I do think we should give a close reading to a recent article on the question by the Honorable Jack Valenti, former Presidential Assistant to President Lyndon B. Johnson.

Jack Valenti is well qualified to speak on this subject. He knows the burdens of the office at 1600 Pennsylvania Avenue where he served with great distinction and understanding.

This article recently appeared in the February 4 issue of Newsweek.

I place it in the RECORD:

A 6-YEAR PRESIDENCY?

(By Jack Valenti)

If the Watergate mess tells us anything, it is that the re-election of a President is the most nagging concern in the White House and that, given the limits of human nature, it is altogether possible that the first item on the agenda of an incoming Administration is its re-election. There is really nothing sinister in this objective—it's the most normal thing in our politics.

But, at the risk of stepping on the droppings of shrewder and wiser philosophers, I think the time has come for changing the rules by which Presidential politics are played. My proposal is a single six-year term for the President with no re-election eligibility.

Two of the most respected of all United States senators, Majority Leader Mike Mansfield of Montana and senior Republican George Aiken of Vermont, have both sponsored such an idea. They believe that while we ought not to tinker too much with the constitutional machinery, we can rearrange a bit of the constitutional furniture.

THE JUDGMENT OF HISTORY

Consider for a moment the election of a new President under a six-year term. He takes office knowing that he cannot seek re-election, that he will make his place in history, for better or worse, on the deeds and achievements of the next 72 months of his stewardship. He has only to do what he thinks is right, with the sure understanding that he must heed the people, for they are co-authors of the record he will leave to the historians. It is this judgment that most Presidents are keen to certify; they value it far above the Great Gallup Poll in the Sky that measures their popularity rather than their legacy.

Should taxes be raised? Should rationing be instituted? Should troops be withdrawn? Should wrongs be righted even though some voters are offended? If the election is a year or two away, you can mark it down as a Major Truth that a first-term President will carefully weigh the effects of whatever he does on his second-term prospects. Kenneth O'Donnell, JFK's closest political aide, wrote some years ago of a conversation President Kennedy had with Senator Mansfield in 1963 during which the senator urged JFK to get the hell out of Vietnam. To which, according to O'Donnell, the President wryly confessed he wanted to do just that, but he had to wait until after the election lest he be swamped at the polling booths.

Watergate would never have occurred if Presidential aides were not obsessed with re-election. If they had been comfortable in their tenure, knowing that in six years they would lose their lease—and in that short time they must write their record as bravely and wisely as possible—is it not possible that their arrogance might have softened and their reach for power might have shortened?

The counter-arguments to the six-year term are (1) the President must not be freed from considering the political implications of his acts or he becomes isolated from the people, and (2) he is a lame duck the day of his election.

Let's consider those two arguments.

POWER AND POLITICS

Don't we make the President a lame duck now the day he is elected to his second term? Does that hamper him? Of course not. The President has such power that he can wield it sufficiently and with precision to the last weeks of his tenure. President Johnson signed into law two of the most controversial pieces of legislation of his Administration in the last seven months of his office, the equal-housing and tax reform acts. The powers of appointment, of veto, of budget making, of initiation of programs, of moral suasion—these are all intact, fully armed and borne by him until his successor is sworn in. Lame-duckism is a myth in the Presidency.

A six-year-term President is not isolated and divorced from the daily political marketplace. Any President who wants to pass a bill, build a budget, construct a program, implement a plan, make a treaty, negotiate at a conference must be sensitive to the people and the Congress. He must act within the framework of the separation of powers, he is powerful, but he is not all-powerful. Common sense dictates his actions, and his own sensitivity to his place in history freights his every move. Therefore it follows, quite reasonably, that the President who would write a durable and measurably valuable record must persuade the Congress and the people.

The Congress and the Supreme Court (the one answerable often to the voters, and the other secure behind lifetime tenure) have only to exercise their power under the Constitution and the insensitive President, opaque to the nation's needs, can be pressured to straighten up and fly right.

We must always remember that a President's noblest stirring is toward his place in history as a Good, perhaps Great, President. If we abort his other objective, his re-election, we reduce the potential for mischief and leave the better angels undisturbed.

We should also factor into our decision the time consumed in the re-election campaign. Some two and a half years after a President is inaugurated, the elephantine apparatus of the Federal establishment moves to provision the re-election caravan. Energy, money and time are thrown into the job of precinct winning.

