the University of Kentucky by an expert in the field, Dr. Peter Dorner, professor of agricultural economics in the Land Tenure Center at the University of Wisconsin. His discussion, "Land Reform Issues in Developing Countries," follows:

LAND REFORM ISSUES IN DEVELOPING COUNTRIES

Present land-holding patterns present a baffling array of arrangements. Many countries have small islands of high productivity using modern technology, frequently (although not exclusively) in areas of plantation crops grown for export. In some countries a significant proportion of such plantations are foreign owned or controlled.

In the traditional customary tenure systems found in much of Africa, the basic or sovereign ownership of land is vested in the local group or tribe. Individuals' rights can be claimed by reason of membership in the group. Since one is entitled to inherit a share of family land as a birthright, one does not lose this right by living away from the home village.

In Asia, one also finds areas of tribal lands and customary tenures, but this is not the dominating and prevailing feature. Landlords own much of the land, which is farmed by sharecroppers and tenants in small, independently operated units (except where major land reforms have been carried out).

In Latin America, there are also some traditional forms of land tenure in the Indian communities of the Andean countries. The Mexican *ejido*, a communal type of tenure created by that nation's land reform, was intended to reconstruct and build upon a traditional form. In the *ejidos*, land is communally held and inalienable, but most of it is worked by individual families in small units. In all Latin American countries there are areas where family-sized farms exist; in some local areas they are the predominant form of agricultural exploitation. Nevertheless—again with important exceptions where basic reforms have been carried out—the dominating features continue to be the large estates (holding most of the agricultural land resources), and the small, subfamily units (holding relatively little land but serving as a refuge for most of the rural population).

In addition to these general differences which characterize the several world regions, a number of more specific conditions also affect the prospects of land reform. One of these is the man-land ratio, a measure

of the population pressure on the land resource. This pressure is greatest in large parts of Asia. For practical purposes, however, the greater availability of land in parts of Africa and Latin America has little meaning since mass migrations between these world regions are unlikely to occur.

Of greater interest and significance are the differences in man-land relationships within regions and especially within individual countries. Here there may be greater scope for the movement of people into less densely populated areas. This is certainly occurring in some areas of Bolivia and Peru where people are migrating from the densely populated highland areas to the lowlands on the eastern side of the Andean mountains.

While Java in Indonesia, Luzon in the Philippines, and the rice lands of the wet zone in the southwest of Ceylon are among the most densely populated areas of Asia, some of the outer islands of Indonesia, the southern islands of the Philippines, as well as the north-central and eastern areas of the dry zone in Ceylon are characterized by relatively low population densities. Here cultivation could be, and in some cases is being, extended. However, this is usually achieved at very high costs since these areas are often lacking in basic infrastructure and are far removed from the nation's major markets.

The degree of land ownership concentration also varies widely. In Latin American countries about 3–4 per cent of the landowners with the largest holdings own 60–80 per cent of the agricultural land. This pattern is common to most countries in the region except where major land reforms have been carried out.

In Asia, the size of land holdings is of a different order of magnitude than in Latin America. Whereas the large units in Latin America may have 500 to 1000 or more hectares of arable land, those in Asia are more likely to fall within the 50 to 100 hectare range. For example, in Ceylon (1962), land ownership units above 50 acres (about 20 hectares) represented 33 per cent of the total land area. In India (1960–61), ownerships above 25 acres represented only 31 per cent of all land. Figures for Pakistan are fairly similar to those for India. Comparable figures for sub-Sahara Africa are not available, and they would have little meaning within the present customary system.

In much of Asia and Latin America, private property interests are strong and individualized property in land is the rule. Great economic, social and cultural cleavages exist between the land owners and the mass of peasants with little or no land. These features are not entirely absent from the African scene. However, in much of Africa the key problem is to transform a traditional, customary land tenure system. This system has performed reasonably well as a mechanism of group survival under economic conditions not much above subsistence levels. But new arrangements must be worked out, if possible building upon elements within the present system, that are constituent with the capitalization and technological requirements of increased productivity.

Carrying out a major land reform is a difficult task politically and administratively. It is seldom achieved under democratic conditions or within existing constitutional procedures. Even with a strong political will and commitment, there are enormous administrative problems. Usually there is a need not only for land reform (i.e., land ownership redistribution) but reorganization of the major governmental ministries and service agencies—ministries of agriculture and finance, agricultural banks, agricultural research and extension—in order to gear all their services to the reformed ownership pattern—to the beneficiaries of land reform as well as to the pre-existing small farm sector.

A look at land reforms in the 20th century reveals several major patterns or models illustrating the way reforms were achieved.

(1) Outside pressure and influence—the U.S. model of small family farms—Japan, Taiwan, South Korea

(2) Revolutionary takeover of governments—the communist-socialist model with collective and state farms (but with a wide variety of forms and some co-existence of private plots and sometimes a small farm sector—Russia, East Europe, North Korea, and North Vietnam

(3) Peasant revolts from below—Mexico, Bolivia, Cuba, China—with a variety of post-reform tenure patterns ranging from the re-establishment of a dual structure in Mexico to communes in China

(4) Military takeover of governments—Egypt, Peru, Iraq—also with a variety of post-reform tenure patterns.

(5) Without abrupt changes in governmental structure and within existing constitutional means—reforms thus achieved have been spotty and incomplete (Colombia, Peru pre 1969, Brazil, Philippines pre 1972, Ceylon, India, Venezuela, Ecuador, etc.). The most drastic reform in Latin America under these conditions was achieved in Chile under Presidents Frei and Allende previous to the change in government in September 1973. But successful completions of full scale reforms under this model are scarce.

A fundamental weakness of the way in which the development task has often been defined is that capital, technology and commodities—rather than human beings and their institutions—occupy the center of the stage. As a consequence of analyses and policies so conceived, only a minority of the population in the less developed countries participates in the fruits of economic growth.

Employment creation and a more egalitarian income distribution are not inconsistent with increased output and economic growth. But in order to make these objectives compatible within an overall development strategy, institutional changes, including land reform, must accompany investments and the introduction of new technology. And the type of investments and technology must be carefully tailored to fit the factor endowments of a particular country.

Without question the less industrialized nations must utilize new techniques of production if they are to raise their levels of output and factor productivity. But technology is not all of one cloth. Technology must retain an organic, functional relation to the history and culture of a people as well as to the nature of existing factor proportions and endowments. And the factor proportions of the industrial nations, where most of the new technical innovations occur, differ greatly from those in the less developed countries. It has been estimated that 95 per cent of world expenditures on research and development is centered in the United States and Europe.

In most countries there are two sub-sectors of agriculture: (1) the large farm, more commercialized sub-sector; and (2) the small farm, less commercialized one. The latter usually accounts for the overwhelming majority of the rural population, and frequently its farm operators are tenants or sharecroppers. Generally, only the larger farms can utilize effectively the agricultural machine technology available from the industrial countries. Even divisible inputs such as seeds and fertilizers may not be neutral to scale if the public credit and service agencies work primarily with the larger farmers. Thus the transfer of certain types of capital and technology into a system characterized by wide disparities in access to and security of rights in the use of land and other resources tends to increase the polarization of economic opportunity, and frequently leads to displacement of the small farmers from their insecure position as tenants. Under these circumstances land reform offers the prospect of a more uniform opportunity structure in agriculture, tenure security for small farmers operating either on an individual basis or within a cooperative arrangement, and a reorganized public service system to meet their needs.

A restructured land tenure system will provide new incentives to develop technology specifically designed for the new farm units. Such technology development and adaptation is demonstrably possible, with Japan the most outstanding example. There is, however, little systematic or concerted effort in this area.

For one reason or another the forces of modernization intensify the polarization among groups which, under the traditional arrangements, often tolerated vast inequalities because of the mutual benefits inherent in the institutional arrangements.

International assistance policies that focus primarily on the transfer of capital and technology, but ignore the existing institutional structures of land tenure, overlook these issues which are indeed intensified by these very policies. Of course, improved production techniques generated internally do not of themselves yield different results so long as the land tenure system remains unchanged. This is why land reform becomes such an important issue. The increased polarization resulting from modernization as illustrated above is not self-correcting nor likely to reverse itself. It can only be redressed by direct government action.

To concentrate on production without explicit recognition of the need for increased access to productive resources by the excluded masses may yield an increased output of certain commodities and a growing labor productivity *for a part* of the labor force. Yet such policies tend to widen income disparities and throw the burden of adjustment on the disadvantaged who join the ranks of the landless, continue to crowd into existing small farm areas, move out to rapidly shrinking frontiers, or to join the underemployed in the cities.

Even if it were possible in the absence of land reform, to avoid the movement to the cities, people cannot simply be placed "on ice" until such time as they are needed. They must be engaged in worthwhile, productive activity in order to develop their individual, human capacities and thereby develop the skills and the discipline which both a modern agriculture and industry require. Perhaps an even more crucial impact of idleness is the depression of hope, aspirations and self-respect, especially among the young, who look to adults of their own social group and community for models to emulate. More secure and more stable economic opportunities must be developed in the agricultural sector. Land must be viewed not merely as a resource to be efficiently combined with scarce capital so as to maximize agricultural output, but also as a vehicle for employing people and for developing their skills and experience. Indeed the manner in which increased production is achieved, and the number of people who participate in and reap benefits from the experience, may be as significant as the short-run production increase itself.

It is in trying to combine output with employment and distribution goals in the same general policy, rather than in their separation, that land reform becomes strategic. Such a combination frequently cannot be achieved without redistribution of property rights in land from those owning (or

claiming) much to those owning little or none.

The relative success in recent years of new crop varieties (the Green Revolution) has provided hope that the tough issues of land reform could be avoided. New technology of this and other kinds is absolutely requisite and its development must be pursued with great vigor and support. However, there is mounting evidence that those with the least secure claims to land are gaining little from the Green Revolution and are often squeezed off their farm and transformed into landless laborers. As farming opportunities become more profitable (due to new inputs and favorable product price policies) owners take over the land for cultivation on their own account—often buying additional land and investing in mechanization to reduce the management complications of dealing with a large hired labor force.

The separation of production policies from distribution policies is frequently defended by pointing out that unless and until production is increased, there is little to distribute. This argument is not convincing; indeed, it sounds too much like a rationalization of the well-to-do trying to protect their privileged position. Given the circumstances existing in many of the less developed countries (a concentration of property ownership, a redundant, poorly organized labor force lacking bargaining power, and the inability to finance and administer massive social welfare programs), those who own the means of production also receive the income from their use. Increased output is more or less automatically distributed to resource owners in the very process of its production. There is nothing left to distribute.

Under these circumstances, the institutions of private property, freedom of contract and competition may well accentuate the existing inequalities. These institutions cannot perform in the public interest until there is a more equal distribution of wealth, power and opportunity.

I am not implying that land reform is in all cases a solution to the severe and growing problems of unemployment. In some crowded rural areas, it may be impossible to create many new employment opportunities in farming. Many attempts in recent years to implement special programs for small farmers have not as yet had sufficient reach and impact; often they are handicapped by the fact that small farm areas simply need more resources which could, in many cases, be made available through land reform. But the major point is that the technological gap is too wide, the internal disparities too great, and the population growth rates too high to continue a policy course which separates the objectives of increased production from those of employment creation and a more equitable distribution.[1]

Past policies have often demonstrated a lack of confidence in the ability of the peasant farmer, perhaps simply as a rationalization for avoiding the political confrontation with present landowners which is inevitable in any land reform. Actually, peasant farmers have generally performed remarkably well despite serious handicaps and disadvantages. The idea that turning over land and its management to uneducated peasants is a sure road to disaster is contradicted by historical experience. Confidence in the ability of peasants to rise to the challenge has usually been well placed. The development of this latent human potential of peasants requires an appropriate institutional environment and public policies that do not continually discriminate against them. This, of course, is what land reform is all about.

[1] In some countries it may of course be impossible, given the population pressure on the land, to achieve this combination of goals within the sector of agricultural production. In such cases employment creation must be achieved through other means. In all cases employment creation needs to form part of overall national development strategies which may include distributive land reforms, special programs for small farmers, public labor-intensive infrastructural works in both rural and urban areas, the establishment of light industries in rural areas, etc. The fact is that in most countries many more people could be productively employed in agriculture and the related service structures if land reforms were implemented.

IS THERE ANY RELIGIOUS FREEDOM IN ROMANIA?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in light of the recently passed most-favored-nation legislation for Romania, it is useful to examine the state of the nation with which we are dealing. According to Pastor Wurmbrand, who suffered himself at the hands of the Communist authorities in Romania, religious freedom is almost nil in Communist Romania. In that regard, I commend to the attention of my colleagues a copy of the letter I received from him, relative to this situation:

June 27, 1975.

Representative LARRY P. MCDONALD,
House of Representatives
Washington, D.C.

DEAR SIR: I have received your letter.

I wish to clarify the religious situation in Romania today in connection with the trade agreement which should not be concluded.

Romania should give liberty for emigration not only to the Jews or the German minority, Romanians would also like to emigrate. A joke is said in Romania, my homeland, that Ceausescu told to this wife, "If we give passports to all who ask, only we two would remain in the country." To which his wife answered, "Sorry in that case, you would remain alone. I would leave too."

The persecution of religion is even worse than the hindrances to emigration. The following religious organizations are completely forbidden:

1. The Greek Catholic Church (1,200,000 members). All the known bishops died in prison. There are still two secretly ordained bishops. We have the proof that secretly priests say the liturgy in woods or in private places.

2. The Army of the Lord (Something like the Salvation Army in America. It has 300,000 members).

3. The Young Men's Christian Association and Young Women's Christian Association.

4. The British and Foreign Bible Society.

5. The Church of the Nazarene, the Witnesses of Jehovah and a few smaller groups.

All the Greek Catholic monasteries have been closed and new vows are forbidden for the Roman Catholic monasteries and convents.

No one in Romania can become a Catholic nun or monk today. The Catholic Church and the Evangelical Church cannot have a publishing house. All Christian philanthropic institutions are forbidden. All Christian schools have been closed, their buildings have been confiscated by the state and used for government purposes.

Christians are in prison for the crime of having spread the Bible or having been found at secret prayer meetings. The most conspicuous cases are those of Vasile Rascol in Bucharest and Shamu in Mediash. Big fines are imposed upon those found at secret prayer meetings.

In March of this year, the Law #1 has been issued by the Romanian government asking all citizens holding higher positions in industry, government, education, etc. to take the following oath: "We will use all our capacity in the service of fulfilling the Communist Party's internal policy." The internal policy of the Party is an avowed Marxist-Leninist one which includes a militant fight against religion. No Christian can take such an oath. There have been already many cases of Christians dismissed from their jobs for refusing to take this oath.

I wish Romania's best and would like that it should have prosperous trade with the United States, but not before it proves to be a democracy as it claims. Its need of trade can be used as leverage for obtaining at least religious liberty in that country.

Yours very sincerely,

Rev. RICHARD WURMBRAND,

(Signed in absence.)

RANDELL DICKS OF YOUNGSTOWN, OHIO PRAISES SECRET SERVICE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. CARNEY. Mr. Speaker, I recently received a letter from a constituent, Mr. Randell Dicks, who praises the quick action of the Secret Service in preventing the assassination of President Ford last week. I am placing in the CONGRESSIONAL RECORD the letter I received from my constituent for the information and consideration of my colleagues.

I would also like to personally commend Secret Service Agent Larry M. Buendorf. Because of his very quick and decisive action, a would-be assassin was disarmed before any shots could be fired. I urge that my colleagues also praise Agent Buendorf for his fine efforts.

The text of the letter follows.

CANFIELD, OHIO,
September 5, 1975.

Hon. CHARLES CARNEY,
Washington, D.C.

DEAR MR. CARNEY: I think that the U.S. Secret Service and other agencies involved deserve commendation and thanks for their spendid service in Sacramento today, and hope that you will make a comment in the House.

Very truly yours,

RANDELL DICKS.

RUSSIAN AND RED CHINESE MERCHANT VESSELS ABOUND IN THE PORTS OF NORTHERN EUROPE

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mrs. SULLIVAN. Mr. Speaker, in the early part of the August recess, I spent some time examining certain aspects of the important ports of Northern Europe and the shipyards in and near these ports. I got a good look at the major ports of Hamburg, Bremen, Bremerhaven, Kiel, Amsterdam, and Rotterdam. In the week or so that I visited these various ports, I was chagrined to find between 15 and 20 new, modern vessels of the Soviet merchant fleet. This did not surprise me too much as one might expect to find Russian-flag vessels in those ports because of their proximity to the Soviet Union. However, it was most distressing to find that number of Soviet merchant vessels and no U.S.-flag vessels.

What was even more astonishing and disturbing was to find an equal number, somewhere between 15 and 20, Red Chinese merchant vessels in these ports. Again, as contrasted with the almost total absence of U.S.-flag vessels. In fact, the only U.S.-flag vessel in evidence after 5 or 6 days, was in the port of Rotterdam, when we came across Sea-Land's *Azalea City*. This vessel is 40 years old and is used in the feeder service between Rotterdam and London.

This was the only U.S.-flag vessel that we came across in this period of time, as contrasted to the numerous Soviet and Chinese vessels in these ports.

I submit, Mr. Speaker, that this disquieting situation is symptomatic of the merchant marine imbalance in the major ports of the world. I am convinced that this vexing situation indicates a threat to our national security which must cause us grave concern. To allow this imbalance against the U.S.-flag on the high seas to foster and develop is dangerous and it threatens to grow worse unless we can reverse this alarming trend. Just as backup information with respect to this heavy presence of Communist-flag vessels as against the absence of U.S.-flag vessels, I would like to point out that Soviet merchant tonnage, represented in 2,352 ships, totaled approximately 17.5 million deadweight tons as of 1975. This compares to 582 ships and 14.5 million deadweight tons in the privately owned U.S. merchant fleet.

The Soviet Union is now pursuing further expansion of its container fleet and the Far Eastern Steamship Co., one of 16 Soviet-owned shipping companies, increased its container capacity in the Pacific from none in 1970, to nearly 20,000 20-foot equivalents on six routes in 1974; the Polish Ocean Lines increased its container capacity from one in 1970, to more than 10,000 20-foot equivalents in 1974; and the Baltic Steamship Line, another Soviet-owned ocean carrier, increased its sailings by 200 percent and its trailer capacity by 300 percent, to 12,000 20-foot equivalents, from 1973 to 1974. The Russians also have on order some 16,900 containers from foreign manufacturers. In addition, the Soviets are building several modern large carriers in Polish and Finnish yards. These vessels are similar to our *Lash* and *Seabee* vessels, which are innovative American technological marine transportation triumphs.

It must also be remembered that the container revolution in ocean transportation was invented by the Americans in the United States and we were preeminent in this field for approximately 10 years. Now, apparently, even this innovative technological ocean transportation advantage is slipping away to the Red bloc merchant fleets. This is an alarming situation and I comment on it because it is especially disturbing to visit the great ports of Northern Europe and see the Soviet and Red Chinese merchant fleet hardware in solid evidence while the U.S. flag is nowhere to be seen on the dozens of ships lined up along the teeming docks of these ports.

The U.S. maritime industry has been under considerable criticism and attack lately on a broad range of matters. Its critics continually carp about its being subsidized and other preferential treatment received from the Federal Government.

We have tried for 3 years now to enact a modest cargo preference quota on petroleum products so that from 20–30 percent would be carried in U.S.-flag bottoms. Despite our continued efforts, we have been blocked while the oil producing nations are rapidly building their own tanker fleets with the stated intention of carrying a large percentage of petroleum products in their flag tankers. Unless we soon wake up, there will be no energy product carriage in U.S.-flag vessels and no U.S.-flag capacity. We will then be totally dependent on foreign sources for the carriage of our energy products. Do we want that?

Even here in Congress, there seems to be a dangerous trend away from recognizing the importance of the U.S. flag on the high seas. When the maritime authorization bill for fiscal year 1976 came to the House floor for a vote early this year, there were 59 votes in opposition—many, many more negative votes than have ever been recorded in years past.

We cannot compete on the high seas with foreign-flag vessels which cost less to construct and less to operate because of the difference in standards of living between our Nation and other nations, without some subsidy aid and cargo preference—and one cannot see these new, modern Soviet- and Chinese-flag merchant vessels lined up and not realize that they are there because of a direct government program. Indeed, these Red bloc fleets are State owned and operated and are not subject to our cost strictures and profit goals. These State-owned Communist fleets can and are being used as an instrument of government policy independently from normal commercial considerations.

The critical newspaper editorials constantly refer to the powerful maritime industry and its huge profits. In fact, most U.S.-flag steamship companies are only realizing an annual profit margin of from 2–4 percent. As for the U.S. shipyards, it is projected that for the next several years they will be fortunate if they realize an after tax net profit margin of 2 percent. This is certainly not much profit and is lower than most other industries. As to the maritime labor unions, who in the country would deny the U.S. employee his fair wage and present standard of living? Few, I venture to say.

We had better wake up and decide that we do in fact want the U.S. flag to continue to fly over merchant vessels on the high seas of the world and we had also better be prepared to do what is necessary to insure the continued presence of U.S.-flag merchant vessels on the trade routes and in the major port areas of the world before they vanish altogether. This is our maritime heritage and tradition and we are making a disastrous and tragic blunder if we allow our position on the sea lanes and port areas of the world to be further weakened and eroded while the Red bloc naval and merchant fleets grow in numbers, might and pride.

FORD AND BUTZ PLAYING POLITICS WITH FOOD

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. RICHMOND. Mr. Speaker, President Ford and Agriculture Secretary Butz are deceiving both farmers and consumers by avoiding the real issues behind the recent Russian grain deals and striving, with the cooperation of giant agribusiness, to keep these two allies apart.

As the following article from the Village Voice of September 8, 1975, points out, Secretary Butz was one of the originators of the "agribusiness takeover" policy for our farmers and consumers. With this policy, President Ford is banking that a few crumbs will lull our farmers into contentment, while the giant grain conglomerates with the inside information get the real profits. But, as the article shows, both farmers and consumers lose from this policy. Only by becoming aware of how Secretary Butz uses agribusiness interests as a wedge between farmers and consumers can we forge an effective alliance that can stop the corporate onslaught against family farmers and consumers.

I urge my colleagues to read this article in that light.

SURPLUS VALUE: FORD'S RAKE-OFF FROM MOTHER NATURE

(By Alexander Cockburn and James Ridgeway)

Just past noon last week, a well-known commodities trader, whom we'll refer to as Q, made his way through the financial district, ending up in the foyer of a good restaurant at the western end of Wall Street. Hardly was he seated with a martini before

him and launching into animated conversation with a reporter than a bleeping noise trickled up from his right-hand pocket. Excusing himself, Q threaded his way through the crowded restaurant to a phone booth where he dialed his secretary.

"What's going on?"

"I thought you should know there are reports on the Soviet radio of an early frost in the Ukraine."

Q hunched closer over the telephone, darting a nervous look over his shoulder, and snapped a series of brisk commands to the secretary. An hour later, lunch terminated, Q returned to his private office. He hurried to the side of the room and studied the tapes spewing from a bank of teletypes. Agence France Presse was reporting a sudden entrance of Turkey into the wheat market. From AP-Dow Jones had come the news that Iran was once again buying soybean oil. On his desk Q flicked the instant replay switch and heard for himself a tape of the exciting news from the Soviet Union that frost was indeed nipping at the Ukrainian soil.

Q made a series of rapid decisions and called his broker. "Buy 100 contracts of December wheat." This is how Q, very definitely a real person, hopes to make money for himself and his clients, and it is partly his frantic business life that Earl Butz is talking about when he extols the "free market" system in agriculture.

Next week Q will be more than usually alert to the chirp of his bleeper and the tidings of his teletype machines. For on September 11 come the monthly crop estimates from the U.S. Department of Agriculture.