Why waste this effort and treasure? We no longer have the luxury of slow communications, of ships taking a month to cross the ocean, and the slow seepage of political impact. Today we deal in eight minutes to catastrophe, or the time it takes a MIRVed missile to hurl itself across borders. The stakes in the game have become too high to indulge ourselves in what seemed all right a century, or even three decades, ago.

The Founding Fathers understood the possibility of change; they built the amendment mechanism into the Constitution. We have used this mechanism 26 times, mostly to our great benefit—and we should use it again to bring about the six-year Presidency.

A HOSTAGE TO EMERGENCY

Churchill once observed: "The amount of energy wasted by men and women of first-class quality in arriving at their true degree before they begin to play on the world stage can never be measured. One may say that 60, perhaps 70 per cent of all they have to give is expended on fights which have no other object but to get to their battlefield."

That dusty, wasteful system is no longer acceptable in a world living on the nerve edge of disaster. The Presidency today is hostage to emergency. Every moment devoted to getting re-elected squanders the most precious resources of the Presidency—and the nation.

SENATE—*Wednesday, February 6, 1974*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Almighty God who art above us yet ever near us, we thank Thee for citizens steeped in that righteousness which exalts a nation and who hold fast to truth and justice amid all change. We thank Thee for all who serve without blemish or stain in the Government of the Nation. Be to them "a cloud by day and a pillar of fire by night" that they may be guided by Thy precepts, obey Thy commandments, and advance Thy kingdom. Be with us in this place in all that is said and done and when the day is ended send us to our rest with peace and joy in our hearts. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, February 5, 1974, be dispensed with.

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

PLACING ON CALENDAR OF SENATE RESOLUTION 276, TO DISAPPROVE PAY RECOMMENDATIONS OF THE PRESIDENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate Resolution 276, submitted by the distinguished Senator from Colorado on yesterday and now at the desk, be placed on the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TODAY

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

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

AMTRAK

Mr. MANSFIELD. Mr. President, since the inception of Amtrak. I have continued to press for innovated and constructive improvement in our Nation's passenger train service. On occasion, I have questioned the intentions of the managers of our Nation's trains and have made repeated requests for improvements and expansion of service. The current energy crisis makes an expanded and updated passenger train system all the more important. I have received a

lengthy letter from Roger Lewis, President of the National Railroad Passenger Corporation, and I must say that I am impressed with the content. The President of Amtrak gives evidence of a sincere dedication toward restoring the Nation's passenger trains to a position where they will offer modern efficient service throughout the Nation. I ask unanimous consent to have this letter of February 5 printed at the conclusion of my remarks.

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

FEBRUARY 5, 1974.

Hon. MIKE MANSFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MANSFIELD: Several recent developments, of which you have been informed, have served to provide answers to some of the questions you have recently asked.

I can understand and fully share the concern you express with the problems facing public transportation and the role Amtrak can play in helping to meet the needs for energy-efficient travel alternatives. We are working steadily to overcome the problems of improving or expanding Amtrak's services and capacity with all the resources at our command—and among these are resources provided by Congress in the very constructive improvement amendments just recently signed into law.

I fully agree that Amtrak can and must become an important element in the nation's strategy for dealing with a fundamentally changed energy situation.

As new locomotives we have on order are delivered and as new and refurbished passenger equipment becomes available, I am confident we will move forward steadily meeting more and more of the increase in demand for intercity passenger travel. From 1971 to the summer of 1974 we will have doubled the operable passenger carrying capacity of the Amtrak system.

Your first specific question had to do with our failure to establish daily passenger service on the southern route through Montana, our North Coast Hiawatha service. As you know, since your letter was written we have announced plans to begin daily service on May 19 for the heavy-demand summer periods. We are hopeful that increasing ridership will make it feasible to continue daily service throughout the year, but, as we have done with other routes that have progressed from tri-weekly to daily service, we will want to analyze the ridership figures.

Amtrak does maintain an inventory of unused equipment. However, it is "unused" almost entirely because of the need to have cars in the overhaul shops for mechanical repairs and general refurbishment. The maximum amount of usable equipment, including much that was leased, was rolling during the Christmas-New Year's holiday period.

When Congress increased the loan guarantee authority available to Amtrak to a total of $500 million in Public Law 93-146, we were given the necessary financial support to enable us to plan for long-term acquisition of new equipment.

Prior to enactment of that law, however, we had sufficient loan authority to order 150 new diesel locomotives. Forty of these were delivered last year and the additional 110 will be delivered by July of this year. We are also completely rebuilding 57 diesels. Amtrak should be in excellent shape as far as motive power is concerned by the end of this year.