At about 4 a.m. on the dawn of that day, 20 or so top officials of the department will gather with attendant hordes of statisticians and secretaries in a semibasement room. As always (since one crooked official signaled advance information to accomplices outside by fiddling with the shades), the windows will be covered by steel blinds and a guard posted outside the door. The officials will pore over the crop data (sent to a special post box which can only be opened by two men manipulating their special keys simultaneously) that have come in from the USDA's outposts in the Midwest.

All morning they will struggle with the figures. At about 2:53 p.m. they will emerge at last to confront a milling horde of reporters, who stand nervously toeing a white line drawn across the floor of a small stuffy room. Six feet the other side of the line is an array of telephones, receivers off the hook, and at the other end editors from the major wire services waiting anxiously. A USDA official saunters over to the telephones and beside each one places a news release face down.

The clock strikes and bedlam will erupt as the reporters leap over the line, flip the news releases, and start screaming the September crop estimates down the phone. Within seconds bells are ringing on ticker tapes from Wall Street to small grain elevators in the Midwest. At some of these elevators farmers will be actually selling their grain as the Commodity News Service flashes the estimates. Prices are revised at once.

Next week these reporters will be shouting down the telephone the latest estimates on how good or bad the year's corn crop is likely to be. On this news will hinge not only the financial success of the farmers' year but profits and losses to the big grain companies (who are also, of course, the big grain speculators) and ultimately the retail prices of flour, bread, and other foodstuffs.

This year, because of the large Soviet purchases in July, the crop estimates will have particular potency, becoming one more factor in the growing political quarrel over whether the U.S. should be selling grain to the Soviet Union, and in what quantities.

As these two actual scenes—Q's lunch and the bedlam at the USDA—graphically portray, much of the food business is a gigantic crap game, with the players using everything, including CIA satellite reports, to get ahead. But at the heart of the crap game right now is a phenomenon of simple importance; the relationship of agricultural policy to President Ford's overall game plan.

This plan is relatively straightforward. In the case of oil, as we wrote three weeks ago, Ford's strategy, eased by a scare over shortage of natural gas, has been to back the oil companies and help them raise prices. Precisely the same course is being followed with food. No amount of huffing and puffing about the Soviet deal can conceal this fact.

In our discussions with administration officials last week it was clear that no one cared whether wheat was sold to the Soviet Union or not. What mattered was that both consumers and business received and understood a clear signal that food prices were going to move up. Where quarrels subsequently broke out was over the extent of these rises. The Agriculture Department minimized the increases. "We have made a study," Don Paarlberg, Butz's chief economist, told us, "and it indicates the effect of the Soviet purchases when worked all the way through the food system—taking about 16 months—will be to increase the price of food 1.5 per cent over what it would otherwise be."

Carol Foreman of the Consumer Federation of America preferred to stress to us that, simply on the strength of the news of the intended sale to the Soviet Union, the three largest flour millers are raising the price of flour 10 cents a pound. She sees the Soviet sale more as a starting pistol for big corporations to break ranks and ram through price increases which will send overall food prices up by 10 to 12 per cent by Christmas.

Ford finds himself caught up in an intricate gamble. He needs the votes of the Midwest states to win in 1976, and he can do this in two ways: if some fluke of good fortune the high prices actually trickle down into the farmers' pocket instead of being snitched entirely by the big grain companies, then presumably these farmers will reward the President with a resounding vote of confidence. But if, as in the past, the farmers' lot gets worse instead of better, Ford and Butz will copy the tricks of that old Zen master Nixon in the early 1970s. Then, as now, the farmers' attention was diverted from the real issues at hand (i.e., their small recompense in comparison with the grain traders' bonanza) to the red herring of that dobbering labor broker, George Meany. By foolishly going to the White House last week Meany shambled into an ambush, for all Ford has to do if the farmers lose out is to blame the debacle on labor.

Lurking behind all this is the manic figure of the professor from Purdue (and indeed from Ralston-Purina), Earl Butz. Butz has much in common with that other veteran of the old gang, the great pie-wagger himself, Arthur Burns. The major mission of both of these professors was to reelect Nixon in 1972. Burns did his bit by abandoning lifetime principles of thrifty caution and spraying new money into the economy. Butz, who for years had preached against the farmers as outmoded and inefficient appendages to modern agriculture, suddenly embraced them, and claimed he was their doughtiest spokesperson.

Butz, believe it or not, was actually born on a farm in Indiana. He even worked the farm, but after one year thankfully escaped to the more fertile pastures of Purdue University where he swiftly rose through the ranks to become agriculture dean. Like many academics he was in and out of government, did the required stint at the Brookings Institution, and drew down $29,800 a year in consulting fees from the cream of the agribusiness: Ralston-Purina, International Minerals and Chemicals Corporation, Stokely Van Camp, and J. I. Case.

In 1957 Butz quit as assistant secretary of agriculture under Ezra Taft Benson to join John Davis who had also served under Benson, and who had gone off to Harvard Business School to figure out a scheme for saving agriculture. Together, Davis and Butz hammered out the plan for what they called "agribusiness." "The old idea of trying to solve the farm problem on the farm," Davis wrote, "is outmoded." The modern farm could not be considered a self-sufficient unit. On the contrary, "modern agriculture is inseparable from the business firms which manufacture production supplies and which market farm products." So far as Davis and Butz could see, the only way to lick the nagging problems of overproduction and at the same time keep farming in the private sector was to transfer control of agriculture from government and the small farm to the vertical corporations.

By the early 1970s the Davis-Butz blueprint had become the farm policy of the Nixon administration. Butz has since done everything he can to push agriculture toward his model. He has ruthlessly put down small farms, impounding funds scheduled for rural electrical programs and farmers home administration loans. He supported food price increases because "they're still a relatively minor percentage of take-home pay" and he blamed low worker productivity for high food processing costs. He told food workers to fight high food prices by not asking for wage increases, and he suggested to boycotting housewives that they blame congressional spending, not food producers, for high prices.

Like Burns, Butz has become a master of the art of talking out of both sides of his mouth. When he was desperately seeking confirmation in the Senate as agriculture secretary, he needed to convince Senator Javits and others that he would "exert every possible effort" to support the food-stamp program, although he had previously said this program was "just short of ridiculous." A few months after his confirmation Butz reversed himself again and called food stamps "welfare" and "unfair to farmers."

So the Soviet wheat sale really slots in with Butz's long-term strategy to concentrate agriculture in the hands of a few large corporate interests which he hopes can more effectively administer the nation's food policy than can the government. The wheat sale advances this cause by placing power—both political and financial—in the hands of a few large grain companies, giving them in effect the authority to set agriculture policy.

So this is the great play. Now Butz has two jobs. The first is to help get Ford reelected and the second is to implement his Plan. He is well on the way to achieving both. He has diverted farmers' attention from the real problems by his bogus battle with Meany. Secondly, by reducing subsidies and forcing out small and marginal farmers, and by using the power of government to encourage the processing and other food servicing companies, he works constantly toward implementing the Butz strategy for agribusiness.

The plans are all set, but life is not so simple. Ford and Butz confidently expect the crop estimates of September 11 to contain no surprises. In all likelihood they won't. But they can't fix everything.

Take this scenario. On September 6, after the data for the estimates has been compiled, there's a freak early frost in the Midwest. Nonetheless the optimistic crop forecasts encourage further sales to the Soviet Union.

Halfway across the world, fighting breaks out in Bangladesh. India intervenes, spreading wide destruction of food reserves in West Bengal and Bangladesh. As a consequence there is an unexpected pressure on U.S. grain supplies. Prices shoot upward, rippling their effects for many months right through the food industry—to Ford's enormous political disadvantage. Ford may have got a policy and indeed it may work—but as any farmer could tell him, you can't always rely on the weather.

MR. THEODORE F. MACHAC RECEIVES AWARD SECOND TIME

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. DE LA GARZA. Mr. Speaker, a volunteer weather observer in my south Texas district, Mr. Theodore F. Machac, has been honored for the second time by the National Weather Service.

Mr. Machac, who has been taking weather observations in his area for 34 years, recently received the John Campanius Holm Award, created in 1959 by the National Weather Service. This award is presented annually to honor volunteer weather observers for outstanding accomplishments in the field of meteorological observations.

His previous honor, a Special Service Award, was earned in 1967 for his efforts in maintaining detailed weather records and log during the passage of the disastrous hurricane Beulah.

Details of his latest award are contained in a news release from the National Oceanic and Atmospheric Administration, which is included as an addition to my remarks:

VOLUNTEER WEATHER OBSERVER

WASHINGTON.—Theodore F. Machac, volunteer weather observer for the National Weather Service at McCook, Texas, since 1941, has been selected to receive the John Campanius Holm Award. Names of the 29 winners selected nationwide were announced today by the U.S. Department of Commerce's National Oceanic and Atmospheric Administration (NOAA), parent agency of the National Weather Service.

John Campanius Holm Awards were created in 1959 by the National Weather Service and are presented annually to honor volunteer observers for outstanding accomplishments in the field of meteorological observations. The award is named for a Lutheran minister who is the first person known to have taken systematic weather observations in the American colonies. In 1644 and 1645, the Reverend Holm made records of the climate, without the use of instruments, near the present site of Wilmington, Delaware.

Mr. Machac began taking weather observations at McCook, Texas, in August 1941. He was cited for his tireless cooperative efforts in making excellent observations of temperature, precipitation, evaporation, and dew. He also takes pride in keeping his weather instruments and site in immaculate order.

Mr. Machac earned a National Weather Service Special Service Award in 1967 for his efforts in maintaining detailed weather records and log during the passage of the severe hurricane Beulah.

The National Weather Service has nearly 13,000 volunteer observers throughout the United States who make and record daily weather observations. The information they gather is processed and published by the Environmental Data Service, another major component of NOAA, and forms a valuable part of the Nation's weather history.

MR. IRVING I. STONE TO RECEIVE THE GOLD MEDALLION

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. VANIK. Mr. Speaker, on September 17, the B'nai B'rith Foundation of the United States will present its most distinguished award, the Gold Medallion, to Mr. Irving I. Stone in recognition of the extraordinary contributions which he has made to so many humanitarian endeavors. Mr. Irving Stone is a human being of extraordinary energy, talent, and commitment to a long list of endeavors affecting the lives of hundreds of thousands of people in our Cleveland community, the Nation, and the world.

Irving Stone has been vitally involved in the Cleveland Museum of Art and the United Torch of Greater Cleveland providing advice and labor over a period of many, many years. He has been equally involved in the sustenance and guidance of the Cleveland Hebrew Academy, the American Joint Distribution Committee, the Cleveland Jewish Community Federation, Telshe Yeshiva, and many other critical educational and cultural components of our community and the Nation.

Irving Stone's activities on behalf of the state of Israel are legion. He is the founder and principal source of strength and light for the Israeli town of Kiryat Telshe-Stone.

Irving Stone's legacies and monuments are thousands of our young people who can be assured of continuing close contact with Jewish culture and education and deep religious commitment. Even beyond this incredible commitment of time and effort, Irving Stone directs the affairs of the American Greetings Company which was founded by his indefatigable father Mr. Sapirstein. This once small family company has grown to be the largest publicly owned greeting card company in the word and a principal employer of thousands of people in many States.

In all aspects of Mr. Stone's life, he exemplifies the best of America, its culture, education, and religion. Our whole community applauds Mr. Stone upon the award of this Gold Medallion and wish him every best wish for continued strength in his future endeavors.

I also extend my best wishes to Irving Stone's community-spirited family and his sister Bernice Davis, and his brothers Harry and Morris. Together the Stone family is a vital force for progress in education, culture and religion. Our community is blessed to have them among us.

HAVEN FOR RIPOFFS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. BAUMAN. Mr. Speaker, when Treasury Secretary William Simon referred to the Federal food stamp program as a "haven for chiselers and ripoff artists," he was met with reams of editorial denunciations for the frankness of his language. However not all the media rushed to voice their shock. Some newspapers expressed approval, and noted that Secretary Simon had struck a responsive chord with millions of taxpayers.

The Daily Times in Salisbury, Md., was one of the newspapers which was not shocked at Secretary Simon's honesty. In a recent editorial they quoted the Secretary and went on to discuss other welfare programs which threaten to get out of control. The Times closed by reminding us of something which this Congress loves to forget:

One point lost sight of in such things is the fact that the federal government runs at a deficit anyhow and the money printing presses turn out dollars worth less and less.

I enclose the entire editorial for the enlightenment of my colleagues:

[From the Salisbury (Md.) Daily Times, Aug. 14, 1975]

HAVEN FOR RIPOFFS

"Haven for chislers and ripoff artists" is the phrase the Secretary of the Treasury, William E. Simon, used in referring to the federal food stamp program.

He went on in a speech to note that the use of food stamps which supplements the food buying power of some 19 million people is a good example of how well-intended programs can go sour.

The food stamp program began as a $14 million experiment in 1962. Now, 13 years later, it is out of hand and threatening to become more so unless Congress tightens the strings. This year, food stamps will cost the taxpayers of this country $6.6 billion.

President Ford has asked congress to tighten it up but to no avail. Next year is an election year. All members of the House and a third of the Senate come up for reelection. Most of those members who plan to run again don't want to risk the wrath of voters who may be cut off from cheaper food.

But, the day must come when the voters who have to foot the mounting bill can enlist enough support at the polls to elect people who will end this abuse. It's the only way it's going to happen.

And, while voters (and taxpayers) are pondering these problems, there are all kinds of schemes in the incubators at Washington. Take the proposal of Rep. Charles Rangel (D-NY) whose program would also provide "clothing stamps." Estimates are that the cost will match the $6.6 billion tab for food stamps.

One point lost sight of in such things is the fact: that the federal government runs at a deficit anyhow and the money printing presses turn out dollars worth less and less.

LYNETTE FROMME ON FRONT COVERS OF MAGAZINES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SYMMS. Mr. Speaker, I would like to take a moment today to express my disappointment and disgust with the editors of Newswcek and Time magazines.

In my opinion, their glorification of attempted assassin Lynette Fromme by placing her picture on the front covers of their respective publications was the height of editorial indiscretion. What effect can this kind of sensationalism possibly have other than to provide an increased incentive for every kook and fanatic in this country to take potshots at our leaders for publicity's sake. I ask you, is this responsible journalism?

If these editors were here now, I would like to ask them a simple question. I would like to know exactly what, in their minds, makes an attempted murderer and longtime practitioner of the occult worthy of front cover play in two of the Nation's largest weekly magazines? Are those the kinds of credentials American citizens must display to achieve national notoriety these days? It seems that one must be either a criminal, a freak, a politican or a blend of all three, in order to have his picture show up on the covers of our news magazines. Successful, productive, law-abiding citizens who work in the private sector apparently do not make good copy in the present scheme of things. Newsmen are not interested in what private enterprise is doing for the people and for the country. They are only concerned with what the criminals and the politicians are doing to the people and to the country. And really, the only difference between criminals and most politicians is that one group robs Americans by breaking laws; the other group plunders the citizenry by passing laws.

Mr. Speaker, I am not attempting to tell Time, Newsweei. or any other magazine what they should or should not publish. That is for them alone to decide. I am suggesting, however, that such publications unwittingly contribute to the very problems they profess to abhor by splashing the mugs of people like Lynette Fromme across every newsstand in this country. I am suggesting that journals such as these have a higher level of responsibility to the people of the Nation than they seem to perceive when exercising their editorial judgment. It is a responsibility which transcends the desire to sell magazines with sensationalist appeals.

When satan worship and assassination attempts are rewarded with front cover publicity, something is clearly amiss. In my opinion, the entire Nation suffers when this kind of criminal glorification runs rampant. The overwhelming majority of Americans undoubtedly concur. Hopefully, Time and Newsweek will soon recognize that fact, and will begin to take seriously the need to discourage, not encourage crime in America—political assassinations notwithstanding.

WHEN SUMMER IS A SCHOOL

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. JOHN L. BURTON. Mr. Speaker, school systems across the country appear to be facing many difficulties, ranging from meeting payrolls to busing children.

It is refreshing, then, to read of one approach to education that is working.

That approach is year-round schooling.

The following article was written by the nationally syndicated columnist, Sylvia Porter, and appeared in the San Francisco Chronicle of July 29, 1975.

The column illustrates that year-round schools can save money, increase the use of school facilities, and enable more children to participate in the education process.

Mr. Speaker, I think that it is important for all Members to read about this workable program.

The text of the article follows:

WHEN SUMMER IS A SCHOOL

(By Sylvia Porter)

Just about now, when millions of idle, restless youngsters are either deep into summer trouble or out looking for it, record numbers of others are pursuing regular classroom schedules.

In Virginia's Prince William county, for instance, 20 per cent of the student population now attend classes all year—except for four three-week vacations spread throughout the 12 months. They are just a fraction of the two million youngsters in 28 states who now either attend year-round schools or who have the chance to do so.

The year-round schedule was begun in Prince William county (as elsewhere) to avoid overcrowding and to cut building costs. This county grew so fast during the early 1970s that many schools were forced to go on double shifts. Now four years after year-round schools were instituted, planners say a school built for 9000 students can accommodate 12,000 on a year-round basis. A 1972 study also shows that the plan reduced the then-average cost of educating each student by $109 a year.

What began as an economic move has, though, developed into a satisfying change in traditional education patterns. According to students and educators:

Shorter terms and more frequent vacations slash vandalism, decrease boredom and absenteeism, provide an opportunity for more elective courses which wouldn't fill a whole semester.

Students return to their classes refreshed and with a new commitment to learning.

Education is now viewed as a continuing process, not a chore to be squeezed between lengthy summer holidays.

The most popular type of schedule is called the "45-15" program. Students are divided into four groups, usually on the basis of neighborhoods so children in the same area follow the same routine. Each group attends classes for 45 days, not counting weekends and holidays, then gets 15 days off. When one group begins its break, another returns to school, so only 75 per cent of the students are in school at any specified time.

Just in the past two years, the number of public school districts providing the option of 45-15 or similar plans has quadrupled. In California, about 78,000 youngsters attend all-year classes.

Opposition to the innovation generally focuses on the absence of extended summer vacations. Some parents want guaranteed warm weather holidays, so they can plan long family trips to coincide with the schedules of friends and other relatives. Other parents object to the program because they feel 45-day periods are too short in which to complete course work and they don't want their children rushed through their studies to meet an upcoming 15-day break.

Some businesses, too, are apprehensive about the impact of year-round schooling on customer buying and travel habits. Retail clothiers wonder if "back to school" sales will become obsolete if and as the program spreads. Stationers fear that fall sales of notebooks, bookcovers, pencils and the like will diminish. Travel related industries and resort operators fear a lessening of their "peak" seasons.

But for each objection supporters have an answer. They argue vacations are more enjoyable when resorts aren't so crowded; shorter and frequent school breaks make it possible for working parents to be more flexible in their vacation planning, because they don't have to take their vacation in summer just because the children are at home.

Many year-round schools provide individualized tutoring sessions during the short holidays so poor students can repeat a course at once without falling a whole year behind. Some offer additional electives for gifted students.

As for businesses, merchants and recreation workers who have had experience with year-round schools welcome the elimination of the stop-and-go cycle in public demand, are glad not to be swamped with vacationers during hot weather months, left close to idle the rest of the year. Some police and recreation authorities say it's easier to deal with only one-quarter of a community's children at one time.

The long summer breaks may be moving toward oblivion. "We live in a suburban society," as one school planner puts it. "Children no longer have farms to run and crops to reap."

THE 10TH ANNIVERSARY OF THE FOSTER GRANDPARENT PROGRAM

HON NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. D'AMOURS. Mr. Speaker, this year marks the 10th anniversary of the Foster Grandparent program, a program which we can site proudly as an example of what's right with America.

In the State of New Hampshire, 54 foster grandparents aged 60 through age 87 participate in the program at the Laconia State School in Laconia. There, children with special needs receive the benefit of a person-to-person relationship with a "Foster Grandparent."

We hear much these days about the fact that our natural resources, like oil and natural gas, are dwindling, and that

we must learn to utilize all of our natural resources to the fullest. What greater untapped resource is there in America today than our older citizens? What could be more wasteful than to ignore the three score or more years of life, wisdom, and human understanding that these older Americans represent?

America's toughest problems are human problems: mental illness, juvenile delinquency, racial hatred, drug addiction and poverty. We cannot just pour money on these problems and expect them to go away. Nor will these problems be solved with more police or more institutions.

What we need to solve these problems is human understanding, and wisdom, and compassion of the type we see in our senior citizens.

ACTION, in its Foster Grandparents program, has made a find on a par with the Alaskan oil discovery. They have hit a gusher of human potential in our old people, and beyond lie even greater discoveries.

In my home State of New Hampshire I have talked with many older citizens who are brimming with energy, full of a lifetime of experience and knowledge, and anxious to share their many gifts with others less fortunate. Some good examples of the kinds of older citizens I'm talking about are the participants in the Foster Grandparent program in Laconia, who are represented at this week's 10th anniversary celebration by Mrs. Ruth Fox, of Belmont, N.H.

Mrs. Fox, to you and the other seniors who have participated in the program since its inception in 1965, and to all 54 Foster Grandparents at the Laconia School, I offer my praise for a job well done, and my thanks for your continued contributions to America.

THE SENATE ADOPTS CRIPPLING CHANGE IN WATER POLLUTION FUNDS FORMULA

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. ROSENTHAL. Mr. Speaker, on July 29, the Senate adopted the House's public works bill—H.R. 5247—with an ill-conceived and ruinous amendment changing the formula used to allocate water pollution control grants to the States. Affected is approximately $9 billion in previously impounded construction funds, as well as future grants. The Senate amendment will wreak havoc upon State plans which have uniformly been based upon the formula in existence at the time the $9 billion was impounded—a formula based on need as determined by the Environmental Protection Agency. The Senate language would effect a reallocation of funds according to a formula based 50 percent on a State's population and 50 percent on the 1974 needs survey.

This change in formula will result in a decrease of funds for approximately 17 States, mostly highly industrialized States where the needs are greatest. The retroactive change in the formula was opposed by Russell Train, the EPA Administrator, as well as by the Senate Public Works Committee. However, the amendment prevailed on the Senate floor because 33 States gained under the new formula and only 17 States lost.

Changing the formula for releasing the funds at this late date could cripple the entire pollution control program. The change would work a tremendous hardship on many States which have gone ahead and submitted plans for sewage treatment and other facilities and which would now receive less money. Conversely, States which suddenly benefit under the new formula are ill-prepared effectively to use the extra money at this time since the time limit for allocation of obligatory funds is September 1977 and many States will experience difficulty in developing meaningful projects by such date.

It is, therefore, vital that the final public works bill contain the original House language and I urge my fellow Members not to support the Senate bill or any conference report which attempts any 12th-hour change in the allocation formula.

A TRIBUTE TO AUSBORN McCULLOUGH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. STARK. Mr. Speaker, it is my honor today to recognize a dedicated employee of Alameda/Contra Costa Transit in California on the occasion of his retirement after 28 years of service.

Ausborn, "Little Mack" McCullough was the first black operator hired by the predecessors of A/C Transit and continued on to retirement. Originally, employed by the Key System in the maintenance department, he was given the opportunity to operate a coach on December 15, 1951.

Those familiar with urban public transportation know that impersonality in service is prevalent. "Little Mack," however, never allowed the harried nature of his work to prevent him from serving his passengers in a friendly and warm manner—a manner that has been much appreciated. Over the years, he has received 16 awards and countless commendations for his distinguished service. And on September 13 "Little Mack" will again be honored by his friends and colleagues at a dinner and a dance. It is with great pleasure that I pay tribute to this man who has taken such pride in his work and a sincere interest in those he served.

REMEMBERING BLACK ACHIEVEMENTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. STOKES. Mr. Speaker, I would like to bring to the attention of my colleagues the following Washington Post editorial by Robert C. Maynard.

I have been disturbed for a long while over the lack of recognition of the many black Americans who have contributed so much to our sophisticated technology. I was pleased to see that Mr. Maynard shares my view that the contributions of blacks throughout American history have been grossly ignored. His article serves to illustrate just a few of the many important black scientific achievements:

REMEMBERING BLACK ACHIEVEMENTS

(By Robert C. Maynard)

Not long ago, Caspar W. Weinberger delivered his valedictory address as Secretary of Health, Education and Welfare before the Commonwealth Club of San Francisco. In remarks later repeated in Newsweek's "My Turn" column, he lambasted the current equal employment opportunity effort as "egalitarian tyranny." Equal opportunity, he said, "means the right to compete equally for the rewards of excellence, not share in its fruits regardless of personal effort."

He then gave some examples of those who exemplified his idea of competitors for the rewards of excellence:

"Our country was built by people of energy, daring and ingenuity—the Edisons, the Wright brothers, the Helen Kellers, the Fultons, the Carnegies, the great musicians and artists and countless others brimming with dreams and filled with the courage to reach out and realize those dreams whatever the odds."

Given the context, you might expect that in the next breath Weinberger was going to cite those black Americans whose "energy, daring and ingenuity" made this a better place to live. Would a cabinet officer whose mandate included health overlook Dr. Charles Drew in such a speech? Drew's discovery of a method of separating blood plasma saved millions of lives in World War II and afterward. How about Dr. William Hinton? He discovered a simple test for syphilis that saved millions from the dread consequences of that disease. Not only was neither of them on the list, but Weinberger would have left any American unfamiliar with the inventions of black Americans under the impression that blacks have given nothing to American industrial life worthy of note—and this in a speech that was highly critical of the effort to lift the yoke of racial discrimination from American life.

Weinberger could have lengthened his list, and in the lengthening, he might also have helped place the problem of racial discrimination in a larger context, one that would have brought more light than heat to an already overheated topic.

Light, in fact, would have been a wonderful place to have begun. I have in mind Lewis Latimer, an inventor who was the son of a runaway slave. The invention for which we—and especially Thomas Edison—are indebted to him was the first electric light bulb with a carbon filament. It made possible large-scale

public lighting and brought electric light to the streets and railroad stations of the 1880s. Latimer went on to supervise the installation of the earliest electric lamps in the streets and railroads stations of New York, London, Philadelphia and Montreal. He was an associate of Alexander Graham Bell, at whose request he made the first detailed drawing of the workings of the telephone. And he was at one time the chief draftsman of Westinghouse and of General Electric. At the time of his death, he was the only black member of the Edison Pioneers, the scientists and inventors who worked most closely with Edison.

In 1872, Elijah McCoy patented the first device that made it possible for steam driven machinery to be lubricated without being stopped. White resentment at the time was high, and this black man's invention was often referred to as "McCoy's nigger oil cup." Nonetheless, McCoy persevered, and soon his invention was being imitated. Those in the know wanted only those devices the black man made, and so they would inquire of sellers of industry machinery whether they had "the real McCoy." That's where the phrase originated.

Perhaps no black inventor suffered more for the color of his skin than Garrett Morgan. He introduced in 1922, the first automatic traffic signal in the United States. But the invention that mattered even more, was a smoke inhalator that first made mine rescues possible and became the basis of the gas mask that the doughboys took across the sea in World War I. Yet, Morgan had to arrange for his inventions to be shown by a white man because he lost orders whenever his race was discovered.

The point is about learning and leadership, two things it is reasonable to expect of even a departing Secretary of Health, Education, and Welfare. If the myth is permitted to prevail that blacks are absent from the rolls of major, material contributors to the development of American society, then it is possible to miss the larger lesson on history: When permitted—and against the great odds imposed by racism—black people have made contributions to nearly every phase of American life.

If those with the power and position to influence what the rest of us think about such subjects as the relationship of discrimination to poverty took care to give due recognition to the black counterparts of Edison and Fulton in their proper role, that lesson might be better understood.

AN ARGUMENT AGAINST ENERGY INDEPENDENCE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. NEAL. Mr. Speaker, as we struggle to resolve the basic differences between the legislative and executive branches concerning the Nation's energy policies, it is well that we examine all the evidence at our disposal.

Until quite recently, no one had challenged the basic soundness of energy independence. In the Bicentennial era, the very word "independence" has a stirring ring to it. I think, however, that we must be careful that our zeal for a slogan does not enslave us to an ill-conceived course of action. Therefore, I think we ought to take a closer look at the ramifications of Project Independence before we move without question toward that goal.

For that reason, I wish to insert in the RECORD a provoking article by Charles Peters and Glen Allerhand. The article appeared in the September 1975 edition of the Washington Monthly:

THE CASE AGAINST ENERGY INDEPENDENCE

(By Charles Peters and Glen Allerhand)

There seems to be nearly unanimous support for the goal of energy independence. Some favor attaining it by reducing consumption through conservation, rationing, or taxation. Others seek independence by increasing production through the incentive of higher prices. But almost everyone, be he liberal or conservative, agrees that the United States should not be dependent on foreign energy.

We disagree.

Publishing a monthly magazine means disciplining yourself not to write about things you think will become commonplace of discussion in the daily newspapers and weekly magazines before your next issue appears. Thus each month for the last six months or so, we have chosen not to make the case against energy independence because we thought it was obvious enough that it would soon appear in many other publications. We were wrong. Almost nothing has been said, so we've decided to speak up. Here is a brief outline of our case.

Continued pursuit of the policy of energy independence will lead to continued inflation, recession, and environmental damage.

Consider the following results of such a policy:

Much more use of coal, with a technology still inadequate to protect the quality of the air we breathe.

Much more strip-mining, with its destruction of agricultural and timber lands and its pollution of streams.

Much more off-shore oil drilling, with its threat to the life of the ocean and to coastal ecology.

Much more nuclear power, with its dangers of terrorist hijacking and accidental holocaust.

Much more expense—$50 billion to $100 billion more per year to produce independence by the presidential target year of 1985.

The goal of energy independence is also responsible for President Ford's desire to decontrol the price of domestic oil. Decontrol will cost the average consumer a minimum of $200 a year, according to one of the Administration's own experts, Eric Zausner, deputy to Frank Zarb at the Federal Energy Administration. Ralph Nader thinks it will be more like $900. Ford's sole justification for decontrol is that it will encourage development of domestic sources of energy and lead to energy independence.

Late this month the Arabs will raise their price, probably around $2 a barrel. After all, says Farouk M. Akhdar, a leading Saudi official, "If the price of oil is too high, why do you increase the price in your own country?" So the forthcoming OPEC increase is defended by pointing to our own proposed decontrol, which in turn is justified by Project Independence.

And this OPEC increase, according to another of the Administration's own, Gerald Parsky, an assistant secretary of the Treasury, "could pull down economic growth by as much as two to three per cent and around 600,000 workers could be forced out of their jobs."

The average price of oil—domestic and imported—is now between $9.50 and $10 a barrel. With decontrol and an increase in the price of imports, this could easily rise to about $15 by the end of the year, according to Edwin L. Dale, Jr. of *The New York Times*. It seems more likely, however, that Ford, and his allies in the oil companies, will try to postpone the worst price increases until after the general election in 1976, just as Nixon did his best to control inflation in 1972.

But even if decontrol is stretched out over two years, the new Congressional Budget Office estimates that it could cost us an average of $21 billion annually in gross national product. The Budget Office also predicts that Ford's energy policy would cause a rise of $33 billion annually in domestic oil prices.

This, of course, is just in the price of oil. It in turn causes a host of other prices to rise—everything from synthetic textiles to air fares.

The Air Transport Association, for example, estimates that the higher operating costs would put one out of every five commercial planes in mothballs and compel the airlines to lay off one out of every seven employees.

DOES IT MAKE SENSE?

Since the only justification for the Ford decontrol policy that would produce these unsettling results is energy independence*—that the rising prices would stimulate greater domestic exploration and production—it's interesting to note that as domestic oil prices have tripled in the last three years, domestic production has continued to decline. It's also a little hard to see how the decontrol of old oil—which is all that is controlled—will encourage the discovery of new oil, which is already decontrolled.

Assuming, however, that the oil companies would dutifully plow their profits into exploration and that higher prices would in fact stimulate more domestic production, the question remains: Do we want to pay the higher price and does it make any sense?

The average barrel of Arabian oil costs 15 cents to produce; a barrel of American oil, anything from $2.50 to $10. The difference is dramatic and illustrates how, from the standpoint of an efficient world economy, both America's independence policy and the Arab's pricing policy border on insanity. The world's most efficient food producer prepares to tear up its farm lands to get coal, while the world's most efficient energy producer charges prices that have absolutely no relationship to cost.

After the World War I sugar famine in Europe, consumer countries wanted to develop independence in sugar and proceeded

*If the reason for decontrol is the goal of energy independence, the reason for energy independence is the fear of another Arab embargo. Yet in the first quarter of 1975 the Arabs furnished only 7.8 per cent of the total oil requirements of the United States. While the percentage of Arab oil in our total imports is rising, the fact remains that we get most of our oil imports from non-Arab countries and, with reasonable attention to maintaining an adequate stockpile (in April it was 780-days worth of Arab imports), we could ride out an Arab embargo with only the mildest hardship. With World-War-II-type rationing, we could even fight a World-War-II-dimension war without going outside the Western Hemisphere for oil. In other words, there is no real short-term oil shortage. In the long term, of course, the world does face exhaustion of its fossil fuels—which is good enough reason for energy research and conservation but not good enough reason for wrecking the economy and the environment in a head-long rush for energy independence.

to encourage domestic sugar beet production and erect tariff barriers and import quotas. The result was the widespread but uneconomic substitution of high-cost beet sugar for low-cost cane sugar.

Russia appears to have learned the sugar beet lesson and is having second thoughts about the cost-effectiveness of its own efforts to become self-sufficient in agriculture. Recently *Pravda* devoted a full page to a speech by Fyodor D. Kulakov, secretary in charge of agriculture for the Central Committee of the Communist Party, in which he repeatedly mentioned the inadequacy of return on Soviet agricultural investment. The latest figures available show only a 0.42-ruble increase in production for every one ruble invested.

MERCANTILISM

The Russians, then, may be learning one of the main lessons of Adam Smith, a man they have not heretofore honored as prophet. Smith's *Wealth of Nations*, first published in 1776, was a tract against "mercantilism"—the 18th century's name for Project Independence. The nations of Europe at that time were obsessed with the idea of preserving their gold reserves by preventing imports. To this end each country erected high tariff barriers to foreign trade and attempted to produce internally as many of the goods it needed as possible. Smith's famous discussion of the division of labor was intended to show how mercantilism led to inefficiency and reduced prosperity for all nations.

It does seem to make sense for a country to produce what it can produce more economically than others and to buy from others what they can produce more economically than it.

The catch here, of course, is that while the Arabs can produce oil at a low cost, they want to sell it at a high price. The reason is that they want to get as much as they can in the next few years—before we and other nations develop alternate sources of energy. In other words, the faster we move toward energy independence, the greater the Arabs' interest in concentrating their profits now. This is the irony of ironies. If we weren't trying to develop energy independence, they would not have to hold us up now. What they need is a long-term assurance of reasonable prices so that they won't have to charge $11 today for fear they won't be able to get 11 cents in 1985.

Of course the conventional argument is that the Arabs' oil is a finite resource for which they need to get all they can while the getting's good. The fact is that it's not that finite—the Arabs have another 30 years' worth of oil—and the getting might not be so good if prices soar so high that customers go bankrupt trying to pay them.

The Shah of Iran says his country has lost 35 per cent of its purchasing power since the beginning of 1974 because of the worldwide inflation and decline in the value of the dollar. (The Shah, who is not lacking in chutzpah, uses this to justify another price increase.)

Instead of taking on the Shah's argument and turning it against him—his dollars are worth less because of the inflation his oil prices caused—the United States seems terribly fearful of offending Iran and Saudi Arabia. Indeed, our policy seems to be to protect those conservative regimes as a bulwark of stability in the Middle East. The Administration seems to assume that these governments will be threatened if oil prices don't continue to go up.

FOCUS ON ECONOMICS

There is another factor in America's going along with the Shah. Henry Kissinger cares little about economics and tends to avoid getting involved in economic policy—he leaves oil policy to an assistant named Thomas Enders, who believes in the high-price route to energy independence.

Congress has a similar distaste for economics. The result is that for two years it has done nothing to prevent a repetition of the two major causes of our recent inflation—the 1972 Russian wheat deal and the 1973–74 increases in oil prices.

The shame of all this is that what we need most is a diplomacy that focuses on economics. Producers all over the world need assurance of stable prices; consumers need assurance of adequate supply at a reasonable price. This is glaringly true of the raw material suppliers of the Third World, but it really applies to everyone. A healthy world economy cannot be left to chance any longer.

Last April, at the international conference on energy in Paris, we parried Third World demands to broaden the agenda to include all raw materials. Yet this is really what should be done—and in doing so we would gain allies in convincing the Arabs that stability and reasonableness is in the interest of us all.

What else will convince the Arabs?

The basic argument is that anyone who has something to sell needs a customer. And the Arabs, with the last price rise, came terribly close to destroying quite a few customers. Another price increase might do the trick.

Second, he who unleashes the tiger may get bit. Or, as we pointed out in our February issue, the world-wide inflation-recession could have disastrous consequences for Egypt. Suppose angry mobs raise a howling radical to power who will use Radio Cairo to stir up revolution in Saudi Arabia. A lot of princes would end up in unmarked graves. This result would not seem to serve our policy of protecting the present Saudi regime. And it is not just a remote possibility. There have already been inflation-inspired demonstrations in Cairo.

Third, the Arabs need places to invest their wealth. The widest choice of investment opportunity in the world exists in the United States. It is in the Arab's interest for the United States to have a stable, prospering economy in which the value of Arab investment will grow. This point is made with special persuasiveness in an important new book, *U.S. Energy: Policy, Alternatives for Security*, by Douglas R. Bohi and Milton Russell (Johns Hopkins University Press).

WENDELL WILLKIE'S ONE WORLD

There is evidence—again, see our February issue—that nothing pains the Shah and at least some of the Arabs more than our playing around with the price of gold. While the reasons for this are obscure, it is nevertheless so, and the threat should be part of our psychological weaponry in dealing with them.

But such weapons should be kept in the background, to be used only upon the recalcitrant. The primary argument is that Wendell Willkie turned out to be right. It is one world, no longer merely in the sense that military aggression in one place will ultimately affect others, but in the sense that severe economic problems in any part of the world can set off shock waves that can reach all the rest of us. The old argument was that if we didn't learn to live together, we would all end up naked and radiated in a nuclear desert. The new truth is that if we don't get together economically, we'll all end up on the bread line with no one to hand out the bread.

Of course, it is possible that this reasoning will not commend itself to the OPEC nations, that they and the other countries of the world will not want to join us in working out a fair system of prices for one another's products. But shouldn't we at least make a major effort to persuade them before we continue on the path to energy independence with all its terrible hazards for the economy and the environment?

HOUSING AND COMMUNITY DEVELOPMENT ACT

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. LEVITAS. Mr. Speaker, when Congress passed the Housing and Community Development Act of 1974, small towns were recognized as integral components of large urban areas. Millions of Americans across the country prefer to live in these communities and enjoy their benefits. It is, therefore, a milestone of congressional action that these towns were given the opportunity to participate in the national programs of community development to meet their citizens' needs.

However, the act's title I grant funds were depleted before such areas could receive their share. According to the Department of Housing and Urban Development, large urban cities and counties requested more money than had been anticipated. Thus, eligible small cities across the country, which had in good faith developed worthwhile community projects, were left with empty promises. Another round of public cynacism about Government caring and responding was upon us.

Recognizing this dire situation, this 94th Congress passed, and the President signed, H.R. 5899, the Second Supplemental Appropriations Act for 1975, which contained $50 million to make up for the deficit in small town community development funds. Additionally, the House has passed H.R. 8070, the HUD Appropriations Act for 1976, which attempts permanently to correct this situation by further increasing the funding levels and—very importantly—earmarking a portion of community development funds for small communities. I sincerely hope that the conference committee on H.R. 8070 will essentially retain the House provisions regarding this matter.

The practical effect of Congress' actions is best understood and appreciated by the local officials in these small communities who desire to serve their citizens. These are the voices of America. As an example, I wish to insert in the RECORD the following letter I recently received from Mayor George Owens of Conyers, Ga., a small, vigorous town in my district and the metropolitan Atlanta area:

AUGUST 28, 1975.

Hon. ELLIOTT H. LEVITAS,
Cannon House Building,
Washington, D.C.

DEAR CONGRESSMAN LEVITAS: The Mayor and Council for the City of Conyers wish to express our appreciation to you and your colleagues of the Congress for your prompt action on behalf of our citizens and the millions of other citizens who live in smaller governments within metropolitan areas. Be-

cause you acted quickly to pass a supplemental appropriation to the 1974 Housing Act we are now able to compete for community development funds. At least now the merits of our proposal and not the mere fact that we contain less than 50,000 people will determine our ability to participate in the H.U.D. program.

For us, Community Development means the opportunity to rehabilitate an area of our community closest to the central business district with the potential of adding housing for 150 new residents as well as removing 70% of the sub-standard housing in the City. If we are successful with our application we will make possible safe and sanitary housing for a number of our elderly residents and we will begin a project designed to make private, standard housing available to the large number of new families to our community who earn less than $13,000 per year. These include our school teachers and the people who work in the new shopping centers as well as the men and women who work in the factories which have chosen to locate in Rockdale County.

Our whole community is excited about the prospects of participating in this community development program. Our public hearings have drawn large crowds and our community meetings have generated spirited discussions and enthusiastic support.

We believe that Conyers and Rockdale County, as representatives of thousands of smaller communities within metropolitan areas, are a part of the solution to the problem of creating and preserving viable urban communities. We are very pleased that the Congress paid attention to the manner in which we were excluded from participating in community development programs and acted quickly to redress our grievance.

Thank you for your work on our behalf.

Most sincerely,

GEORGE OWENS,
Mayor.

ART ASSOCIATION STATEMENT

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. JENRETTE. Mr. Speaker, the Florence Art Association has been kind enough to furnish my Florence office with paintings that never fail to elicit admiration from visitors. I would like to use this forum to commend the association, which was founded in 1927.

The association sponsors the art booth at the Greater Pee Dee Fair held in Florence annually. Members of the association have their own art schools and are helping students get a foundation in art culture. The association meets monthly during the school year. There are 21 members at present with applications awaiting the September meeting.

The group has exhibited at the Florence Museum, the Fair, Coker College, and Myrtle Beach.

The six members who are now exhibiting in my Florence office are Mrs. Jane Jackson, a teacher and book illustrator; Mrs. Joe B. Singletary, who teaches art and ceramics in the Florence public schools; Mrs. Walter Russ, a newcomer to the association who paints for pleasure. She also paints murals. Miss Sherrie Goff is interested in the fine arts and is involved in many phases of it other than painting. Mrs. Robert E. Bryan is an outstanding landscape artist. Mrs. J. H. Rainwater is the only living charter member of the association and models, casts and paints in many different mediums. Her portrait of President Roosevelt hangs in the city-county complex in Florence.

THE GREAT GERMAN INFLATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SYMMS. Mr. Speaker, when the Congress continues to pass budget busting inflationary legislation such as we did today with this big foreign aid giveaway I become increasingly concerned as to where inflation will take us in this country. Throughout history prolonged inflations have ended in some kind of political tyranny. One of the best examples was the German inflation in the 1920's and the subsequent rise to power of Adolph Hitler.

In the June issue of the Freeman, published by the Foundation for Economic Education, there is an article by Bruce Bartlett discussing this correlation between hyperinflation in Germany and the resultant dictatorship of Hitler. Bruce is a graduate student in history here at Georgetown University, and I would like to commend the article to my colleagues in the Congress at this time:

THE GREAT GERMAN INFLATION

(By Bruce Bartlett)

The February issue of the British magazine, *Encounter*, contains a heretofore unpublished lecture by the famous novelist, Thomas Mann, which recalls his experience with the great German inflation of 1913-1923. "A straight line," he tells us, "runs from the madness of the German Inflation to the madness of the Third Reich."

"Just as the Germans saw their marks inflated into millions and billions and in the end bursting, so they were later to see their state inflated into 'the *Reich* of all the Germans', 'the German Living Space', 'the New Europe', and 'the New World Order', and so too they will see it burst. In those days the market woman who without batting an eyelash demanded a hundred million for an egg, lost the capacity for surprise. And nothing that has happened since has been insane or cruel enough to surprise her.

"It was during the inflation that the Germans forgot how to rely on themselves as individuals and learned to expect everything from 'politics', from the 'state', from 'destiny.' They learned to look on life as a wild adventure, the outcome of which depended not on their own effort but on sinister, mysterious forces. The millions who were then robbed of their wages and savings became the 'masses' with whom Dr. Goebbels was to operate.

"Inflation is a tragedy that makes a whole people cynical, hardhearted and indifferent. Having been robbed, the Germans became a nation of robbers."

This terrible inflation, which Mann credits for the rise of Hitler, had its origin in another holocaust: World War I. Like every other nation involved in that conflict, Germany was entirely unprepared for its intensity. German, French, and British troops all marched off in August 1914 absolutely convinced they would be home by Christmas.

The German High Command shared this optimism, having full faith in the ability of the Schlieffen Plan to bring quick victory. With the resulting total war, outlasting the enemy became the only path to victory for either side.

At this point, Germany discovered just how badly it was prepared for this new kind of warfare. Cut off from its sources of food by a British blockade and failing to achieve any kind of breakthrough on the Western front, Germany began to gamble, as it did when it unleashed its submarines. At home too, the government began to gamble. The people, having been bled white by taxation already, had to be urged on to greater sacrifice. Toward this end, the government resorted to inflation on a mass scale, gambling that the people would be unaware of what was happening.

INFLATION AN INDIRECT TAX

Here, one should keep in mind that inflation, in its crudest form, is nothing but an indirect tax. The government, with its monopoly on the issuance of currency, found it simply to play the role of counterfeiter. It simply paid for the goods it needed with newly created money. Since an individual's conception of his money's worth is basically shaped by his past memory of its purchasing power, this process can go on for some time before it begins to significantly affect the price level.

During the war, goods were being withdrawn from the economy for war materiel and, simultaneously, fewer goods were being produced as workers became soldiers. At the same time, the government was increasing the money supply rapidly as it became increasingly difficult to raise needed funds from taxation or direct borrowing.

Historically, the speed at which people spend tends to remain relatively constant unless they expect a sudden change in economic relationships. Accelerated spending classically occurs when people feel that their money is losing its value. At this point, they begin to spend every cent they can get as quickly as possible before prices go up again. This only tends to raise prices even higher and drop the value of the money correspondingly. Economist Ludwig von Mises, a resident of Austria at the time, graphically described this process:

"In normal times, that is in periods in which the government does not tamper with the monetary standard, people do not bother about monetary problems. Quite naively they take it for granted that the monetary unit's purchasing power is 'stable.' They pay attention to changes occurring in the money-prices of the various commodities. They know very well that the exchange-ratios between commodities vary. But they are not conscious of the fact that the exchange-ratio between money on the one side and all commodities and services on the other side is variable too. When the inevitable consequences of inflation appear and prices soar, they think that commodities are becoming dearer and fail to see that money is getting cheaper. . . . This ignorance of the public is the indispensable basis of the inflationary policy. Inflation works as long as the housewife thinks: 'I need a new frying pan badly. But prices are too high today; I shall wait until they drop again.' It comes to an abrupt end when people discover that the inflation will continue, that it causes the rise in prices, and that therefore prices will skyrocket indefinitely. The critical stage begins when the housewife

thinks: I don't need a new frying pan to-day; I may need one in a year or two. But I'll buy it to-day because it will be much more expensive later.' Then the catastrophic end of the inflation is close. In its last stage the housewife thinks: 'I don't need another table; I shall never need one. But it's wiser to buy a table than keep these scraps of paper that the government calls money, one minute longer.' "

This entire process was set in motion when the Reichsbank suspended the redeemability of its notes in gold with the outbreak of war. As long as the paper currency was tied to a finite amount of gold, the currency also remained within finite limits. When this restraint was cast aside, there was no longer any legal limit to the amount of money that could be manufactured. The government, in turn, used this freedom to force the bank to buy its bonds, which the bank paid for by creating deposits in the government's account. In this way, the German debt became monetized, just as the American debt is today monetized by the Federal Reserve System. Simply put, this means that the government's debts are ultimately paid for by the consumer's loss of purchasing power: the creation of new money serving only to cheapen all money already in circulation. In Germany, this meant that by the end of 1918, the amount of money in circulation had increased fourfold. One would have expected this to lead to approximately a fourfold rise in prices, more when one considers the corresponding cutback in production, but in fact they only rose 140 per cent. This is because consumers were not yet fully aware that the rise in prices was due not only to goods being less available, but also due to inflation of the money supply.