We have ordered 57 new Metroliner-type cars for use in the Washington-New York corridor, and are in the final stages of approving design for a new, bi-level passenger car for use on long-haul routes. We anticipate ordering 150 as soon as final design work is completed.

We are working with the U.S. Postal Service, also, to obtain additional contracts for hauling the mail in order to supplement our revenue from ticket sales.

There is no truth to the accusations you have heard that Amtrak officials favor passenger service on some routes more than others, or that we "discourage" use of any service. On the contrary, in spite of the need to operate the entire nationwide railroad passenger system economically and efficiently in order to aim realistically at the stated goal of Congress and the Administration that Amtrak should pay its own way, we have continued to operate trains with relatively high losses in order to meet service demands. Once the decision has been made to operate a service, it would make no sense not to try to achieve success.

I am, of course, an employee of Amtrak's Board of Directors as well as a member of the Board. You have raised a question as to the commitment of all Board members to a renewed and vigorous national system of passenger trains. As a member of the Board, I believe that the Board has given strong, continuous support to our major thrust as a corporation, which is to make the trains worth traveling again. Although I remain unsatisfied with Amtrak's progress in many areas, I can lay none of the blame for the problems we face as an organization on the Board members, either individually or collectively. Our problems have in the main been due to newness and corporate inexperience. I do feel we are now gathering speed and strength in effectively pursuing our mission, and I feel that the Board has been my ally in this endeavor from the beginning. It is a diverse Board, with sometimes diverse views, and I regard this as a source of strength.

Amtrak's goal of renewing and revitalizing rail travel has not changed. Problems are also opportunities, which is how we regard the present energy crisis. Your steadfast support of our goals has been most appreciated, and I have every hope for a good showing for the daily service this summer on the southern route through the state of Montana. I think that when a longer perspective becomes possible we will all be able to see that Amtrak is, in fact, making remarkable progress toward restoring a transportation service that in many areas was at the point of extinction only two and one-half years ago.

Best regards,
Sincerely,

ROGER LEWIS,
President.

COMMITTEE ASSIGNMENT

Mr. HUGH SCOTT. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will state the resolution.

The assistant legislative clerk read the resolution (S. Res. 278) as follows:

Resolved, That Mr. William V. Roth of Delaware be, and he is hereby assigned to service on the Select Committee on Small Business to fill a vacancy on that Committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

Mr. HUGH SCOTT. Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond the hour of 11 a.m., with statements therein limited to 5 minutes.

The Chair recognizes the Senator from New York.

WASHINGTON ENERGY CONFERENCE

Mr. JAVITS. Mr. President, I submit a resolution on behalf of myself, the Senator from Montana (Mr. MANSFIELD), and the Senator from Pennsylvania (Mr. HUGH SCOTT), and I ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

S. Res. 279

Resolution expressing the sense of the Senate regarding the Washington Energy Conference

Whereas the oil embargo by certain states in the Middle East and the enormous increase in the posted price of crude oil threaten irreparable harm to the economies of all consuming countries of the world and ultimately to the producing countries themselves, and will result in balance of payments deficits of great magnitude for virtually every oil consuming country, and;

Whereas these enormous transfers threaten to destabilize the international monetary system, could lead to competitive devaluations, trade warfare harmful to all nations and a dangerous renewal of the arms race in the Middle East, and;

Whereas the increased cost of imported oil for the developing countries in 1974 is estimated at almost $10 billion, more than the total amount of aid made available to these countries from all public sources in 1973, and;

Whereas the Washington Energy Conference, called by the President, is designed to provide a legitimate and essential forum for the discussion of the common problems faced by the oil consuming nations; Now, therefore, be it

Resolved by the Senate, That it is the sense of the Senate that the Washington Energy Conference should consider:

(1) Conservation measures in major oil consuming countries which are necessary to reduce demand, and should be a major part of the policy adopted in concert by the oil consuming nations;

(2) An effective plan for the emergency sharing of oil resources which could be acted on subject to the constitutional processes of each country;

(3) Guidelines for bilateral agreements between individual oil consuming and oil pro-

ducing countries, which in the present situation of embargo and skyrocketing prices could prove very harmful to the interests of the major oil consuming nations, and could incur the danger of introducing excessive and sophisticated arms into the oil producing nations beyond their legitimate needs for their own security;

(4) Coordination of research efforts in developing conservation practices and alternative sources of energy; and

(5) The responsibility for and the means to help to alleviate the plight of the developing countries in the oil crisis; and

(6) Closer coordination of fiscal and monetary policies to prevent excessive strain on the international monetary systems and the currencies of oil importing countries.