HUGE DEFICITS

To be sure, even the victorious nations had practiced the German method for financing their debts and experienced a similar rise in prices. But with the cessation of hostilities, they returned to sound fiscal and monetary policies. In Germany, the government made no effort to return to pre-war spending levels and continued to run huge budget deficits, as the following table demonstrates:

Year:	*Revenue**	*Expense**	*Deficit**
1919	2,559	8,560	5,999
1920	3,178	9,329	6,054
1921	2,927	6,651	3,676
1922	1,488	3,951	2,442
1923**	519	5,278	4,690

* In millions of gold marks.
** April to October only.

As one can see, the debt mounted with each passing year, almost all of it being funded through monetization. The reasons for this were partly humanitarian, partly political, and partly selfish. On the one hand, there was terrific pressure for relief and rebuilding. Then too, the government sought to use inflation as a psychological weapon against the Allies. Finally, there was pressure from those benefiting from the inflation, which will be dealt with below. But the single most important factor in the ensuing hyperinflation was economic law. As people slowly began to realize their money was losing its value, they began drawing out bank deposits and spending what they had as quickly as possible. This run on the banks and the tremendous increase in the demand for cash put fierce pressure on the treasury to stave off collapse with a flood of freshly minted bills. Thus the figures for total money in circulation begin to follow a pattern (in millions of marks): 1913, 6,070; 1920, 81,338; 1921, 122,500; 1922, 1,295,231; 1923, 2,274,000,000. And the effect on the price level inevitably followed a similar pattern:

Year:	*Wholesale price index*
July 1914	1.0
Jan. 1919	2.6
July 1919	3.4
Jan. 1920	12.6
Jan. 1921	14.4
July 1921	14.3
Jan. 1922	36.7
July 1922	100.6
Jan. 1923	2,785.0
July 1923	194,000.0
Nov. 1923	726,000,000,000.0

SEARCH FOR SCAPEGOATS

Needless to say, the government never admitted its role in this, but instead sought out easy scapegoats. The most popular one was the Versailles Treaty. After all, the people already hated the Allies, so why not exploit it to good use? The campaign was so successful that even intelligent economists like Dr. Hjalmar Schacht accepted and perpetuated the myth: "The true cause of the inflation after the war was the perpetual pressure exercised by the Reparation Commission on Germany in the attempt to extort payments to foreign countries which in the nature of things could not be made." The truth of the matter is that reparations expenses only made up about a third of the German budget deficit throughout the entire period. In his book, *The Economics of Inflation*, Costantino Bresciani-Turroni compiled the following figures:

Year:	*Deficit**	*Reparations**
1920	6,053.6	1,850.9
1921	3,675.8	2,810.3
1922	2,442.3	1,136.7
1923**	6,538.3	742.4

*In millions of gold marks.
**April to December only.

Consequently, the reparations alone cannot account for the deficits or the ensuing inflation. The truth of this was, of course, irrelevant. There were plenty of other causes for the inflation which could also be exploited. To blame profiteering became particularly popular because, as in the case of reparations, there was some truth in it. This is how Thomas Mann saw those who profited from the crisis:

"For at least a section of this ruling class, the big industrialists, the inflation was profitable; they were in no hurry to stop it. During those years the Krupps, Stinneses, Thyssens, etc., got rid of their indebtedness, which ran into real millions, by paying their creditors in inflated millions, and thanks to these same inflated millions they acquired real millions-worth of property.

"Though Germany was very poor at that time, it possessed great wealth in mineral resources and industrial plants. During the inflation a radical change occurred; this wealth became concentrated in fewer and fewer hands. The small and medium property-owners lost their holdings, and the biggest snapped them up. They acquired property and paid with paper. Years later one could hear it said that such and such a factory or mine was unproductive and would not be profitable if it had not been acquired for next-to-nothing during the Inflation. . . ."

NOT A MAJOR CAUSE

It would be a vast distortion, however, to say that profiteering in general was a contributing cause to the economic crisis. It is in the very nature of inflation that some will reap great profits. It was or 'y those big industrialists like Hugo Stinnes who consciously realized what was taking place and deliberately sought to influence the government toward inflation. For the rest, who reaped windfalls through no conscious effort, through simple foresight or luck, some defense should be made. Many of these entrepreneurs became the objects of scorn and an easy target for political extremists. The fact that many were also Jewish cannot be discounted as an explanation for their persecution. As early as 1920, John Maynard Keynes spoke up for these innocent entrepreneurs in a moving passage from *The Economic Consequences of the Peace*. "Lenin," he wrote, "is said to have declared that the best way to destroy the Capitalist System was to debauch the currency."

"By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but confiscate *arbitrarily;* and, while the process impoverishes many, it actually enriches some. The sight of this arbitrary rearrangement of riches strikes not only at security, but at confidence in the equity of the existing distribution of wealth. Those to whom the system brings windfalls, beyond their desires and even beyond their expectations or desires, become "profiteers," who are the object of the hatred of the bourgeoises, whom the inflationism has impoverished, not less than of the proletariat. . . .

"These 'profiteers' are, broadly speaking, the entrepreneur class of capitalists, that is to say, the active and constructive element in the whole capitalist society, who in a period of rapidly rising prices cannot help but get rich quick whether they wish it or desire it or not. If prices are continually rising, every trader who has purchased for stock or who owns property and plant inevitably makes profits. By directing hatred against this class, therefore, the European Governments are carrying a step further the fatal process which the subtle mind of Lenin consciously conceived."

Thus we find the German government actively appealing to the lowest human emotions of jealousy, envy, and greed in order to hide its own responsibility for the economic disruption. And inevitably this was to play right into the hands of demagogues like Adolf Hitler. It is no coincidence that he made his first bid for power at the height of the inflation; in the beerhall putsch of November 8, 1923. Historians and economists, therefore, are in general agreement that the inflation can be given much credit for the rise of Hitler. For although he did not come to actual power for another decade, the putdown of the putsch supplied the Nazis with many martyrs to aggrieve, and it was during his subsequent prison term that Hitler wrote *Mein Kampf*. Thus, as early as 1937, Lionel Robbins could declare emphatically that "Hitler is the foster-child of the inflation."

THE CURRENT PROBLEM

All this is not to say that we can expect another Hitler here in the United States. But, to this very day, the origin of inflation is still the same: government deficits financed through monetization. For too many years, the American government has believed that it can have occasional wars and an expensive social program at home and pay for it all by simply increasing the debt limit. Today we are discovering that there really is a limit to debt. The double-digit inflation we are experiencing is therefore only a logical consequence of past policies. And if we want to stop it, the solution is the same as it was in 1923. The government must learn to live within its means and halt its abuse of the power to issue currency. The failure to do so may be catastrophic, just as it was for Germany.

CONGRATULATIONS TO THE NEW COPIAGUE PASTOR

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. DOWNEY of New York. Mr. Speaker, it is my great pleasure to con-

gratulate the Reverend Thomas P. O'Donnell for his recent assignment as the new pastor of Our Lady of the Assumption parish in Copiague, N.Y. The appointment was made by Bishop Walker P. Kellenberg of the Rockville Centre Diocese.

Father O'Donnell was born in Brooklyn and attended St. Teresa of Avila. He was ordained in June 1955 after 6 years at the Immaculate Conception Seminary in Huntington, N.Y.

He began his priestly duties at the St. Philip Neri parish in Northport. Since then he has aided the people of St. Anne's in Garden City and served at St. Francis de Chantel in Wantagh. In 1974 he was named an assistant at St. Elizabeth's. He has also served the laity musically as a member of the Diocesan Commission on Church Music.

It is my pleasure to have this opportunity to join with the people of Our Lady of the Assumption in welcoming Father O'Donnell.

ERNEST A. KOCH, OF SEDGWICK, KANS., HONORED AS VOLUNTEER WEATHER OBSERVER

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SHRIVER. Mr. Speaker, for over 41 years Ernest A. Koch, a constituent of mine, has been observing and reporting the precipitation and river stage at Sedgwick, Kans. I am pleased that today he is one of 29 volunteer observers selected nationwide to receive the John Campanius Holm Award from the U.S. Department of Commerce's National Oceanic and Atmospheric Administration. I join in congratulating Mr. Koch upon receiving this most deserved recognition and extend warm appreciation and thanks to him for his important public service as a volunteer observer.

He has demonstrated extreme devotion to observing, recording, and reporting precipitation and river stage information at Sedgwick, Kans., on the Little Arkansas River. I know from experience that this is a highly sensitive area insofar as flooding problems are concerned; and Mr. Koch's services are all the more important. His dedicated service has benefited his fellow citizens locally, the State of Kansas, and the National Weather Service.

The John Campanius Holm Awards, created in 1959, are made annually to honor volunteer observers for outstanding accomplishments in the field of meteorological observations. The award is named for a Lutheran minister who is the first person known to have taken systematic weather observations in the American colonies.

Mr. Speaker, we are indebted to nearly 13,000 volunteer observers such as Ernest Koch who make and record daily weather observations in all parts of the Nation. The work they do day after day often goes unheralded—but the service they provide is vital to every citizen of the United States.

A SANE VOICE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SNYDER. Mr. Speaker, for consideration of my colleagues and readers of the RECORD, I have been asked to insert the remarks of the Honorable Herbert S. Meyer, Jr., mayor of the city of Jeffersontown, Ky.

These remarks were made as our community was being forced into an ill-conceived school busing scheme perpetrated on us by the Sixth Circuit Court of Appeals.

Mayor Meyer's remarks follow:

REMARKS

My dear fellow Jeffersontonians: During the last few weeks each and everyone of us has had to search his own soul and heart to determine the destiny of his family in the face of our local federal district court ruling concerning school bussing. This is a matter of grave concern not only to those of you who may have children that are directly involved in the bussing program but also to each and every one of us in the community with or without children. It is a problem which we all must face collectively and with strength of character.

Over the past several weeks I have been deluged by many questions from parents, school officials and by concerned citizens of all ages. Additionally, I have been asked by the Kentucky commission on human rights and the Louisville area chamber of commerce to make a public pronouncement on the matter of school bussing. To the extent that this administration has been placed into office through your trust and confidence I feel that to avoid this timely issue by simply setting the matter aside without comment would be tantamount to avoiding my constitutionally imposed responsibility as your chief executive.

I know that I speak for the entire new direction team administration in saying that no one of us in your city administration feels that cross-town busing to achieve racial equality is the proper way to achieve the racial harmony which each and every one of us in public office has been striving for in the past. We understand that it will be expensive and in many cases, dangerous to transport our own flesh and blood to schools with which we are totally unfamiliar both in faculty and in surrounding neighborhood. These are fears that are expressed not only in the white community but in the black community as well. We must nevertheless recognize that the United States Court of Appeals in Cincinnati and the United States District Court for the Western District of Kentucky have mandated a program for the busing of our children. Until changed by due process of law this mandate must be followed lest we all be in contempt of court and behind bars.

I should add that although I have the greatest respect for Judge Gordon as well as those serving honorably throughout the Federal judiciary that I was not, and the members of this council were not, elected by them. We were, instead, elected by the people of Jeffersontown and I can assure you that we will not during the difficult months and years ahead forget those persons who have chosen us as their elected leaders.

I must assure you at the outset that I must follow my constitutional responsibility in dispatching, to the best of my ability, the enforcement of the laws of this city, state and Federal government. I will not shirk that responsibility. Those who violate the law must, of necessity, face the consequences wrought by their illegal acts. I would certainly hope that there will be no demonstrations as school begins but it would be foolish for me to take a position that there will be none for to take such a position would mean that I would not need to prepare our administration for such an eventuality. I am, accordingly, directing the members of our police department that they are to follow the dictates and guidelines set forth by the court. When arrests become necessary such arrests will be made at the discretion of the officer witnessing the violation.

There will be no efforts on the part of this administration as your constitutionally elected authority to deprive any citizen of this city of his constitutionally guaranteed right to peaceably assemble and petition the government for a redress of grievances. This country has enjoyed a proud and dynamic history and will continue to enjoy a vibrant and continuing life so long as its citizens participate in its process. Demonstrations are therefore not, in and of themselves, illegal. We need only look back one decade in history to reassure ourselves that but for the rights guaranteed the citizens of this country under the great first amendment that racial injustices of the past would not have been abolished.

If government does not listen to the voices of its citizens then, it must regrettably face the sometimes illegal devices its citizens may employ to more abruptly attract the attention of those in power. The cry "no taxation without representation" went unheard and unheeded by the British parliament until patriots began throwing tea in the Boston harbor in 1773. When oppression of the colonies by the British continued it was not long thereafter that the American revolution began between the Thirteen Colonies on the eastern seaboard and Mother England. Patriotic citizens look back upon those days with pride knowing that, but for that revolution, we might now be dictated to in our daily lives by persons in another land, totally unfamiliar with the problems of America. And so, perhaps, an analogy can be drawn to our problem today.

As an elected official serving by virtue of the constitution so nobly won and born out of revolution you will not hear me deny you the rights that you have been given as citizens under that constitution.

To the extent that you must demonstrate I bid that you do so peaceably. I am, by copy of this communique to the honorable Judge Raymond J. Ward, asking that he be available at all hours and times during the next few months until this crisis has passed. I am further asking that in the event that our citizens should become involved with the criminal enforcement divisions of our government, and to the extent that his authority will permit, that they be allowed a speedy bond hearing so that as little custody and incarceration as is necessary under the circumstances will be required. Under no circumstances will the great principle of due process be abandoned.

Our officers will use restraint to the extent possible under the circumstances but, to the extent necessary, will be prepared to use whatever resources are available to them to

insure that the peacefulness of any such demonstration is maintained.

We would hope that Judge Gordon would allow cases involving misdemeanors and violations to be heard here in your court in Jeffersontown. To the extent that the offense constitutes a matter of Federal crime we would ask that the citizens of Jeffersontown be granted the same swift due process afforded all persons in the Federal system of justice so that unwarranted lengthy detention of our citizens will be avoided. To that extent, I am making a copy of this address available to his honor, Judge Gordon, with the fervent request that unwarranted detention on the part of our citizens by the Federal Government be avoided.

To the extent that a constitutional amendment may be necessary to alter the drastic situation which we all now face you may rest assured that this administration will join with you in calling this need to the attention of our Federal lawmakers.

Let me close by simply saying that you have our prayers and, where possible, our support in dealing with this terribly burdensome and tragic crisis. May God be with each and every one of you as we put our shoulders to the wheel. . . .

ANOTHER VIETNAM?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. McDONALD of Georgia. Mr. Speaker, since the Department of State and in particular our Secretary of State, continue to ignore the mounting resistance in the Congress to any giveaway of the Panama Canal, it seems we are going to have to repeat our views again and again. Perhaps the Department of State does not feel we represent the feelings of the people? I do not know, but in my view, Mr. James P. Lucier recently wrote a positive article setting forth how and why we should keep the Panama Canal under U.S. control. The article from National Review for September 12, 1975, follows:

ANOTHER VIETNAM?

(By James P. Lucier)

On June 26, the U.S. House of Representatives voted 246 to 164 to prohibit any funds in the State Department appropriations from being used to negotiate the surrender or relinquishment of any U.S. rights in the Panama Canal Zone. Congressman Gene Snyder of Kentucky, ranking Republican of the House Panama Canal Subcommittee, had struck again.

For the first, time, it began to dawn on the State Department negotiators that they had a problem. There was brave talk about using State's contingency funds to continue negotiations if the Senate went along with the Snyder amendment. But the prognosis for the long run was not good at all; in fact, an Opinion Research Corporation poll released at about the same time showed the American people favored continued ownership of the Panama Canal by more than 5 to 1. Suppose State came in with a treaty, then what?

The State Department negotiators had been aware all along of a resolution in the Senate co-sponsored by 38 senators under the leadership of South Carolina's Strom Thurmond (R.) and Arkansas' John McClellan (D.). The list of co-sponsors was noteworthy not only for its number, but for its leadership quality; it included the chairman and/or ranking Republican of more than a dozen of the key committees. With 34 senators in opposition, no treaty can be ratified. State's forlorn hope was that five or six could be turned around, or persuaded to absent themselves on the crucial vote.

The decisive House action on the Snyder amendment was a warning to the State Department that any change in the status of the Canal would have hard going in the House as well. The Constitution requires House concurrence to give up U.S. territory or property. Passage of the Snyder amendment in the supposedly radicalized House led to a conclusion the negotiators did not like to contemplate; neither did Secretary of State Henry Kissinger. On July 4, he wrote Panamanian President Omar Torrijos what amounted to an apology for the action taken by the representatives of the American people.

Things like these [Kissinger wrote] are a tribute to the success of what you and I have been and are trying to achieve. . . . In view of the fact that we have had success and significant progress up to the present time, this has inspired those who do not want progress to do all in their power to impede or discourage new advances. . . . I want you to know that in spite of these things, I am still engaged in the search for a final and just solution to this problem and the establishment of a new and more modern relationship between the two countries.

Significantly, excerpts of that letter were released in Panama, but not in the United States.

Secretary Kissinger's affirmation that he would continue to press for a new treaty made more explicit the counterattack that chief U.S. negotiator Ellsworth Bunker had already begun. Bunker came up with Panama as "another Vietnam," a theme designed to terrify all opposition to a new treaty. Bunker claims the U.S. position is that the Canal Zone is in Panamanian territory under U.S. jurisdiction—a position that is of recent vintage and that defies legal and historical precedent.

About a week after the vote on the Snyder amendment, Panamanian President Torrijos turned up in Mexico, and, with Mexican President Luis Echeverria beaming at his side, told the press that "when all peaceful ways are closed to the people, they have to resort to the liberation struggle, just as Ho Chi Minh did." This tack was not unexpected from Torrijos, but when Ambassador Bunker takes such tough talk at face value, he undercuts his own leverage at the negotiating table.

Another Vietnam? An opéra bouffe Vietnam, perhaps, staged for the TV cameras, with one detachment of the Guardia Nacional running behind the scenes to march in from stage left over and over again. Some shooting, some arson, some easily repaired damage to the Canal. The whole of Panama has only 1.6 million, about the same number as Atlanta. The Vietnam talk is meant for scare headlines in the American press, with which to beat recalcitrant legislators in Congress. The men who have ruled Panama for more than six years without an election know full well that any permanent damage to the Canal would bankrupt their nation and might well bring about their own downfall.

In my opinion, the real threat would come the moment the U.S. signed a treaty giving up our sovereign rights, not before. The signing of the treaty could unleash several uncontrollable forces, both internal and external:

1. Pressure within the Torrijos regime. The dynamic of successful blackmail is difficult to stop. Panama would ask for a larger share of jobs, higher salaries, exclusive contracts, unseen gratuities. Efficient operation of the Canal would become more and more difficult; Panama's economy would suffer.

2. Pressures in Panama outside the regime. It is by no means certain that the present regime will last. Torrijos was tutored in economics by Salvador Allende and has been taking post-graduate courses from Castro. The result is that Panama is head over heels in debt. There are rumors of corruption, of millions deposited in Swiss bank accounts. Such stories, whether true or not, feed on themselves, and also feed the ambitions of younger army men. If Torrijos did it yesterday, why can't I today? Moreover, the stakes will be higher if Panama wins effective control of the Canal.

3. *Exterior pressures.* Sovereignty over a waterway that is both economically and militarily strategic could threaten Panama's independence. Guerrillas trained and organized by Cuba, the Soviet Union, or other Communist countries could destroy the present regime, if its policy on the Canal were not satisfactory to the Soviet aim of dominion over the seas. Closing the Canal or discriminating among various users could create severe economic dislocation in selected areas. Panamanian policy might become the tool of Soviet policy, which would, in turn, be intolerable to the United States. Such action might or might not induce a confrontation between the major powers; but there is no doubt that Panama's real independence would be endangered.

What is the alternative to the crisis that is the end result of the State Department's maneuvering? Secretary Kissinger in a number of recent speeches has said that a favorable settlement of the Canal controversy is a key to re-establishing favorable relations with Latin America. But is all of Latin America really clamoring for the U.S. to surrender its Canal rights?

There is a deep cleavage in Latin America between the so-called ABC tier of nations (Argentina, Brazil, Chile, Paraguay, and Uruguay), and the rest. The ABC tier has 71.5 per cent of the land mass of South America, 75.7 per cent of the GNP, and the highest per capita income, except for oil-rich Venezuela; it is also strongly anti-Communist. Our first step should be to enlist the help of the ABC group in mediating the dispute. After all, it is hardly credible that Chile, for example, would like to see the Canal in the hands of Torrijos, the old friend of Allende; or that Argentina really wants to take up the cause of the nation that welcomed the Monteneros terrorists on a state visit to Panama City.

The second step would be to extend once more the hand of cooperation and friendship that we have always extended to Panama. Contingent upon retaining its full, undiluted sovereignty, the U.S. should move forward on modernization of the present lock system to improve navigation and provide passage of larger ships. This would cost an estimated $1 billion over the next ten years. It would generate a like amount in the economic infrastructure of Panama, and the contracting could be mandated so that technical training, urban planning, and local enterprise would spread the benefits throughout the social spectrum. Would Torrijos accept the offer? It would be to the advantage of his people and his country if he did. But the question they're asking on the Hill these days is whether Secretary Kissinger and Ambassador Bunker will give him the chance.

CONSUMPTION WON'T SLACK APPETITE

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. GOLDWATER. Mr. Speaker, a recent article by columnist George Will cut right through to the heart of what is normally viewed as a complex economic problem by some of my colleagues. I commend it to their attention.

CONSUMPTION WON'T SLACK APPETITE

(By George Will)

WASHINGTON. In the winter of 1695, the wine froze on the King's table at Versailles.

That was, admittedly, a brisk winter. But a Sun King should not have to chew his wine. The wine never freezes at the Will cottage which, be it ever so humble, is—like your place—better than Versailles was as winter quarters.

So why don't you and I feel like royalty? The answer is that man's perception of his condition has been altered recently by economic growth.

For millennia there was no assumption that the son would be "better off" than the father. Rather, the assumption was that the son's wife would be yoked to the same plow his mother had pulled. This changed in the middle of the 18th century with the invention of the industrial steam engine, and economic growth.

For millennia, per capita income did not change much. But for 200 years—an historical blink—per capita income has rapidly increased, as has discontent.

These two centuries have been less an age of democratic politics than of democratic consumption. Even the lower orders have got it into their heads that they should have comforts, like central heating, that not long ago were beyond a shivering king's dreams of avarice.

The great economic—and political—fact of modern times is that consumption inflames rather than slakes appetites. The modern man is the Illinois farmer Lincoln knew, who didn't want all the land in the world, "just all that borders mine."

One source of modern economic dynamism is the sense of relative deprivation. Modern man wants to keep up with the Joneses not just so he can spring past them in the home stretch, but also so he will not sink to living conditions which would have pleased an 18th century German prince.

Obviously yesterday's luxuries are today's necessities. And now comes the Census Bureau with some arresting statistics about economic conditions in America, where the distinction between luxuries and necessities is hopelessly blurred. Understand these statistics and you will understand the plight of liberalism.

In 1974, 7.3 million (13.1 per cent) of America's 55.7 million families earned less than $5,000—the poverty line for a nonfarm family of four. But 12.7 million (22.7 per cent) earned between $5,000 and $10,000, and 13.6 million (24.4 per cent) earned between $10,000 and $15,000. And the largest number of families—15.8 million (28.3 per cent)—were in the $15,000-$25,000 category.

The median family income—the one with an equal number of incomes above and below it—was $12,840. The top 20 per cent of families earned at least $20,445. To be in the top five per cent of families in the world's richest nation you had to earn just $31,948.

Liberalism is nothing without an agenda for new social programs. But liberals are pinned against this uncomfortable fact: the government cannot finance new programs without new revenues. And the old rallying cry—"Soak the rich!"—won't rally people who understand the statistics and temper of the time.

Only 700,000 families (one per cent) earned more than $50,000. Soaking them would not produce enough revenue for any significant programs.

Of course there is no reason why all the other 99 per cent of American families should be considered non-rich. Surely at least the richest 20 per cent of all families in the world's richest nation—families making at least $20,445—are in some sense objectively rich.

But in politics objectivity is less important than subjectivity. Or, to put the matter at hand more precisely: income statistics are social facts, and their objective significance is what people feel about them.

Many families in the top 20 per cent are statistically rich but feeling strapped. Indeed, most families earning between $20,000 and $30,000 think all luxuries and some "necessities" are beyond their reach.

Anyway, no reasonable tax on one-fifth of America's families would raise enough revenue to fund major new programs. To raise a lot of new money in America today the government would have to raise the taxes of a lot or people—say, all those making more than $15,000.

But before such new taxes would raise revenues they would raise a revolution angrier than the one that began with a march on Versailles.

WHAT HATH MAN WROUGHT!

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. JOHN L. BURTON. Mr. Speaker, the first telegraph message sent by Samuel Morse from Washington, D.C., to Baltimore in 1844 was "What Hath God Wrought?"

One hundred and one years later, after the explosion of the first atomic bomb over Hiroshima, David Lawrence, editor of the U.S. News & World Report wrote, "What Hath Man Wrought!"

In reading Mr. Lawrence's editorial of August 1945, we find a perspective on where we have come since that terrible day, and what may be in store for us in the future.

Mr. Lawrence wrote then that—

Man has at last brought forth a weapon that reduces war to an absurdity.

If only this had been the case. Since then, the "nuclear club" of nations possessing atomic bombs has grown, and the United States by itself has the capability to kill the world's population several times over.

The Bulletin of the Atomic Scientists maintains a "doomsday clock" on the front of its magazine each issue. The clock reflects how close we are to achieving nuclear destruction.

It is a testimony on the state of world conditions in general, and our own destiny in particular, that last September the minute hand of the clock was moved closer to the hour of destruction, from 12 minutes to midnight up to 9 minutes to midnight.

While atomic testing by Russia, China, and India does nothing to contribute to our ultimate nuclear safety, the failure to arrive at any agreement at the strategic arms limitation talks—SALT—is nothing to brag about either.

To paraphrase the late President John F. Kennedy, man must put an end to the threat of nuclear war, or nuclear war will put an end to man.

Mr. Speaker, I am inserting the text of Mr. Lawrence's editorial into the RECORD in the hope that all Members will read its warning and heed its message.

I hope that it will never be too late to save ourselves from nuclear annihilation.

The text of the editorial follows:

WHAT HATH MAN WROUGHT!

(By David Lawrence)

(On August 6, 1945, the U.S. dropped its atomic bomb on Hiroshima. Days later—as the world adjusted to the shock—David Lawrence wrote the following editorial for the issue of August 17, 1945.—Howard Flieger, Editor.)

Man has at last brought forth a weapon that reduces war to an absurdity.

Man has discovered that a means of destroying whole nations is available out of the minerals of the earth and that no people can hope to remain secure against the atomic bombs of another people no matter how distant one may be from the other.

A single airplane riding high in the stratosphere, unobserved and undetected because of its great speed, can appear suddenly over London or Washington or Detroit or Pittsburgh or any city in a peaceful area and destroy human lives by the hundreds of thousands in just a few seconds.

No longer are armies and navies or even air forces by themselves an adequate defense.

We have been brought face to face with stark reality—that wars cannot hereafter be tolerated and that peoples must never again allow one-man governments to exploit them and drive them into war.

Greater than the atomic bomb is the challenge to man to rise above this new means of world suicide and to implant throughout the human race an understanding of the futility of combat.

IS THIS "CIVILIZATION"?

God did not provide this new weapon of terror. Man made it himself with the God-given brains and skill of the scientists. Previously other weapons like the submarine and the airplane had been introduced. We were permitted to defy the laws of gravity and fly through the air and we were permitted to move men and supplies under water. But man turned those inventions into methods of warfare more intensive and terrible than ever.

A few decades ago man did not think it fair or sportsmanlike to attack noncombatants. War was reserved for armies and navies. Civilians behind the lines were immune. At the beginning of World War II we were horrified to see the German air forces murdering civilians in Warsaw and Rotterdam.

Then came reprisals. The single action of a German maniac—who, by skillful propaganda appealing to those in economic distress, had seized possession of the minds and energies of a whole people and had directed them along the paths of revenge and brutality—caused other nations to follow suit.

We—the great, idealistic, humane democracies—began bombing men, women and children in Germany. Last week we reached

the climax—we destroyed tens of thousands of civilians in two Japanese cities with the new atomic bomb.

A DANGEROUS PRECEDENT

Perhaps these many thousands of Japanese men, women and children who were blown to bits by the atomic bombs may not have died in vain. Perhaps somewhere on this earth a scientific experiment of the magnitude we have just witnessed had to be tried and the reaction of all mankind had to be invoked to impress everybody with the indescribable horror of man's latest achievement.

Yet we had already been winning the war against Japan. Our officials have known for some time that Russia would enter the war in the Far East as soon after V-E Day as she could deploy her troops and supplies over the long stretches of the Trans-Siberian Railroad.

The surrender of Japan has been inevitable for weeks. It has come now as anticipated. We can rejoice that hostilities are to cease at last. But we shall not soon purge ourselves of the feeling of guilt which prevails among us. Military necessity will be our constant try in answer to criticism, but it will never erase from our minds the simple truth that we, of all civilized nations, though hesitating to use poison gas, did not hesitate to employ the most destructive weapon of all time against men, women and children. What a precedent for the future we have furnished to other nations even less concerned than we with scruples or ideals!

Our guilt is also the guilt of all mankind which failed to find a way to prevent war. The dispatches say Germany was working feverishly along the same scientific road and that Hitler would not have hesitated to use such a weapon against Britain. But Hitler is dead and Germany has been beaten. Could an announcement of the tests of the atomic bomb made in New Mexico recently have been used to persuade the Japanese militarists to release their people and surrender?

Surely we cannot be proud of what we have done. If we state our inner thoughts honestly, we are ashamed of it. We can justify the bombing as a means of saving precious American lives and shortening the war. Yet we cannot suppress the wish that, since we lately had been warning the people of Japan against air attack on certain cities, we might have warned them against staying in the specific area where we first wished to demonstrate the destruction that could ensue from the continued use of the atomic bomb.

All the world knows that the secrets of the atomic bomb cannot long be withheld from the scientists of nations large and small. The tiniest nation with a laboratory and certain raw materials will have a weapon to destroy its neighbors. All nations thus will in time become equal in potential strength. The weak will stand alongside the strong demanding new respect and new consideration.

The Charter of the United Nations furnishes now an even more timely means of collaboration by all nations, large and small. New responsibility has been imposed on the larger nations which at the moment can so readily manufacture atomic bombs.

But we shall miss the entire significance of the new discoveries if we do not apply a spiritual interpretation. It is man and not God who must assume responsibility for this devilish weapon. Perhaps He is reminding all of us that man-made weapons can, if their use is unrestrained, destroy civilization, and that man still has the chance to choose between the destructive and constructive use of the findings of science.

A CHALLENGE TO MANKIND

What will man say to this? Will he foolishly toy with the new weapon, build huge factories, and husband supplies of atomic energy against potential enemies? Or will man see that at least there must be the greatest surrender that has been known from the beginning of time—a surrender to reason and to tolerance and forbearance, a surrender to unselfishness and self-restraint, a surrender to conscience and the will of God as the only way to survive?

Will man see at least how he has been exploited by the seekers of so-called glory, the power-mad militarists and domineering egotists who get possession of the reins of government?

The challenge of the atomic bomb, therefore, is plain. Since individual security can vanish in an instant, peoples everywhere must organize their national life so that no ruler anywhere, by using specious pretexts, by suppressing or intimidating the press or the radio, can seize military control of a government.

Peoples must be alert to maintain peace. Peoples must exercise the power that belongs inherently to them and must reason with each other through free governments and God-controlled statesmen.

A WORLD OF LAW AND MORALS

The adjudication of all disputes and controversies must hereafter be submitted to tribunals and courts of justice. Man must see that only in the philosophy of Moses and Jesus, Mohammed and Confucius, who have sought in their time to teach billions of persons a universal goodness, can there be an elevation of man from the nadir of his brutality to the lofty heights of a righteous civilization.

The world of tomorrow must be a world of law and morals. Centuries of exhortation have in vain sought the same result. The world has intermittently listened. Now the world must listen incessantly or be destroyed.

There must be peace on earth and good will between factions inside nations as well as between nations themselves. Conflicts between religious sects and races must end so that our spiritual energies can be concentrated on the achievement of a brotherhood of man.

For at last it has been demonstrated to all of us that only by following His guidance in our daily conduct as individuals and as nations can we hope to fulfill our true mission as the children of God on earth. It is the only road left now—the road of mutual forbearance. It is the way to survival and human happiness.

Mr. Lawrence reprinted the editorial in August of 1970—the 25th anniversary of the Hiroshima bombing—with this footnote:

"Let us acknowledge our mistake. We were not justified by any precedent of international law. The position to which we should have steadfastly adhered was rightly proclaimed by President Franklin D. Roosevelt at the outset of World War II, when he addressed a note to all the belligerents pleading with them not to bomb unfortified cities. At least we should have given public warning.

"It is not too late to confess our guilt and to ask God and all the world to forgive our error."

FORMER U.N. PERMANENT REPRESENTATIVES OPPOSE EXPULSION OF ISRAEL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. FRASER. Mr. Speaker, as a Member of the U.S. Delegation to the United Nations, I am pleased to report that the immediate threat to expel Israel from the U.N. seems to have receded.

In part this is because strong objections to such a move have been widely circulated.

None of the statements that I have seen have been more impressive than that issued by a group including the seven living former Permanent Representatives of the United States to the U.N.

Mr. Speaker, I would like to have reproduced in the RECORD a news release announcing the letter to U.N. Secretary-General Kurt Waldheim that these distinguished citizens signed and a copy of the letter itself:

NEW YORK, AUGUST 30.—The seven living former Permanent Representatives of the U.S. to the United Nations now in private life, along with 39 co-signatories including former Ambassadors to the U.N. from other countries, jurists, professors of law, and international lawyers, joined today in a statement expressing opposition to proposals to suspend or expel Israel from the World Organization.

This unprecedented statement from the U.S. Ambassadors to the U.N. whose service spanned the years from the Eisenhower to the Ford Administrations, joined by legal experts of different political persuasions, explained that they were all "committed to a just and lasting peace in the Middle East" though they had "varying views as to how best to achieve this objective."

They were unanimous in their opposition to the proposals to suspend or expel Israel, on the basis of "their considered judgment that such action would be contrary to the letter and spirit of the Charter of the United Nations."

The statement was embodied in a letter to United Nations Secretary-General Kurt Waldheim.

The seven former U.S. Ambassadors to the U.N. who signed the letter to Mr. Waldheim are: Henry Cabot Lodge, 1953–60; James J. Wadsworth, 1960–61; Arthur J. Goldberg, 1965–68; George W. Ball, 1968; James Russell Wiggins, 1968–69; Charles W. Yost, 1969–71, who also served as Deputy to the late Ambassador Adlai E. Stevenson from 1961–65; John A. Scali, 1973–75. The only other living former U.S. Ambassador to the U.N., George Bush, is now Chief of the U.S. Liaison Office to the People's Republic of China.

The 46 signatories explained: "Our concern transcends the expulsion or suspension of Israel, important as this matter is. Such action may well cause irreparable damage to the United Nations itself." They added:

"Several leading members of the Organization have stated that if the General Assembly acts unconstitutionally to expel or suspend Israel, or to deny its rights, they will necessarily have to consider withdrawal of their support of the United Nations. These statements are not idle threats; they are serious and are supported by the parliamentary bodies and public opinion of these countries."

Were such support to be withdrawn, the signatories continued, "the United Nations would be severely impaired and its complete disintegration only a matter of time." "Impairment of the effectiveness of the U.N.," they stated, "and its ultimate disintegration would seriously impede current efforts for the achievement of peace in the Middle East and elsewhere."

The signatories pointed out that under Articles 5 and 6 of the United Nations Charter, "no member of the United Nations may be expelled or suspended by the General Assembly or denied any of its rights or privileges except upon recommendation of the

Security Council." They stated that "it is clear that the Security Council will not so recommend," and added: "The explicit Charter provisions, in our view, cannot be circumvented by subterfuges, such as disapproval by an Assembly majority of the proper credentials of a member state."

In their letter to Mr. Waldheim, the 46 signatories asked him to take "appropriate measures", within his competence, "to help ensure that all member states refrain from any action in derogation of the U.N.'s constitution by seeking to deprive Israel of the basic rights and privileges of membership in the Organization."

The 39 co-signatories of the letter to Mr. Waldheim are (Titles for identification only):

Morris B. Abram, U.S. Representative, UN Commission on Human Rights, 1965–68; Clifford L. Alexander, Jr., Chairman, Equal Opportunity Commission, 1967–69; Marvin J. Anderson, Dean, Hastings College of the Law, University of California; Herbert Brownell, Attorney General of the U.S., 1953–57; Gordon A. Christenson, Dean, American University School of Law; Tom C. Clark, Associate Justice of the Supreme Court of the U.S. (Retired), 1949–67; Roger C. Cramton, Dean, Cornell University School of Law; Samuel Dash, Director, Institute of Criminal Law and Procedure, Georgetown University Law Center; Arthur H. Dean, U.S. Delegate to the 16th and 17th General Assemblies of the UN, 1961, 1962; Charles Fahy, Senior Judge, U.S. Court of Appeals for the District of Columbia Circuit; Adrian S. Fisher, Deputy Director, U.S. Arms Control and Disarmament Agency, 1961–69; Thomas M. Franck, Director, New York University Center for International Studies.

Richard N. Gardner, U.S. Deputy Assistant Secretary of State for International Organizations, 1961–65; Abraham S. Goldstein, Professor, Yale University School of Law; Edward C. Halbach, Jr., Professor, School of Law, University of California at Berkeley; Patricia Roberts Harris, Alternate Delegate to the 21st General Assembly of the UN, 1966; Rita E. Hauser, U.S. Representative, UN Commission on Human Rights, 1969–72; Louis Henkin, President, U.S. Institute for Human Rights; George Ignatieff, Permanent Representative of Canada to the European Office in Geneva of the UN, 1971–72; Max Jakobson, Permanent Representative of Finland to the UN, 1965–72; Sanford Kadish, Dean, School of Law, University of California at Berkeley; Nicholas De B. Katzenbach, Under Secretary of State of the U.S., 1966–69; Milton R. Konvitz, Professor, Cornell University Law School; Leon Koritz, Dean, Temple University School of Law; Robert Kramer, Dean, George Washington University School of Law.

Sol M. Linowitz, U.S. Ambassador to the Organization of American States, 1966–69; Robert MacCrate, President, New York State Bar Association, 1972–73; John J. McCloy, Chairman of the World Bank, 1947–49; Robert B. McKay, Director of Justice, Society and the Individual Program, Aspen Institute for Humanistic Studies; Robert W. Meserve, President, American Bar Association, 1972–73; Arvid Prado, Permanent Representative of Malta to the UN, 1964–71; A. Kenneth Pye, Dean, Duke University School of Law; J. Lee Rankin, Solicitor General of the U.S., 1956–61; Norman Redlich, Dean, New York University School of Law; Albert M. Sacks, School of Law, Harvard University; Bernard G. Segal, President, American Bar Association, 1969; Whitney North Seymour, President, American Bar Association, 1960–61; Telford Taylor, Professor, Columbia University School of Law; Edward L. Wright, President, American Bar Association, 1970–71.

Copies of this letter, plus the names of the 46 signatories, are being placed as advertisements in several newspapers of wide general circulation over this week-end by the Institute of Human Relations.

AN OPEN LETTER TO HIS EXCELLENCY, KURT WALDHEIM, SECRETARY-GENERAL OF THE UNITED NATIONS

My dear Secretary-General: We are former Ambassadors to the U.N., jurists, professors of law, and international lawyers.

We share a common devotion to the great goals of the United Nations and are longtime supporters of the Organization.

All of us who join in this letter are committed to a just and lasting peace in the Middle East but have varying views as to how best to achieve this objective.

We are unanimous, however, in opposition to the proposals for the General Assembly to expel or suspend the State of Israel from membership in the World Organization or to deny it any of the rights or privileges of membership.

It is our considered judgment that such action would be contrary to the letter and spirit of the Charter of the United Nations.

Under Articles Five and Six of the Charter, no member of the United Nations may be expelled or suspended by the General Assembly or denied any of its rights or privileges except upon recommendation of the Security Council. It is clear that the Security Council will not so recommend. The explicit Charter provisions, in our view, cannot be circumvented by subterfuges, such as disapproval by an Assembly majority of the proper credentials of a member state.

Our concern transcends the expulsion or suspension of Israel, important as this matter is. Such action may well cause irreparable damage to the United Nations itself.

Several leading members of the Organization have stated that if the General Assembly acts unconstitutionally to expel or suspend Israel, or to deny its rights, they will necessarily have to consider withdrawal of their support of the United Nations.

These statements are not idle threats; they are serious and are supported by the parliamentary bodies and public opinion of these countries.

The United Nations would be severely impaired and its complete disintegration only a matter of time were such support to be withdrawn.

Furthermore, impairment of the effectiveness of the U.N. and its ultimate disintegration would seriously impede current efforts for the achievement of peace in the Middle East and elsewhere.

In the interests of international peace, security and justice and a settlement in the Middle East, we trust that all members of the United Nations will accord full faith and credit to the provisions of the Charter and lay aside any attempt to expel or suspend Israel from the exercise of all of the rights and privileges of membership.

Members of the U.N., upon applying for admission, undertake in good faith to fulfill the obligations of the Charter. Denial of Israel's rights would abrogate this solemn obligation. It would also militate against universality of U.N. membership—a long-sought goal.

We most respectfully request, Mr. Secretary-General, that, as Chief Executive Officer of the United Nations, and, in a very real sense, as custodian of the Charter, you take appropriate measures, within your competence, to help ensure that all member states refrain from any action in derogation of the U.N.'s constitution by seeking to deprive Israel of the basic rights and privileges of membership in the Organization.

Respectfully,

Henry Cabot Lodge, U.S. Permanent Representative to the UN, 1953–60.

James J. Wadsworth, U.S. Permanent Representative to the UN, 1960–61.

Arthur J. Goldberg, U.S. Permanent Representative to the UN, 1965–68.

George W. Ball, U.S. Permanent Representative to the UN, 1968.

James Russell Wiggins, U.S. Permanent Representative to the UN, 1968–69.

Charles W. Yost, Deputy to Ambassador Adlai E. Stevenson (Deceased), 1961–65; U.S. Permanent Representative to the UN, 1969–71.

John A. Scali, U.S. Permanent Representative to the UN, 1973–75.

COSIGNATORIES

(Titles for identification only)

Morris B. Abram, U.S. Representative, UN Commission on Human Rights, 1965–68.

Clifford L. Alexander, Jr., Chairman, Equal Opportunity Commission, 1967–69.

Marvin J. Anderson, Dean, Hastings College of the Law, University of California.

Herbert Brownell, Attorney General of the U.S., 1953–57.

Gordon A. Christenson, Dean, American University School of Law.

Tom C. Clark, Associate Justice of the Supreme Court of the U.S. (Retired), 1949–67.

Roger C. Cramton, Dean, Cornell University School of Law.

Samuel Dash, Director, Institute of Criminal Law and Procedure, Georgetown University Law Center.

Arthur H. Dean, U.S. Delegate to the 16th and 17th General Assemblies of the UN, 1961, 1962.

Charles Fahy, Senior Judge, U.S. Court of Appeals for the District of Columbia Circuit.

Adrian S. Fisher, Deputy Director, U.S. Arms Control and Disarmament Agency, 1961–69.

Thomas M. Franck, Director, New York University Center for International Studies.

Richard N. Gardner, U.S. Deputy Assistant Secretary of State for International Organizations, 1961–65.

Abraham S. Goldstein, Professor, Yale University School of Law.

Edward C. Halbach, Jr., Professor, School of Law, University of California at Berkeley.

Patricia Roberts Harris, Alternate Delegate to the 21st General Assembly of the UN, 1966.

Rita E. Hauser, U.S. Representative, UN Commission on Human Rights, 1969–72.

Louis Henkin, President, U.S. Institute for Human Rights.

George Ignatieff, Permanent Representative of Canada to the European Office in Geneva of the UN, 1971–72.

Max Jakobson, Permanent Representative of Finland to the UN, 1965–72.

Sanford Kadish, Dean, School of Law, University of California at Berkeley.

Nicholas de B. Katzenbach, Under Secretary of State of the U.S., 1966–69.

Milton R. Konvitz, Professor, Cornell University Law School.

Leon Koritz, Dean, Temple University School of Law.

Robert Kramer, Dean, George Washington University School of Law.

Sol M. Linowitz, U.S. Ambassador to the Organization of American States, 1966–69.

Robert MacCrate, President, New York State Bar Association, 1972–73.

John J. McCloy, Chairman of the World Bank, 1947–49.

Robert B. McKay, Director of Justice, Society and the Individual Program, Aspen Institute for Humanistic Studies.

Robert W. Meserve, President, American Bar Association, 1972–73.

Arvid Prado, Permanent Representative of Malta to the UN, 1964–71.

A. Kenneth Pye, Dean, Duke University School of Law.

J. Lee Rankin, Solicitor General of the U.S., 1956–61.

Norman Redlich, Dean, New York University School of Law.

Albert M. Sacks, School of Law, Harvard University.
Bernard G. Segal, President, American Bar Association, 1969.
Whitney North Seymour, President, American Bar Association, 1960–61.
Telford Taylor, Professor, Columbia University School of Law.
Edward L. Wright, President, American Bar Association, 1970–71.

DECONTROL—THE RAPE OF THE CONSUMER

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. EDGAR. Mr. Speaker, given the opportunity, I intend to cast my vote to override the veto of the President on S. 1849, the bill to extend price controls on oil for 6 more months. I urge my colleagues to override this veto.

The President's veto yesterday was a clear signal that the battlelines are drawn. The confrontation is now. The American people will know who to blame when prices soar at the pump and when home heating bills skyrocket.

No matter what the outcome of this battle on the veto override, we will be returning to the commerce energy bill, H.R. 7014. Pending is a motion by Mr. BROWN which would strike out the oil pricing policy which was the subject of vigorous debate before the last recess. I suspect this policy will continue to be the subject of heated debate this week or next.

It was my conclusion that it was the sense of the House to accept the Staggers-Eckhardt substitute. I did not participate in that debate, so I would like to take this opportunity to state my position with respect to an oil pricing policy.

I cannot support the new compromise when I anticipate will be offered. With his veto acting as a double-barreled shotgun, the administration has presented us, in my opinion, with, in the words of the Godfather, "an offer which we can't refuse." It is a Hobson's choice, a choice of decontrol or decontrol. Despite the political expediency of surrendering to what the administration had been touting as a major concession, I cannot sell out the interests of consumers to fill the coffers of big oil.

We are all too familiar with the problems we are facing and the tough decisions that need to be made with respect to an energy policy. Our foreign imports of oil have strained our economy, and milk this Nation of $26 billion each year. Our dependence on foreign oil has a significantly debilitating effect upon the independence of our foreign policy. Here at home, we consume energy at wasteful rates. We have catered to a cartel that has removed any hope of reestablishing a free market for oil in the foreseeable future. Compounding these problems, we have seen widespread inflation and recession, exacerbated by the policies of OPEC. There is now a sense of urgency in solving our energy problems as we have been shamefully awakened to the inevitability that cheap energy is no more.

I do not see decontrol as the energy policy which will accomplish the three important objectives which I feel should be the foundation of the oil pricing policy we will be approving today:

First, decreasing wasteful consumption, equitably placing the burden within the private and the public sector;

Second, increasing domestic production at a competitive cost; and

Third, sharing the burden of sacrifice among those most able to absorb changes in lifestyle.

The first objective should be to decrease this country's energy consumption equitably. Decontrol would indiscriminately raise the price of energy and place a disproportionate burden upon those whose energy consumption is least able to undergo adjustments. There is an inherent cruelty in using pricing as a method to decrease consumption. Price is ignorant to special circumstances. I cannot believe that wealth should serve as an insulation against a national policy of energy conservation. No American, regardless of income, should have the right and power to squander precious energy resources at the cost of less fortunate Americans.

A second objective is to increase production at a competitive cost. While it is certainly true that decontrol will increase production, its outrageously staggering cost makes the cure worse than the disease. Immediate decontrol would place upon consumers at least $9 billion the first year with negligible increases in production, and funnel this money directly to the oil companies. There is little incentive for more production except the fact that high prices of the OPEC cartel would encourage the oil companies to invest some part of this $9 billion in the hope that it would provide more sources of oil, and more money gouged from the consumer.

The third objective of our energy policy should be on a pricing provision which places the burden of cost among those who have the ability to pay. For the person living on fixed income, any increase in fuel cost affects the amount of money available for other essentials such as food, housing, and medical care. For the worker with three dependents, decontrol could cost $900 the first year in added expenses for fuel and other purchases. It seems odd to me that with one hand, this Congress took away an oil depletion allowance from big oil worth $2 billion, affectionately labeled "welfare for the rich," and with the other hand, is considering a tender of a de facto $8 billion windfall for big oil.

If decontrol is a means to use the pricing mechanism to decrease the consumption of energy, it should be tied to returning the increase in price to those who are not wasting energy. If, on the other hand, decontrol is used as a means for providing oil companies with the incentive for producing and exploring more with the goal of making us energy independent, then decontrol is a con game.

Even using the figures of the Federal Energy Administration, the increase in production brought about by decontrol will amount to only 100,000 to 300,000 barrels per day of crude oil by 1977, and 1.2 to 2.8 million barrels per day by 1985. However, the cost consumers will be paying for this increase in production would amount to over $32 for each barrel produced, just in the direct costs of decontrol. The cost to the consumer for the companion increases in other fuels as well as a modest ripple effect would place an even greater strain upon consumer purchasing power and give another tragic and job-costing boost to the inflation spiral.

What decontrol is should be evident. It is an easy method for consumating the marriage of big oil with the OPEC cartel. Its principal effect is to transfer billions of dollars from consumers to oil producers for the purpose of financing more oil finds which the consumer will be paying more for, and receive nothing in dividends for his investment. Already the relationship between the executive branch and big oil is incestuous. One need only to thumb through any one of a number of reports which have been published documenting the names and positions of former OIL executives who are presently in decisionmaking positions with FEA and other critical agencies. I am appalled that the Ford-Rockefeller Oil Co. is trying to seduce us with such a flagrantly empty "compromise."

Meanwhile, big oil is pleading for a return to the free market, using the most absurd arguments I have heard since I have been here. Perhaps a recent mailgram to you and me from Exxon received your attention. Its opening line reads as follows:

> The sooner the U.S. government removes the inequitable and burdensome controls on the petroleum industry and allows a return to the free market, the sooner the nation can approach its goal of energy self-sufficiency.

We all know there is no free market in the oil industry. A cartel has set a monopolistic price. If there was a true free market in this country, domestic oil would be selling at $4 or $5 per barrel. It is in the best interests of the major oil companies to institutionalize the OPEC pricing schedule. Is it not true that for every dollar increase in the price OPEC charges, the oil companies can pass on that increase not only for the oil it purchases from OPEC, but for the oil it produces itself domestically?

Some have argued that the enormous cost of decontrol to the consumer is worth it if it will make us energy independent. But decontrol will only contribute a fraction to our independence. At best and most liberal estimates, decontrol will only keep our demand for foreign petroleum constant or slightly rising. Presently, we import just over 6 million barrels per day of foreign crude. The Federal Energy Administration projects that decontrol would result in 1.2 to 2.8 million barrels of increased domestic production by 1985. However, with demand for crude rising at a rate

of approximately 3 percent each year, we will be as dependent upon foreign imports in 1985 as we are now. Decontrol is definitely not the panacea it has been touted as by the administration.

What solutions can I offer? There are a number of strategies which I feel will meet the three criteria I have set for a sane energy policy.

The first is to continue price controls at the levels set in the Staggers-Eckhardt substitute, flanked by strong import quotas. Then, establish a new classification of oil which would be defined as production by a producer in excess of its June 1975, production. This oil may be sold at the market price or at $13.50 per barrel, whichever is higher. Would this not give the oil companies the incentive to increase our domestic sources without causing consumers another round of inflation? The second part of my program would be to support the rest of H.R. 7014. Its provisions offer creative and aggressive conservation incentives for the consumer. To meet the third requirement of my plan, the tax upon the profits of oil producers on my definition of "new" oil would be returned to consumers in the form of a tax rebate that was inversely proportional to income.

In the meantime, we would continue and expand our support for research into alternatives to oil which may be promising, such as coal gasification and liquifaction, and solar energy.

Mr. Speaker, I wish to insert into the RECORD at this point calculations prepared by my staff based upon current data supplied by FEA. These calculations should demonstrate the economic disaster of decontrol, even discounting indirect effects which are difficult to assess:

Domestic production: 5.2 million bar/day "old" oil at $5.25; 3.2 million bar/day new oil at $13.25.

Imported oil: 6.2 million bar/day at $11.11 plus $2 import tariff.

The composite price of domestic oil (weighted average) is $8.35 based upon above figures:

$$\frac{5.2}{8.4} \times \$5.25 + \frac{3.2}{8.4} \times \$13.11 = \$8.35$$

(According to FEA, May composite figure of domestic was $8.22.)

With decontrol, 5.2 million bar/day rises from $5.25 to $11.11, assuming no OPEC price increase and a repeal of the $2/barrel excise tax. The composite price of domestic oil rises from $8.35 to $11.11:

$11.11 - $8.35 = $2.76.

8.4 million barrels per day = 8.4 million × 365 days = 3.06 billion barrels/yr.

Direct cost of decontrol = $2.76/barrel × 3.06 billion barrels = $8.46 billion.

FEA projects an increase in domestic production by 1977 of 100-300,000 bar/day, primarily as a result of increased secondary and tertiary recovery techniques. By 1985, FEA projects an increase of domestic production of 1.1-2.8 million barrels/day, primarily as a result of new oil sources.

Assume a 1977 production of 200,000 marginal barrels and a 1985 production of 2 million barrels.

Assuming an exponential curve of production during those ten years which is much more likely, marginal production during this ten year period is about 4-5 million barrels × 365 days = 1800 million barrels.

During that ten year period, assuming no OPEC increases, the cost to the consumer as a result of decontrol is ten times the first year cost minus a factor which accounts for the decrease in old oil as a result of natural field declines. For purposes of these calculations, assume a ten percent decline per year, not compounded:

This amounts to ten times the cost of decontrol in the first year minus 4.5 times the cost of decontrol (a total of 5.5 times the first year cost):

5.5 × $8.46 billion = $46.5 billion in direct costs.

The direct cost of decontrol is $46.5 billion over ten years.

The direct costs of the extra 5 million barrels/day × 365 days × $11.11 = $12.2 billion.

The total cost for this oil, assuming no OPEC increases is therefore $58.7 billion.

The marginal cost per barrel produced during these ten years as a result of decontrol is:

$58.7 billion ÷ 1.8 billion barrels = $32.60 per barrel, averaged over ten years (based upon FEA figures, all prices in constant 1975 dollars).

TURKISH BASES VITAL TO ISRAEL'S DEFENSE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. FINDLEY. Mr. Speaker, the deterioration in U.S.-Turkish relations—provoked by our shortsighted and maladroit arms embargo—continues. The deterioration of the southern flank of NATO continues apace. So too does our ability to monitor important Soviet weapons testing and effectively to verify compliance with our strategic arms agreements and understandings. These facts are now somewhat more widely understood; that they have been so placidly accepted by so many, however, is nothing short of amazing.

Additionally, though, Turkey is of massive importance for the continued security of Israel. One need not study a map for very long in order to understand why this is so. And without bases in Turkey, our own ability to provide Israel with some measure of defense is dangerously reduced.

It is quite remarkable that this last fact has received so little attention.

Mr. Edward Jay Epstein has written an exceptionally solid and thoughtful analysis on this subject, one which I wholeheartedly commend to the attention of my colleague. Mr. Epstein's article, which appeared in the August 29 issue of the Wall Street Journal, is an important contribution to the public debate on this vital issue.

HOW LIBERALS AIDED ISRAEL'S FOES

(By Edward Jay Epstein)

The House of Representatives may have inadvertently altered the balance of power in the Middle East and critically diminished Israel's chances for survival when, in a fit of moral indignation inspired by a handful of Congressmen, it voted last month to continue the suspension of military aid for Turkey. In direct response to this vote, Turkey denied the U.S. control over more than 20 "common defense" installations in its territory which electronically monitored, among other things, shipments of military equipment, aircraft, and industrial goods to Middle East nations.

The strategic implications of the House coup proceed from Turkey's unique position in the geography of the Middle East. This NATO ally straddles Europe and Asia and physically separates the Soviet Union from the Arab states which depend on it for arms and ammunition. To reach the Mediterranean from their ports in the Black Sea, Soviet ships must pass through the narrow Turkish Dardanelles.

Before the congressional action, their cargoes could be surreptitiously analyzed by U.S. equipment at bases along the shores. To reach Syria and Iraq, Soviet aircraft must either overfly Turkish territory, where they can be "counted" or interdicted in a crisis, or be diverted several thousand miles over Bulgaria, Greece and the Mediterranean. Thus the main flow of Soviet arms traffic to the Middle East is vulnerable either to being "counted" or ultimately cut off because Turkey remains—for the moment at least—a NATO ally (which, not incidentally, maintains both diplomatic and economic ties with Israel).

A "WINDOW" ON RUSSIA

To be sure, the strategic importance of Turkey extends well beyond the security of Israel and the Middle East. Because it has a 1,000-mile border with the Soviet Union along the Black Sea, it provides an irreplaceable window on military and missile activity within the Soviet heartland. The monitoring equipment at U.S.-built bases along the Turkish Black Sea coast could detect the movement of Soviet planes, ships, submarines and tanks, as well as the heat generated by the preparation of Soviet missiles.

Over-the-horizon radar provided an integral link in the early warning system used by NATO and the U.S. and monitored the progress of Soviet missile technology. The American "machinery" was even sensitive enough to intercept walkie-talkie, ground-to-air and microwave telephone messages between military units (which meant in effect that any major military alert or troop movements would probably be monitored).

Aside from the intelligence facilities, Turkey also provided the U.S. bases for nuclear-armed fighters capable of penetrating Soviet defenses over the depression of the Black Sea. These "Quick Alert" bombers, parked on the edge of Turkish airfields with motors running, were by tacit agreement with the Soviets not counted as strategic bombers under the limitations of the SALT treaty, thus they served as an important counterbalance to the apparent Soviet missile superiority. If Turkey were to prohibit American use of these airbases, as it well could do, the entire SALT "balance of terror" would be tilted against the United States.

In more conventional terms, Turkey with its 500,000-man army, secures the eastern flank of NATO and that ultimately involves the security of Greece. Congressmen who voted to override these strategic considerations may have believed that detente has advanced to the point where nuclear confrontation with the Soviet Union is improbable—and may therefore consider the early warning system and strategic balances unnecessary. That assumption is doubtful, at best, but surely there is little doubt about the threat to the Middle East.

In October 1973, the installations in Turkey detected: the passage of nuclear warheads through the Dardanelles en route to Egypt or Syria; the mobilizing of paratrooper divisions at Soviet bases through Odessa (land-mobile communications between units were overhead); and the gathering of wide-bodied transports capable of carrying these troops to the Middle

East. All signs, including diplomatic signals, pointed towards Soviet military intervention against the Israelis, who at the time had cut off an Egyptian army in the Sinai. But President Nixon decisively called a world-wide military alert. And faced with the distinct possibility that their supply routes through Turkish water and airspace could be interrupted, the Soviets quickly abandoned their apparent plan.

Today the situation is radically different. If another such crisis occurred with the Turkish bases shut down, the President might never know of Soviet troop movements until too late. Even if no dramatic confrontations occur, the interruption of intelligence may ultimately present as serious a threat to the security of Israel as direct Soviet troop intervention. The balance of power in the Middle East depends on the U.S. ability to ascertain the quality and quantity of arms which the Soviet Union is providing its clients, since new weapon systems and military capabilities could obviously give an invading force a decisive advantage.

With the Turkish bases in operation, the United States would probably at least be forewarned of any change in Soviet arms shipments, thus having the option of redressing the balance or informing Israel of the potential danger. Without these monitoring facilities, Israel stands a higher risk of a successful surprise attack.

Why would the House of Representatives vote as it did even after it had been warned of the consequences by Secretary of State Kissinger? One can understand and even admire the brilliant tactics of the Greek lobby, which manipulated Congress into declaring an embargo on aid to Turkey over a dubious legality. In July 1974, after the Greek junta arranged a successful coup against the legitimate government of Cyprus, Turkey intervened with troops to "protect" the sizable Turkish minority from the group of terrorists that assumed control of Cyprus in the coup.

Turkey had the right to intervene as it did under the 1960 "Treaty of Guarantee" in which Greece, Turkey and Great Britain all pledged the integrity of the constitutional government which allocated governmental offices between Greek and Turkish-speaking Cypriots under a complex formula. It also claimed that the coup endangered the defenses of its southern airbases.

In any case, the intervention quickly led to the brutal displacement of thousands of Greek Cypriotes from their homes, and the Greek community in the U.S. became understandably concerned over the fate of Cyprus (even though a Greek junta precipitated the crisis). Perhaps the most effective organizer of the Cypriote cause in the U.S. was Eugene T. Rossides, a Washington lawyer, who had formerly served as a close aide to Archbishop Makarios, the President of Cyprus.

While Mr. Rossides was Assistant Secretary of the Treasury for Enforcement and Operations from 1969–1972, he spearheaded the drive to deprive Turkey of military and economic aid over the poppy issue. (Although Turkey grew only 2 percent of the world's opium supply, it was blamed by Mr. Rossides and others for the American heroin problem.) With the aid of G. Gordon Liddy, his assistant on "international narcotics" who later went on to other things, Mr. Rossides nearly managed to drive Turkey out of NATO.

Eventually cooler heads in the National Security Council prevailed. Nevertheless, Mr. Rossides had garnered support in his anti-Turkey cause among a large number of Congressmen concerned about drugs in their districts.

THE 'SELF-DEFENSE' ARGUMENT

After Turkey's military intervention on Cyprus, the Greek lobby began arguing in Congress that American aid was limited by law to "self-defense." What constitutes "defense" is somewhat ambiguous: Under the strict interpretation asserted by the Greek lobby, all military aid to such American allies as Great Britain, France and Israel (which periodically attacks guerrilla bases in Lebanon) could also be cut off. At the time of Watergate, with Congress legitimately concerned about transgressions of law, the Greek lobby managed to organize considerable support for an embargo against Turkey.

But while the shrewd efforts of the Greek lobby are fathomable, it defies explanation why the contingent of liberal Democrats, who in their campaigns and earlier votes had strongly supported Israel, would now join an effort that jeopardizes the Middle East security arrangements vital to the survival of Israel. Certainly, they must realize that giving the Soviet Union unmonitored passage for arms shipments would at the very least heighten the dangers of a surprise attack on Israel. They must also be aware that weakening U.S. defenses in the Eastern Mediterranean, now heavily dependent on Turkish air and naval bases, would reduce our ability to guarantee Israel's or even Greece's security.

UNAVOIDABLE ABSENCE

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Ms. JORDAN. Mr. Speaker, due to an unavoidable absence I was unable to vote on five separate rollcall votes taken in the House of Representatives on September 8 and 9, 1975. Had I been present and voting I would have cast the following votes:

Roll call No.	Item	House vote	Ms. Jordan—Vote
498	Passage of H. Res. 603 providing for the consideration of H.R. 6673	361–6	Yes.
499	Passage of H.R. 8650, relating to energy conservation in buildings	258–130	Yes.
500	Passage of H.R. 6673, providing for the establishment of an American Folklife Center in the Library of Congress	272–117	Yes.
502	Veto message of the President on H.R. 5901, making appropriations for the Education Division and related agencies for the fiscal year ending June 30, 1976.	379–41	Yes.
503	Suspension of the rules and passage of the bill S. 331, commemorating Veterans Day on November 11th	410–6	Yes.

LEGISLATION INTRODUCED TO AID HOMEOWNERSHIP

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. BADILLO. Mr. Speaker, I am introducing legislation today which is designed to make homeownership once again a possibility for low- and moderate-income families. My bill seeks to accomplish this by authorizing a program of homesteading in urban and rural areas of our country. Unlike present programs, however, which restrict homesteading to single family homes, my legislation utilizes multifamily and cluster dwellings. Instead of limiting participation to individual families, the program I am proposing vests ownership in tenant cooperatives.

Although conceived as a federally sponsored undertaking, my proposal depends on local initiative for implementation. Instead of relying on complicated new construction schemes, my legislation proposes to make use of abandoned, rehabitable houses, the titles to which have reverted to local and municipal governments. To provide incentives for participation and offset loss of revenues, my program will give local governments credit, equivalent to the value of the revenues they forgo by donating the structures, to apply toward the local contribution requirements of Federal programs.

In developing this legislation I not only had the cooperation of urban groups interested in and involved in homesteading efforts, but have also received the advice of persons whose primary concern is to expand housing opportunities in rural America.

Mr. Speaker, when the Emergency Middle-Income Housing Assistance Act was before the House, I warned my colleagues that presently existing housing programs have failed to respond to and meet the real housing needs of our Nation. At that time I stated that the urgent problems of our poorer communities were being ignored in the fashioning of our national housing policies.

Data I have gathered support my claim. Library of Congress researchers confirm that gains in housing construction have largely occurred in affluent suburbs. In the vast majority of cases individuals who improved their housing situation did so by moving into more desirable neighborhoods—not by acquiring better housing or improving existing structures in central cities or poor rural areas. While our housing policies did aid some families and individuals to attain more desirable housing, they failed to relieve the plight of established communities which often found themselves with steadily decreasing means of meeting the needs of their residents. Total Federal outlays for subsidized housing in fiscal 1974 totaled $1,788,326,000. On the other hand, tax benefits, in the form of mortgage interest deductions for families with annual incomes of $20,000 and above, amounted to $2.521 billion.

The results of such an approach were predictable. Although the 1970 census

of housing included a description of the physical condition of units only in its components of change volume, and its findings were limited to 15 metropolitan areas, its findings showed an ominous increase in dilapidation of the housing stocks of the central cities. To cite only a few examples: In New York City alone the number of substandard rental units had doubled between 1960 and 1970. In Atlanta dilapidation between 1960 and 1970 increased 133 percent, in Chicago by 156 percent, while the District of Columbia got off lightly with an increase of only 10 percent.

As far as rural areas are concerned, a study undertaken by the Senate Committee on Agriculture and Forestry indicates that at least 10.5 percent of the approximately 20 million families living in nonmetropolitan areas occupy houses that lack complete plumbing facilities. More than 8 million year-round houses in such areas are not linked to a public water system. Its findings also indicate that four out of five families living in houses without full plumbing facilities had annual incomes of less than $6,000, and more than half had incomes of less than $3,000.

Families headed by elderly persons comprised 23 percent of all households in nonmetropolitan areas, but they occupied almost one-third of the houses which lacked plumbing facilities. Black families made up only 7 percent of rural households in 1970, but occupied 29 percent of the houses without full plumbing facilities. Obviously, our established housing programs have failed to meet the needs of urban and rural poor alike.

Nor is this all. While in the past the middle class, aided by national housing policies, made at least some gains in homeownership, our present economic crisis threatens to erode these gains and exclude everyone not in the top income brackets from the housing market. In 1974, 23 percent more income than in 1973 was required to buy a home. The national average price of a newly constructed home in 1973 was $37,100 and an annual income of $19,060 was required to qualify for the necessary mortgage. By 1974 the cost of a comparable home has reached $41,300, and the annual income requirement risen to $23,300. A Joint Economic Committee report estimates that at present only 15 percent of our Nation's families can qualify for homeownership.

Obviously, there is need for a change of pace, a reassessment of our national priorities and spending practices. Not only must we commit a larger share of our budget to meet our national housing needs—we must also make every effort to get maximum returns for our money.

Rehabilitation is substantially more economical than new construction. New York City officials estimate that while the cost of new construction is approximately $42,000 per unit, gut rehabilitation can be accomplished for $25,000. Rehabilitation which includes no luxuries and aims solely at producing safe, and livable housing can be accomplished for as little as $10,000. National figures are comparable. And there are plenty of houses to rehabilitate.

A 1970 study, undertaken by the Center for Community Change of the National Urban League showed that thousands of housing units were being abandoned in Washington, Philadelphia, Detroit, Cleveland, Baltimore, Boston, and Birmingham. New York City is losing an estimated 20,000 units a year to abandonment. A large number of these houses are neither dilapidated nor uninhabitable. An estimated 80 percent of the unrecorded losses in New York in 1968 were in buildings classified only 3 years earlier as either sound or deteriorating, but not dilapidated.

The measure I am introducing emphasizes the reclamation of such units. It authorizes a pilot program of homesteading in both urban and rural areas. Localities are to develop program proposals and submit them to the Secretary of Housing and Urban Development for approval. Variations in approaches will be encouraged to facilitate meeting both urban and rural needs. Qualifying applications must contain:

First. An overall homestead and neighborhood or community revitalization program;

Second. Plans proving that properties selected for participation are located in areas scheduled for revitalization and upgrading; and

Third. Data indicating that sufficient public services will be provided to assure a stable environment.

Applicants will have to establish homestead boards which will administer their programs. Such boards will have both elected and appointed members and will perform the following functions:

First. Compile and maintain a catalog of all publicly owned vacant structures;

Second. Institute in rem or foreclosure proceedings;

Third. Investigate properties selected for the program and secure accurate assessment of needed repairs;

Fourth. Negotiate low-interest loans for the carrying out of such repairs;

Fifth. Furnish technical assistance to tenant groups; and

Sixth. Establish an office of tenant assistance which will help homesteaders to incorporate, instruct them in the nature of their obligations and privileges and extend them assistance necessary to enable them to assume ownership and meet their obligations.

Although my bill authorizes the Secretary of Housing and Urban Development to promulgate the guidelines for the program, it stipulates their submission, prior to implementation, to both the House Banking, Currency and Housing Committee and the Senate Urban Affairs Committee, which will have 30 days to review them.

Mr. Speaker, I believe that the program I am proposing is a reasonable first step toward solving some of our urgent housing problems. After the August recess I shall seek cosponsorship for this legislation and hope that my colleagues on both sides of the aisle will give me their suggestions and support.

AKRON REDEDICATES MEMORIAL TO JOHN BROWN

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SEIBERLING. Mr. Speaker, on the first of September, the people of Akron, Ohio, in addition to celebrating Labor Day, held ceremonies rededicating a memorial to John Brown, once a resident of Akron, who achieved fame unequalled by any of its citizens as a result of his uncompromising efforts to end the shame of slavery in America. The ceremonies took place at a stone column erected early in this century in a park named after Col. Simon Perkins, founder of the city of Akron, who at one time was a partner with John Brown in a sheep raising business. The park, itself, known as Perkins Woods, is on land formerly belonging to the sheep farm.

The ceremonies were organized by Mr. Emmer M. Lancaster, an outstanding black lawyer and community leader for many years, and was sponsored by the Negro Twenty-Five Year Club, Inc., of Akron. Through Mr. Lancaster's efforts, the city had undertaken extensive repairs to restore the monument, a portion of which had been originally built with money raised by the Twenty-Five Year Club.

With Mr. Lancaster presiding as chairman of the John Brown Memorial Committee of the club, the ceremonies were impressive and fitting for the occasion. The 122d Army Band, a National Guard organization from Columbus, presented an outstanding musical program, made even more outstanding by the beautiful singing of the 50 voice Negro Community Chorus under the directorship of Mary Moore Nelson. Mr. William V. Wallace, Jr., director of the Summit County Historical Society, briefly spoke on the historical connection of John Brown with the Akron community and pointed out that John Brown was undoubtedly the most famous resident of Akron in its 150-year history. Mr. Fred J. Albrecht, chairman of the Akron Sesquicentennial Committee, spoke on the history of the memorial itself. The Hon. Edward L. Davis, president of the Akron City Council, gave a moving speech on the significance of John Brown's life in the unending struggle for justice for all people. He was seconded by Mr. James Williams, councilman for the fourth ward of the city of Akron, in which ward the memorial is situated.

The Honorable John S. Ballard, mayor of the city of Akron, extended an official commendation to Mr. Lancaster and the Twenty-Five Year Club, of which Mrs. Florence L. Minson is president, for their persistent efforts to have the memorial restored. I followed Mayor Ballard with a few extemporaneous remarks pointing out that John Brown's "soul goes marching on" because in each generation there are people who are prepared to strike out against injustice and discrimination

and to pursue the goal of equality for all people. Eloquent and moving invocations and benedictions were delivered by Rev. Francis Johnson of St. Phillip's Episcopal Church of Akron and Rev. Stanley Lynton of the Second Baptist Church of Akron.

The principal speaker was Prof. George W. Knepper, professor of history at the University of Akron, who delivered a most scholarly and interesting historical sketch of the life of John Brown. Fortunately, Professor Knepper's address was made from a written text and he has kindly made it available to me. Entitled "John Brown: A Memorial" I believe it is worthy of widespread dissemination and will be of interest to followers of American history and American ideals everywhere. Accordingly, I offer it for printing following these remarks.

JOHN BROWN: A MEMORIAL

One hundred and thirty years ago, on this spot where we are now assembled John Brown was tending his flocks. At forty-four years of age, he was a farmer and sheepherder in business with Col. Simon Perkins, and living just atop this hill in a small house provided for him by Perkins. He had not yet performed those deeds that would make his name known throughout the land, but there was already programmed in his soul the stern morality, the uncompromising spirit, and the courageous heart that would make him the nation's most militant foe of slavery, that blot on the conscience of freedom-loving men and women. In pursuing his struggle against slavery, he opened wounds in the body politic that helped bring on the Civil War, the terrible instrument through which nearly 4,000,000 black Americans were freed from bondage.

Who was John Brown, and why, at a critical time in our history, did he assume a role of such importance? Let us look briefly at the formative years of his life.

John Brown was born May 9, 1800 in Litchfield County, Connecticut. His father, Owen, a tanner by trade, found life difficult in western Connecticut and moved his family, including five year old John, to the Connecticut Western Reserve, that northeastern corner of Ohio in which we now reside. Owen established his family in Hudson, and here young John grew up. His early years were not especially happy one. Until his father's business was well established, the family lived in poverty and hardship. Young John had almost no possessions he could call his own. When he was eight, his mother died and the loss affected him deeply for years. He went to school but briefly, learned the tanner's trade, and ruminated over the Calvinistic faith with its stern, no-nonsense God of wrath. He became an embittered, resentful, and belligerent boy determined as he grew older to make a place for himself in society.

During the War of 1812, young John drove herds of cattle over dark forest trails to supply American soldiers preparing for campaigns in the west. On one such trip, he witnessed the unprovoked beating of a slave boy about his own age, and what he called the "wretched and hopeless condition" of that "Fatherless and Motherless" slave boy made him a most determined foe of slavery from then on. This anti-slavery attitude was much strengthened in the next few years. Hudson was a strong anti-slavery town, and John's father was an outspoken enemy of the slave system. Young John was soon insisting that slavery was "a great sin against God" and that it was his sworn Christian duty to help slaves escape from the South to Canada and freedom. By the time he was twenty, Brown had already assisted one slave to reach freedom, and he had made it clear that he would shelter and assist other runaways from Kentucky or Virginia who came by his place.

At twenty years of age, John Brown married Dianthe Lusk by whom he had several children. Dianthe was not strong physically or emotionally and she sickened and died. John soon remarried and had numerous children by Mary Ann Day, his second wife. He now fancied himself a successful business man, but his impulsiveness, his chronic inability to be satisfied with reasonable gains, and, above all, his unswerving stubbornness led to repeated failures in the business world. Most of his life was spent in debt, eaking out a hardscrabble existence for himself and his family.

Some of the recognition he craved but failed to realize in business came to him through his church. His piety was noticed and remarked upon. At one time he started studies to become a preacher, but having given these up, he continued an avid private study of the scriptures and could quote long biblical passages verbatim. However, in religion as in business, he had little tolerance for those whose vision differed from his.

In 1838, at a revival meeting in what is now Kent, Ohio, some free Negroes and runaway slaves came from the surrounding territory to attend the services. As was customary, they were required to sit far to the rear of the meeting house. This discrimination in the house of God outraged John Brown. With a flourish he escorted some of them down the aisle to his own pew. That evening he was visited by the deacons who told him that his actions were not acceptable, but on the next evening Brown repeated his performance. Ultimately Brown was excluded from membership in this congregation through a technicality designed to punish him for this act.

Brown was active in the Underground Railroad in the 1830's and 1840's, helping to spirit escaping slaves to the Lake Erie ports from which they escaped into Canada. One abolitionist remembered him coming into his house at night with five or six escaping slaves that he had guided all the way from the Ohio River. If he had to, said Brown, he would lay down his life to help fugitives because "death for a good cause was glorious."

By 1844, Brown and his large family were living in Akron. The wool business in which he was engaged with Simon Perkins did not prosper, partly due to Brown's stubborn insistence that he knew better how to run the wool business than did those who were trying to give him advice. By 1846 the business was near bankruptcy. Perkins apparently forgave Brown for his part in the debacle, but Brown left Akron for a home in North Elba, New York, a tiny village in the Adirondack Mountains of New York State where a number of blacks had settled on lands furnished them by Gerrit Smith, a wealthy anti-slavery man. Brown returned to Akron from time to time until 1855, but he considered North Elba his home until the end of his days.

Antislavery sentiment in the North burst with renewed vigor in 1850 with the promulgation of a new federal fugitive slave law. This act, deliberately designed to placate the South, was rigged in favor of any slaveowner or his agent who came into the free states, seized a Negro, and took that person before a judge claiming that he or she was an escaped slave. If the judge believed the slaveowner, he received a fee double that which he got if he found in favor of the black. This "Kidnap Law" as it was called in antislavery areas, was roundly condemned in northern Ohio. In Akron, General Lucius V. Bierce, distinguished citizen and former Mayor of Akron, told an audience of his townsmen, "As for me, whether the order comes from a judge, or a Commissioner, or a President, if it is to transport a citizen of this [state] to a slave state, without the protection of our laws, *I say resist it*, and let the South and her servile minions of the North know that she sleeps on a magazine that a spark from the North can at any moment explode." Citizens of the Western Reserve *did* defy this unjust law: in Akron, in Wellington, and elsewhere around northern Ohio, efforts to take blacks south into the slave states were successfully thwarted by an aroused citizenry.

Then, in 1854, another blow was dealt antislavery advocates when a law was passed that would open up some western territories, formerly closed to slavery, to the possibility of slavery. A great struggle ensued between pro-slavery and anti-slavery groups to gain control of Kansas territory, and an irregular guerrilla war broke out between them in 1856. John Brown and several of his sons left for the west, and it was there, on Kansas soil, that Brown was to earn a fearsome reputation. He was a humorless, gaunt, uncompromisingly militant anti-slavery advocate, a man who could be counted on to lend his voice and his rifle to the cause in which he so deeply believed.

One dark night, in retaliation for raids made by pro-slavery men, Brown and several of his sons and supporters rode out along Ossawatomie Creek in eastern Kansas. Three times they stopped at the cabins of known pro-slavery men. Each time they called the adult males out of the cabins and there hacked and slashed them to death with stubby cavalry sabers. All told, five men were thus murdered in cold blood. It is indicative of the heated passions of the time that Brown's murderous deed, though generally condemned, was hailed with approval and praise among some northern abolitionists. For the South it merely confirmed that there was no reasoning with those radical northern elements bent upon destroying southern slave property and hence the southern way of life. From this time until his death three years later, Brown's image was fixed in the public imagination. He was "Old Brown of Ossawatomie," a stern, avenging Old Testament prophet smiting his foes and purging the enemies of the Lord.

The arms used by Brown in Kansas were supplied by sympathizers in the North, principally in New England and in Ohio's Western Reserve. One of the local men who assisted Brown to secure arms was General Bierce who was later to say publically that he supplied Brown with several cases of arms, possibly including the stubby sabres which slashed the victims of Ossawatomie, and "right good use did he make of them," said Bierce.

John Brown now turned his attention increasingly to what was to be his main stroke against slavery. On October 16, 1859, after much thought and planning, Brown led a force of 21 men—16 whites and 5 blacks—against the federal arsenal at Harper's Ferry, Virginia. He apparently intended to seize arms and then retreat into the Virginia mountains and there set up a community to which slaves might flee. The tragedy of the Harper's Ferry raid is well known. Ultimately surrounded by militia and by federal troops under command of Col. Robert E. Lee, Brown's men fought well against overwhelming odds. Ten of them, including two of Brown's sons, died in battle or of their wounds; five more were captured; six escaped. Not one slave was permanently freed as a result of this gallant but misdirected effort.

Brown was injured in the fighting. When he revived, he found himself in the custody of Virginia authorities. Soon he was interrogated by a distinguished group that included United States Congressmen and the Governor of Virginia. Governor Wise said that Brown, his eyes flashing with zeal and self-righteous-

ness, was "the gamest man I ever saw." Brown claimed the support of thousands in his cause, but he would implicate no one. When asked "do you consider this a religious movement?" Brown replied, "It is, in my opinion, the greatest service man can render to God."

"Do you consider yourself an instrument in the hands of Providence?"

"I do."

"Upon what principle do you justify your acts?"

"Upon the Golden Rule. I pity the poor in bondage that have none to help them: that is why I am here; not to gratify any personal animosity, revenge, or vindictive spirit. It is my sympathy with the oppressed and the wronged, that are as good as you and as precious in the sight of God."

On December 2, 1859, John Brown was taken from the jail in Charles Town, Virginia. Seated upon his coffin, in a furniture wagon drawn by two white horses, he rode out to the gallows. There amidst a vast throng, composed, he calmly awaited his fate. The trap was sprung; death came quickly; John Brown passed into legend.

Throughout those areas of the North where anti-slavery sentiment ran high, Brown was eulogized in death. In Akron, that Friday, stores were closed, the courts were adjourned, some buildings were draped in black mourning, and in the evening the largest crowd ever to fill Empire Hall came to hear Brown praised. General Bierce, who delivered the main address, called him "the first martyr in the 'irrepressible conflict' of liberty with slavery." Was Brown crazy as some had claimed? The General had an answer: "It is said, 'Old Brown was crazy'—would to God we had millions of such crazy men at the North who were to peril life for right and universal liberty." It was with a mixture of sadness and outrage that Akronites bade farewell to "our old neighbor John Brown."

Of all the white anti-slavery figures John Brown has been most honored by black Americans. He was perhaps the least racist of whites; he mingled easily and unselfconsciously with blacks on a neighborly and social basis. He valued their friendship and their help. He was not patronizing, either consciously or unconsciously. Frederick Douglass, escaped slave and foremost among blacks in the anti-slavery movement, was his valued friend and associate. In an interesting new book entitled *Blacks on John Brown*, Benjamin Quaries, a distinguished black historian, has gathered evidences of this regard. Quarles says that the view of Brown as a martyr reached its strongest intensity among blacks to whom he was a man of moral courage, a deeply religious man to whom slavery was the sin of sins. His adherence to principle still attracts a broad segment of modern America that wishes to make right both the old wrongs and the newer ones that have been superimposed upon them. There is something in Brown for all who see the need to continue to strive for the full realization of justice and opportunity for those Americans still laboring under unfair handicaps.

Within days of his execution, John Brown's body was moved to its final resting place in North Elba. First, however, in New York City, it was removed from its southern coffin and replaced in a northern one. In North Elba, among his neighbors both black and white, his grave rests beside a great boulder that records his name. In other parts of the North other memorials, including this fine memorial we rededicate today, mark his impact upon the public conscience and the popular memory.

In her poem "To John Brown," Georgia Douglas Johnson writes:

Truth cannot perish though the earth erase
the royal signals, leaving not a trace,
And time still burgeoneth the fertile seed,
Though he is crucified who wrought the deed:
O Alleghenies, fold him to your breast
Until the judgment! Sentinel his rest!

That fertile seed is still carried today by those of us here, and by like-minded people everywhere, who celebrate the ends, if not the means, of our old neighbor, John Brown.

IS THE "BUSING GAME" WORTH THE PRIZE?

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SNYDER. Mr. Speaker, no one can question the credentials of columnist William Raspberry—either as to color or as to liberal political philosophy. In this connection, I would commend to my friends on the Judiciary Committee his column in today's Washington Post.

With the recent Armour and Coleman studies showing the damage being done to children by this scheme, it makes good sense to report the antibusing proposals now pending before the Judiciary Committee so the House of Representatives can vote on them.

Mr. Speaker, the William Raspberry column follows:

IS THE "BUSING GAME" WORTH THE PRIZE?

(By William Raspberry)

It's hard to know what is the right thing to do now about busing in those cities where antibusing sentiment is so strong as to threaten the public peace.

One can pray that violence will be kept to a minimum; that law enforcement officials will behave professionally, no matter what their private views of the issue may be. One can observe the similarities between white attitudes and actions in Boston and Louisville today and in Little Rock and New Orleans 20 years ago and hope that opposition to busing will melt now as opposition to desegregation melted then.

But the prayers and hopes seem unlikely to produce much by way of positive results, and a lot of us are wondering whether the busing game is worth the prize. Some of us aren't even sure just what the prize is supposed to be.

It was a lot clearer when the issue was whether black children could be shunted off to distant classrooms because nearby schools were designated, officially, if arbitrarily, as white schools.

We may have wondered whether we would have subjected our own children to the taunts and threats of violence faced by, say, the Little Rock Nine. But there did seem to be a clear-cut principle at stake: that the public schools should exist for the entire public—that it is discriminatory and wrong to earmark certain schools as black or white.

Now we are being asked to support a different principle: that it is wrong, constitutionally and morally, for a school to be predominantly black even if that fact stems from its existence in a predominantly black neighborhood.

The NAACP, which almost alone is sustaining the drive for wide-scale busing to eliminate predominantly black schools, insists that the principles are the same. It is a view for which support is fast disappearing.

Which is one of the key reasons for widespread pessimism. Many of those who resisted desegregation—the abolition of dual school systems—knew their position to be morally indefensible. And when they finally lost, it was due in large measure to their moral isolation and sense of guilt.

There is no corresponding sense of guilt today. Most whites have long since accepted the notion that segregation is wrong, and even in the Deep South there is hardly such a thing as an all-white school—nor much feeling that there should be.

But on the other hand, precious few whites, North or South, feel any guilt in resisting the disruption of their children's education by busing them to distant schools because those schools are "too black."

Nor is there much more enthusiasm among black parents for large-scale busing for the primary purpose of racial integration.

Not that any of this matters to the NAACP's policy makers. For them the issue is not whether anybody *wants* busing; it is their view that constitutional considerations *require* it.

"Constitutional rights are not open to plebiscites and popularity polls," NAACP general counsel Nathaniel Jones recently told the National Observer.

He sees the eradication of racially identifiable schools—by which he appears to mean predominantly black schools—as a constitutional mandate to be carried out even if most blacks and whites doubt that it's worth the disruption and ill will that it is certain to spawn. Interestingly enough, those who tell you that the wishes of the people must be subordinated to the mandates of principle generally do so in support of their own wishes.

A very long time ago, the issue was how to improve public education for black children. The presumption, in those days, was that white school officials who insisted on setting aside certain schools for the exclusive use of white children could hardly be expected to care much about the education of black children.

The NAACP, clearly on the right side of that issue, had a major role in the 1954 Supreme Court decision outlawing racial exclusivity. It was a vastly important victory which, in effect, opened neighborhood schools to all neighborhood residents.

But it didn't lead automatically to racial integration, particularly in the North, where the schools remained white or black because the neighborhoods were.

So the NAACP expanded the principle to include not just the dismantling of dual school systems but also the elimination of identifiably black school within unitary systems. A number of courts went along with the expansion.

But that is changing. The Supreme Court, in the Detroit case, held that it's perfectly all right if schools are predominantly black because the school district is predominantly black. Last month, a Detroit judge rejected an NAACP plan that called for busing some 77,000 of Detroit's 260,000 school children in an effort to maximize racial integration. Just as well. The Detroit schools are already about two-thirds black, and the kind of arrangement the NAACP sought almost certainly would have had the primary effect of driving yet more whites out of the city.

The judicial trend may be clear, but so is the NAACP's commitment to busing. And because of the massiveness of that commitment, it may be too much to expect the NAACP to back down at this late date, however counterproductive its efforts may in fact be.

In addition, it is extremely difficult to back down now in the face of the Little Rock-style opposition in Boston, Louisville and elsewhere.

It is a lot easier to wish the current crisis hadn't been forced than to see any reasonable way out of it.

UNITED CHURCH OF CHRIST CONCERNS FOR GENERAL AMNESTY AND THE PINE RIDGE INDIAN RESERVATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mrs. SCHROEDER. Mr. Speaker, prior to the August congressional recess, I received from the Rocky Mountain Conference of the United Church of Christ a letter enclosing two resolutions approved at the 10th General Synod of the United Church of Christ, held in Minneapolis, Minn.

I am happy to state that the two resolutions—on amnesty and on the unfortunate events at the Pine Ridge Indian Reservation—were unanimously approved by the delegations from Colorado, Utah, and Wyoming, and I want to take this opportunity to share with my colleagues these two very good expressions of concern so heartily approved.

The letter and the resolutions follow:

JULY 17, 1975.

Hon. PATRICIA SCHROEDER,
Washington, D.C.

DEAR MRS. SCHROEDER: We have recently returned from the 10th General Synod of the United Church of Christ in Minneapolis, Minnesota, June 27–July 1. The attached resolutions concerning Amnesty and the Pine Ridge situation were approved by the General Synod and received the unanimous approval of the members of our delegation representing Colorado, Utah and Wyoming. We send them to you for your information and consideration.

Very truly yours,

Mrs. Bernos Daly, Denver, Colo.
Mrs. Midori Abe, Denver, Colo.
Mrs. Ellen DeMuth, Littleton, Colo.
Mr. Richard Olson, Greeely, Colo.
Rev. Conard Pyle, Grand Junction, Colo.
Rev. Edward M. Robinson, Aurora, Colo.
Rev. J. Paul Tatter, Green Mountain Falls, Colo.
Rev. Bruce MacKenzie, Boulder, Colo.
Rev. George W. Otto, Denver, Colo.

A RESOLUTION ON GENERAL AMNESTY

(In response to the overture from the Michigan Conference)

Whereas, Jesus Christ calls the Church to the ministry of reconciliation, and the healing power of His Gospel embraces all sorts and conditions of persons; and

Whereas, the involvement of the United States in military action in Indochina is now ended, and

Whereas, the nation aches for a binding of the wounds which have torn us apart as a result of the war, and

Whereas, the Presidential clemency program, which hoped to accomplish reconciliation and healing has, in fact, attracted fewer than 20% of the persons eligible;

Therefore, be it resolved that the Tenth General Synod of the United Church of Christ, meeting in Minneapolis, Minnesota, calls upon President Gerald R. Ford to declare an amnesty for draft resisters and nonregistrants, military absentees, and civilian war protestors who have participated in nonviolent resistance.

Be it further resolved that those veterans with other than honorable discharges, if given for non-violent offenses, be granted amnesty and an honorable discharge in order to have a fair chance to rebuild their lives to the fullest.

Be it further resolved that such an amnesty apply to those persons whose offenses were committed during the Indochina conflict;

Be it further resolved that President Robert V. Moss is instructed immediately to communicate this resolution to the President of the United States, and to petition the Congress to enact legislation implementing the substance of this resolution.

PINE RIDGE RESOLUTION

The Council for American Indian Ministry, with offices in Bismarck, North Dakota, meeting in Minneapolis, Minnesota wishes to address the 10th General Synod on the Pine Ridge situation. Details have been too sketchy for full information, but we are now seeking information from our own contacts.

The morning news reminds us of the history of violence in America perpetuated against the American Indian since the settling of this nation through the policy and practice of genocide.

Today American Indian people deplore the use of violence in settling human differences. We grieve when Indian and non-Indian people are slain.

Therefore, in Christ's name, we call upon the 10th General Synod of the United Church of Christ to:

1. Request President Robert V. Moss to use his good offices in addressing President Ford to refrain from using Federal Agents in unrestrained force which would lead to further violence. Rather we seek peaceful negotiations in finally bringing some resolution to the long term problems in the Pine Ridge Indian Reservation.

2. Request Dr. Moss contact his ecumenical peers in supporting this resolution.

3. Request the Office of Communication to explore what is behind the apparent lack of communication regarding the latest incident.

4. Ask Conference delegates to contact their congressional representatives to ask that federal agencies not be used in escalating the situation to a second Wounded Knee.

THE REPUBLICAN LEGISLATIVE AGENDA: A PROGRAM FOR PROGRESS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. RHODES. Mr. Speaker, earlier this year I came to the conclusion that the American people needed to know what priorities and legislative activity Republicans would establish if they gained a majority in Congress. A 33-member task force was formed to develop the document, and a drafting subcommittee spent considerable time preparing the agenda.

On September 4 the House Republican Policy Committee formally approved the agenda, and it was released at a press conference September 8.

The document does not address every issue. Our positions are already well known on many topics through our party platforms, policy statements, and legislative efforts. Our goal in this instance is simply to inform the American people what a Republican Congress would undertake. We want the people to understand the only real way to change Congress is to change party control of Congress. The Democrats have controlled Congress for nearly 40 straight years and the people are clearly not satisfied with their performance. We believe that commonsense alone dictates the need for a change.

Some of the highlights of the Republican legislative agenda include the following:

1. The program recognizes that transition from a deficit of $80 billion to complete balance in one year, "although desirable, is not feasible." It calls for a balanced budget in no more than three years.

2. The program calls for an automatically extended system of unemployment benefits coupled with intensive manpower training to tide workers over during periods of involuntary unemployment.

3. Recommended is an extended Keogh-type plan which would provied special tax incentives for workers to invest in a private retirement fund that would supplement both social security and company plans (and also aid in captial formation to expand the economy).

4. In recognition of "the failure of the Democrat Congress to provide effective oversight of federal operations and regulatory agencies," the program calls for creation of a bi-partisan commission to review present governmental performance, redefine national goals, and recommend legislative revisions.

5. The program advocates establishment of a windfall energy profits tax with a plowback provision to encourage reinvestment of energy earnings.

6. A thorough revision of the run-away food stamp program is proposed.

7. The program charges that "the present system of establishing a debt ceiling has become meaningless" and proposes that the limit of the public debt be set concurrently with the adoption of the federal budget.

8. A program of health insurance to protect the elderly against "catastrophic" illness is advocated.

The full text of the agenda follows:

REPUBLICAN LEGISLATIVE AGENDA:
A PROGRAM FOR PROGRESS

The principal mission of government must be to provide its citizens the freedom to pursue opportunities to create and maintain the type of life each of them desires. We believe that the vast majority of Americans prefer:

A life in which freedom of thought and action of the individual as a member of society is preserved and protected. Government's duty is to defend its people against aggressors from without and subversive and criminal elements from within.

A life lived in an economic climate in which truly competitive free enterprise predominates. Government's role is to foster and further free enterprise, while maintaining protection for society and individuals against unfair advantage taken by predatory interests.

A life in which all people have a full opportunity for success. Society and government have joint responsibility to make programs and facilities available to train individuals in marketable skills, so they may become productive members of the free enterprise system.

A life that promotes and strengthens individual and family responsibility. Our youth should be given every opportunity to be exposed to the positive values of our American heritage.

A life in which assistance is available to the needy, disabled, aged and handicapped, but in which able-bodied and able-minded persons are expected to work and produce.

Our present society has not yet fully achieved these goals, but it has proved that it has the ability to do so—that it offers the best hope yet devised by man to realize

the fulfillment of the American dream. We intend to hasten it toward its goal by prodding it where it needs prodding, by adjusting it where it needs adjusting, but all the while nurturing and protecting it against those who would destroy it.

Government will play an important role, but must refrain from competing with and from putting strains and pressures on free enterprise which would damage the entire system and thus lead to eventual failure.

The essence of our American system is choice. Our nation grew strong under the concept of freedom of our people to choose the course of government. To choose well, there must be recognizable programs to be weighed in the balance. As a responsible minority, seeking to become a nucleus of a majority, we believe our obligation is to move our government better to serve the people.

There are certain principles which guide a Republic year in and year out. The policies any government should follow must be dictated by the particular time in which those guidelines will be operative.

We believe that at this time in our history it is essential the role of government be diminished, and emphasis placed on the encouragement of individual enterprise.

Congress must come to grips with the realties of federal spending in a peacetime economy and not allow the federal government to be the primary cause of inflation. We believe the Congress through the Budget Committee has the responsibility to curb excessive federal deficit financing, and work with the Executive Branch to establish national priorities consistent with federal revenues.

We recognize the fact that the transition from a deficit of $80 billion to a balance between revenue and expenditures in one year, although desirable, is not feasible. We would expect to effect it within three years. During that time, it would be necessary for us to forego additional programs to be financed through the public sector and concentrate on improving, consolidating and in certain cases eliminating by intensive legislative oversight and amendment existing ineffective or unnecessary programs.

We believe a commission should be established to study the operations of our government departments and agencies and recommend necessary reforms. In addition, our national transportation system must be reviewed and necessary legislative remedies enacted which will provide a balanced and adequate transportation system for the country.

Since its beginning in 1913, the federal income tax system has grown into a hodgepodge of conflicting regulations, inconsistencies, and inequities. Our tax system needs immediate reform, the kind of reform that would require every American to pay a fair share, no more or no less. We must avoid incentive-destroying tax levels which slow the growth of the economy and prevent the creation of new jobs.

We stand for full employment and believe every American who is willing and able to work has a right to expect and an obligation to pursue opportunities to earn a living. Because massive federal make-work programs offer no hope to the jobless for long-range future security, we endorse stimulation of free enterprise to generate productive jobs that will last and pay a decent wage. We favor automatically extended unemployment benefits coupled with intensive manpower training to tide workers over periods of unemployment. Much of the added expense for expanded manpower training can be defrayed by purging the bloated welfare rolls of the many ineligibles, by rooting out welfare fraud and by strengthening work requirements. Moreover, to help channel assistance where it is really needed, we favor a drastic revision of the run-away food stamp program.

One of the great challenges of our time is our need to become independent in energy production. We believe that energy independence should be reached mainly through the efforts of private enterprise. Tax incentives will be needed to assist in prodigious capital formation to invest in new and expanded facilities. The direct federal role should be limited to appropriate participation in research and development of new energy sources.

We believe older Americans are especially deserving of attention and concern. They are faced with loss of income security from inflation and the spectre of financial disaster from major illnesses. The greatest contribution Congress can make is to assume leadership in an all-out effort to reduce inflation to protect the buying power of retirement dollars. Because of spiraling costs for medical care and health services, we feel a health insurance program offering protection against the financial ravages of catastrophic illnesses is needed.

The entire area of health care must be examined in order to establish a national health policy. Federal involvement in health care is extensive, with fragmented, categorical programs and pervasive regulations and guidelines. In order to address the complex questions involved in this issue, we have established a Task Force on Health with the Republican Research Committee.

We regard it as imperative to preserve the integrity of the Social Security Trust Fund financed by employee-employer contributions and to adjust benefit payments to sustain purchasing power in constant dollars. We will actively support incentives to expand the individual retirement program of every American.

Education of our nation's young people is a state responsibility, a local function and a federal concern.

The mentally and physically handicapped must be afforded opportunities that will allow them to function as useful members of our society.

It is a major responsibility of government to protect the lives and property of its citizens and insure the domestic tranquility. Justice must be as concerned with protecting the rights of the victim of crime as assuring the rights of the accused. At the same time, we must consider legislation to assure American citizens that they will not be subject to arbitrary or unjustified surveillance by government agents and to protect citizens' rights-to-privacy.

An estimated 10 million residents of foreign countries now live illegally in the United States and actively compete with American workers for available jobs. Existing laws which establish a legal yearly entry rate must be strengthened and strictly enforced.

In this nuclear age, we live in a still-perilous world. Until disarmament becomes a reality it is necessary that we continue intensive negotiations. There is no acceptable alternative to an American defense second to none.

Efficient production of food and fiber is to the credit of the American farmer and must be encouraged to meet domestic and world needs without undue government interference.

Democrats have controlled both Houses of Congress for 38 of the past 42 years and must bear the responsibility for failure of the federal government to meet the needs of America. Loosely written legislation by Congress has created a maze of contradictory and duplicative controls. Congress must provide constant oversight of federal operations and regulatory agencies to insure that legislative intent is carried out and to determine the need for corrective legislation.

The positions and attitudes reflected here are presented as guidelines, not as a definitive, all-inclusive program for America. In fact, we recognize the omission of many areas of concern, not from a lack of interest, but because our positions have become well-known through our legislative actions or through our party platforms. We attempt to point in the directions in which we would intend to lead our country, were we to become the nucleus of a majority in Congress. We believe it is incumbent upon Congress to respond in these ways to the people who must pay for government, and we believe the people must and will see to it that the Congress does so respond.

1. PRIVATE ENTERPRISE

Our two-hundred year old system of private enterprise, working within a free and competitive economy, has produced the highest living standard in the world. This private sector production has been and is the only creator of our national wealth with government merely redistributing wealth it has acquired through taxation of private enterprise and individual citizens. Any broader effort by government to control or direct our huge trillion-and-a-half dollar economic machine could be a disaster. Government should not assume the function of the great tinkerer, but can, and should, help promote prosperity. It can best do this by not hindering the course of commerce, by minimizing regulation, by allowing the time-tested laws of supply and demand to work with maximum freedom, by encouraging healthy competition and the enforcement of anti-trust laws that protect the consumer and fledgling businesses. We believe that solutions to our dual economic problems of inflation and recession lie in returning decision-making to the people through the forces of supply and demand in the marketplace. People themselves can best decide what to produce, sell, and buy, and at what price levels. No government agency is as capable of making these decisions as are the people through the voluntary exchange of goods and services. There is already ample machinery within the federal government and in the private sector to protect the consumer from exploitation. We applaud the Ford Administration's effort to orient existing regulatory and administrative agencies toward consumer protection. We propose that federal estate and gift tax laws be revised to encourage private ownership of Small Business.

2. PUBLIC DEBT

During the past 40 years excessive appropriations by Democrat controlled Congresses have created massive deficits and forced the federal government to borrow heavily. This competition with the private sector has caused interest rates to rise and as a result funds for private capital investment which are needed to create new jobs have become scarce and expensive. Massive deficits will rekindle double-digit inflation and prevent the expansion of business needed to pull our economy out of the recession. More inflation will further weaken our economic system, and jeopardize the financial security of all Americans. Congress must exercise fiscal restraint, consolidate existing programs, eliminate duplication and waste and thereby reduce the volume and expense of government.

The Budget Committees of the Congress, in conjunction with the Executive Branch, must establish spending priorities consistent with federal revenues with a systematic reduction of the public debt. The public debt must be restructured. Trust fund surpluses, which by statute can only be invested in government obligations, tend to distort the real picture and should not be included in considering the overall public debt ceiling. The present system of establishing a debt ceiling has become meaningless. Debt ceiling increases have been manipulated and irresponsibly used as a vehicle for non-fiscal legislation. We propose that the limit of the public debt be set concurrently with the adoption of the Federal Budget.

3. GOVERNMENT REFORM

In recent years, an entrenched, burgeoning bureaucracy has developed in the federal government. Federal agencies have proliferated and become fragmented, inefficient, duplicative and wasteful. Regulatory agencies have overstepped their authority in the promulgation of rules and regulations. They have usurped authorities which rightfully belong to the States, and ultimately to the people. Return of power, to the States, as well as strict Congressional oversight of agency compliance with the letter and spirit of the law, are urgently needed to preserve personal liberty, improve efficiency, and eliminate waste. We recommend a bipartisan commission be established to review present governmental performance, administrative costs, proliferating federal programs, redefine national goals and recommend legislative revisions to enhance the capability of government to meet the challenges of the coming decade. This recommendation emphasizes the failure of the Democrat Congress to provide effective oversight of federal operations and regulatory agencies to insure that legislative intent is carried out and to determine the need to amend loosely written legislation that has created a maze of contradictory and duplicative controls, rules and regulations which hamper business and harass the citizen.

As a majority we would dedicate the next Republican Congress to legislative oversight—to redirecting the operations of government toward efficiency and economy.

4. TAX REFORM

The past four decades have seen Democrat Congresses increase the tax burden on the average working American not only through additional taxes but with the approval of built-in inequities and loopholes. The Democrats continue to give lip service to meaningful tax reform but produce only false promises which deceive the American taxpayer. The only way to cut federal taxes for American wage earners is to reduce total federal expenditures. "Tax gimmicks" are not a solution but only offer benefits to special interest groups.

We propose that Congress begin work immediately on revision of federal taxation:

To simplify tax preparation;

To discourage tax evasion;

To bring equity to the tax system; and

To provide incentives for economic growth.

5. WELFARE REFORM

We believe that society has the responsibility to assist those who cannot provide for themselves. The present welfare system falls far short of this goal due to mismanagement and abuses. The $5.2 billion Food Stamp Program has grown 14,203% in the past decade. Recipients have increased from 500,000 in 1965 to nearly 20 million, and under present regulations an estimated 57 million people are eligible. Present law has established lax eligibility standards allowing persons with adequate incomes to participate in the program. This massive program has bypassed the real intent of Congress to provide help only for the needy. We call attention to the fact that the bill for welfare is mainly borne by the American worker. To meet its responsibility to the American taxpayer and the truly needy, Congress must take immediate steps to reform the welfare system. We propose Congressional action:

To provide adequate living standards for the truly needy;

To eliminate ineligible recipients from the welfare rolls;

To establish effective regulations to prevent further welfare fraud;

To strengthen and enforce work requirements;

To provide educational and vocational incentives to allow recipients to become self-supporting;

To increase penalties for welfare fraud to discourage abuses;

To coordinate Federal reforms with state and social welfare agencies;

To strengthen state and local administrative functions;

To transfer administration of the Food Stamp Program from the Department of Agriculture to HEW; and

To tighten eligibility requirements for food stamps.

6. ENERGY

The key to future economic security and a high standard of living for all Americans is a comprehensive national policy that will produce an adequate supply of energy for an expanding economy.

We believe the current lack of direction by the Democrat majority in Congress poses grave economic peril for the future. Their single-minded emphasis on unrealistically regulated prices today, fails to lay the groundwork necessary for future expanded energy supplies. Constructive action now by the Congress could help assure our people and our industries an ample supply of reasonably priced energy for the years ahead.

We propose that all federal regulations, programs and policies that directly affect energy, be reviewed, and ineffective programs be eliminated or replaced.

Our energy challenge must essentially be solved by private industry. We believe that unreasonable regulatory and tax policies have hampered development and lessened investment in research, plants and equipment needed for maximum energy production.

We propose a windfall profits tax program with a plowback provision to encourage reinvestment of energy earnings and eliminate windfall profits.

Energy development has been hampered by excessive and often frivolous litigation, endless hearings, studies, commissions and reports.

We propose that Congress' comprehensive energy package provide strong legal authority to allow development of natural resources with full recognition of the need to provide safeguards for the protection of the environment.

During the period of 1970–1974, our yearly imports of foreign oil rose from 483 million barrels to 1.2 billion barrels, while during the same period domestic production fell from 3.5 billion barrels to 3.2 billion barrels per year. Our nation cannot afford continued dependence on foreign oil.

We propose that Congress provide incentives for exploration and development of more American-owned oil and natural gas. A full scale effort must be made to develop our oil shale resources.

Our nation must develop alternative energy sources. Congress should provide incentives and opportunities to accelerate research, discovery and delivery of untapped resources. Immediate emphasis should be given to development of economical solar energy systems for homes and industry.

We propose that Congress require that new federal structures, where practical, be heated and cooled with solar systems.

An essential part of a national energy program must be development of all available forms of energy.

We propose a stepped-up program for coal gasification, geo-thermal and nuclear power production.

A strong program of research and development shoud be continued for the fusion process to unlock the unlimited potential of the Hydrogen atom.

Conservation of energy depends on more efficient utilization by industry and individuals.

We propose that Congress provide practical incentives:

1. For conservation of energy by the public

2. To increase the utilization of waste materials in energy production

3. For production by industry of more energy efficient products.

7. OLDER AMERICANS

Many older Americans live on relatively fixed, limited incomes and inflation has hurt them cruelly. The rapidly rising cost of living is caused in substantial measure by the profligate spending of the federal government. To protect the purchasing power of the income and savings of our older people we must stop inflation.

We believe the federal government must meet its commitments to finding solutions and facilities to help meet their needs. Needed is "catastrophic" health insurance that will cover the medical needs of those who experience long, serious illnesses. We support a nutritional supplement system and a comprehensive program of nutrition education for needy older citizens. Inadequate housing and transportation must receive our undivided attention and affirmative action.

8. HEALTH CARE

There is an urgent need to review Federal involvement in health care. Not only government spending, but regulations and guidelines have had great impact on national health care delivery.

Under our present system, we have one of the best health care delivery programs in the world. There are some gaps that need filling, to assure our people the quality of services nationwide that we are capable of providing.

We believe that our nation needs a National Health Policy, which would balance health systems supply and demand with financing. In addition there is a need for emphasis on education, environmental improvement, better housing and nutritional gains, all of which affect the general health of the American public.

A National Health Policy would determine broad goals and priorities for medical care, preventive practices, and dispersal of facilities to be within reach of our people. We believe the present combination of private and public health care financing can be extended and improved. The present system suffers from fragmentation, and we believe a National Health Policy should bring together all vital health functions into a practical and workable program to provide better health care for all our citizens.

9. SOCIAL SECURITY—RETIREMENT

Controlling inflation is the most important way to insure the retirement security earned by American workers. Congress must give top priority to maintaining the integrity of the Social Security Trust Funds and must revise retirement programs to more nearly meet the needs of older Americans. Adequate funding that will provide benefits in constant value dollars should be assured from a self-adjusting formula of contributions by employees and employers. Unlimited outside earnings should be allowed without benefit penalties.

All Americans deserve the opportunity to provide their own additional retirement security. The Individual Retirement Account (IRA) has extended this opportunity to an additional segment of our working force. We propose that Congress expand this Keogh-type supplemental retirement plan to make it available to *all* workers. Our proposal would provide tax incentives allowing workers to invest voluntarily in a private retirement fund that would supplement both Social Security and company pension plans. In addition to providing greater retirement security this plan will provide investment funds needed to build a stronger American economy and to aid in capital formation.

10. EDUCATION

We insist that Congress review, evaluate and consolidate the more than 400 federal education programs and assign priorities to those that are effective. Federal support to reduce financial barriers to students in post-

secondary education and to encourage vocational education and job training, compensatory education for the disadvantaged, and special education for the physically and mentally handicapped should supplement resources provided by state and local programs. Administration of educational programs is the responsibility of state government and local institutions, and federal intrusion cannot be allowed.

We favor the development of quality day care services, locally controlled and administered, with the requirement that the recipients of those services pay their fair share of the costs according to their ability.

In the education and training of children there is no substitute for parental discipline. We believe in the parents' right to make fundamental decisions regarding the care, development and education of their children.

11. MENTALLY AND PHYSICALLY HANDICAPPED

Those among us who are handicapped face difficult challenges every day while trying to cope with a physical environment designed for the activities of the non-handicapped. We believe that strong efforts should be made to assist the handicapped to function in our society—to have access to education, medical care, economic security, equal treatment from our institutions, improved transportation and protection from exploitation.

Federal programs should be reviewed to ensure that all that can be done is being done to help the handicapped become more fully integrated into our social and economic life.

12. CRIME

A fundamental responsibility of government is to protect the lives and property of its citizens. We believe the thrust of justice must be to protect the law-abiding citizen against the criminal.

To combat crime:

We support the continuance of federal grants to States, cities and towns to strengthen local law enforcement.

We support court system reform to increase efficiency, eliminate excessive case loads, reverse the present practice of "turnstyle justice" and keep the criminal off the streets.

We support reform of our penal system to correct the failure of our present policies of punishment and rehabilitation.

We support redoubled efforts against the hard drug traffic to arrest, prosecute, and convict pushers—especially those that prey on young boys and girls.

We propose Congress enact mandatory minimum sentences for persons convicted of federal crimes involving violence, use of firearms, trafficking in hard drugs and habitual offenses.

Prevention is the long-term solution to crime. Effective crime prevention depends on strengthening community ties and encouraging individual participation in community decisions establishing moral and ethical standards. We recognize, however, that a healthy fear of swift and sure punishment is not without effectiveness in crime prevention.

13. ILLEGAL ALIENS

An estimated 10 million citizens of foreign countries now live illegally in the United States and actively compete with American workers for available jobs. Congress must insist on enforcement of existing laws which establish a legal yearly entry rate, increased border control and more effective apprehension and deportation of people living illegally in the United States. Social Security requirements for all workers must be enforced and participation by illegal aliens in federally funded welfare programs must be stopped.

14. DEFENSE

The first, and major, responsibility of government is to provide for the common defense. Recent world events have demonstrated that until we can safely disarm, we must continue to improve our military capability to defend the United States and honor our commitments to Free World Nations. A strong military capability is essential to the balance of power on which our safety rests. To be successful in negotiations with foreign nations we must deal from a position of strength. Preparedness cannot be a sometime policy. Responsibility for the common defense, for maintaining our military capability, our honor and commitments, rests with Congress. We deplore the attitude that the military budget represents a readily available source of federal money which can be diverted to other programs without dangerous consequences. Congress must continue to provide adequate funding to sustain volunteer manpower levels, equip our forces and conduct vital research and development.

It is also the imperative responsibility of Congress to eliminate frills and waste, and to ensure a lean, efficient and mobile military to meet the challenges of the 1970's.

15. AGRICULTURE

Overregulation by the government must not be allowed to hamper the most vital and efficient segment of our society—agriculture. Production of food and fiber satisfies not only our domestic needs, but is also the keystone of our export program and our balance of payments. Agriculture policies should be designed to operate within the free market system with full recognition of the unique production and marketing problems faced by farmers and ranchers. In addition, applicable federal estate and gift tax provisions should be reviewed and reformed in order to preserve the ability of families to retain ownership of farm land.

PROTESTS 13-CENT FIRST-CLASS STAMP

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1975

Mr. SIMON. Mr. Speaker, 62 of our colleagues have joined me in sending a letter to the U.S. Postal Service Board of Governors protesting their plan to increase first-class postal rates 30 percent.

As the letter states, any increase in Government expenditures will have an inflationary impact and an increase to 13 cents from 10 cents—a 30 percent rise—is excessive.

As an alternative, we suggest that the Postal Service Board of Governor's limit any increase to less than 20 percent of the current first-class rate. While such an increase would not solve all of the Postal Service's financial problems it would go a long way and at the same time would pose a less serious burden upon the public.

It is also important to note the speech given September 8 by Postmaster General Benjamin Bailer in which he called for a doubling of the Postal Service's $920 million Federal subsidy. Many of us would be more open to providing the Postal Service with a larger subsidy if the Postal Service would be more reasonable in its request for a first-class increase.

Text of the letter follows:

WASHINGTON, D.C.,
September 9, 1975.

BOARD OF GOVERNORS,
United States Postal Service,
Washington, D.C.

THE BOARD OF GOVERNORS: We, the undersigned Members of Congress, request that the Postal Service Board of Governors refrain from requesting a first class postal rate that would increase the charges more than 20 per cent. Any increases in government expenditures will have an inflationary impact and an increase to 13 cents from 10 cents—a 30 per cent rise—we believe is excessive. We strongly urge that the Board of Governors limit any increase to a total of not more than 12 cents for a first class stamp.

SIGNED

Paul Simon, Morris K. Udall, Charles H. Wilson, Al Ullman, Alan Steelman, Gladys Spellman, James Symington, Thomas Rees.

Michael Harrington, Trent Lott, Ronald Dellums, Norman Mineta, Robert Carr, Clarence Long, John Jenrette, Herman Badillo.

William Brodhead, Albert Quie, Tennyson Guyer, Benjamin Rosenthal, Richard White, Cardiss Collins, James Cleveland, John Slack.

Walter Jones, Tom Downey, Floyd Spence, Bob Traxler, Mark Hannaford, Robert Edgar, William Wampler, Larry Winn, Jr.

G. William Whitehurst, Edward Patten, Gus Yatron, Donald Mitchell, Harold Ford, Berkley Bedell, Jim Scheuer, Richard Vander Veen.

William Randall, Max Baucus, Frank Thompson, Jr., Martin Russo, Robert Cornell, John Hastings, Charles Rangel, James Howard.

Fred Rooney, David Bowen, Jack Hightower, Dave Evans, G. V. Montgomery, John Melcher, Joshua Eilberg.

John P. Hammerschmidt, Mrs. Shirley Pettis, William Moorhead, Gerry Studds, Don Riegle, Jr., Joseph M. McDade, William J. Hughes, James Weaver.

I am also requesting that the RECORD print a New York Times editorial with which I concur. It expresses sentiments expressed in editorials around the Nation:

THE 13-CENT LETTER

At least one good thing can be said for the Postal Rate Commission's reported rejection of the recommendations of Seymour Wenner, its administrative law judge. Mr. Wenner would have cut the cost of mailing a first-class letter from 10 cents to 8½ but he would have had senders of parcel post packages, bulk mail and periodicals make up for the loss.

The commission opposes the judge's proposed increases for the classes of mail, and in the highly important case of periodicals its decision is welcome. Any further rise in second-class mail rates would threaten the existence of small-circulation magazines of opinion—political, religious and literary. Most of these are commercially marginal, but few are culturally expendable in a pluralistic society in which all voices should be heard.

Regrettably, the rest of the commission's rate schedule is less defensible. Where it could have increased revenue to some social purpose is in the category of bulk mail—an accommodation to a type of business which, legitimate as it is, deserves no special consideration from taxpayers who often find its attentions irksome.

Instead, the commission proposes to raise the first-class mail rate from 10 cents to 13, a burden on the individual citizen that is totally unwarranted by the quality of the service. Just as in the case of railroad, mass-transit, telephone and telegraph services, the user is asked year after year to pay more—not to get the same product but to put up with a steadily decaying version of it. Neither the Postal Rate Commission nor the Postal Service itself has indicated any plan or even intention to give the public a 30 per cent boost in reliability or speed of delivery, or even to maintain present standards at a higher price.

There has been no perceptible public benefit thus far from the great quasi-public corporation the Administration and Congress set up to bring business solutions to the problems of the postal system—just the privilege of paying more for worse service.