Mr. JAVITS. Mr. President, the resolution, which I have submitted to the leadership and to the State Department, endeavors to show the attitude of the Senate respecting the impending conference. It has no operative force. It is a sense of the Senate resolution, and its recital sets forth the obvious difficulties which prevail before us at this time respecting the oil crisis and the problems which arise for the whole world in connection with it.

The resolution then suggests the matters which ought to be considered by the Washington Energy Conference, those matters being:

First, conservation measures in the major oil-consuming countries which are necessary to reduce demand, and which should be a major part of the policy adopted by the oil-consuming nations.

Second, effective plans for the emergency sharing of oil resources, which could be acted on subject to the constitutional processes of each country—in our own country, Congress.

Third, the conferees ought to consider guidelines for bilateral agreements, which, if not agreed upon in terms of some guidelines, could prove very harmful to the interests of oil-consuming nations and would extend to all producing nations, and might endanger us in terms of an arms race in the Middle East.

Fourth, the consideration of the coordination of research efforts.

Fifth, the coordination of the problems on how to deal with developing countries which have to spend an extra $10 billion this year which they do not have, and as a result, this will cancel out the aid that has been given to them if they have to spend this extra money.

Sixth, some effort to deal with fiscal and monetary problems and the strain on the monetary systems of the developing countries.

We shall take every precaution in the course of the day to distribute copies of this resolution to all parties who might be interested. And I shall not, if the Senate acts affirmatively on this resolution, move to reconsider the vote or anything like that. So, if any Member of the Senate has any feeling about this resolution he can communicate it to me or to the leadership and we can deal with that situation later in the day.

However, the urgency of acting reasonably in advance of the conference is such that, with the leadership on both sides, I have offered the resolution and have asked for its immediate consideration, taking the precautions which I have just described in order to preserve the right of any Member of the Senate who has some different feelings about the resolution.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 279) was agreed to.

The preamble was agreed to.

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

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, I commend the distinguished Senator from New York for offering the resolution at this time on the eve of the Nixon-proposed conference of the oil-consuming countries of Western Europe and Japan in Washington on Monday next.

I think that a resolution of this sort will prove to be of great strength to the administration in meeting with the other petroleum-consuming nations.

I am delighted to note that France has indicated at last that it will be in attendance on Monday next. I would assume as the distinguished Senator has said, that the purpose of this conference is to see if some sort of coordinated or cooperative effort on the part of the consuming countries could not be established. I think that the time for that effort, in view of what has developed in the past several months, is long overdue.

As far as this country is concerned, relative to the countries of Western Europe and Japan which will be attending the conference next Monday, we are overall in comparatively good shape. However, some of the other countries overall, unless they bend the knee, are in very bad shape.

I would hope that there would be an understanding among the nations of Western Europe, Japan, and this country at the meeting to begin Monday next that all of us must hang together, or if not, some of us will hang separately.

Mr. JAVITS. Mr. President, I thank the distinguished majority leader. I join in everything that he has had to say.

The resolution only touches the bases which we believe should be touched in such a coordinated effort as represents the fulfillment of the purposes of this energy conference.

We do not in any way indicate, and certainly do not intend to indicate, what our attitude in the Congress would be. However, we simply express our concurrence in the items that have to be dealt with if this conference is to fulfill its mission and if the Secretary of State feels that this action will strengthen his hand in addressing himself to these various items.

I am delighted very much that the Senate has agreed to the resolution. Also, I again emphasize that we have tried in every way not to commit the Senate or any Member of the Senate or of the Congress to what will be our ultimate wishes in this matter. Nonetheless, the Secretary will speak to many major subjects with the knowledge of the participants that these are the subjects which the Senate wants discussed. That would be very helpful.

Mr. MANSFIELD. Mr. President, may I say that it is my strong belief that the Senate, and I believe the Congress, would unanimously back this resolution in support of the policies laid down and in support of Secretary Kissinger in the dealings which he will have with his colleagues from Asia and Europe.

Mr. JAVITS subsequently said: Mr. President, this morning in the absence of any objection, Senate Resolution 279, which I sponsored with both of the majority and minority leaders, was agreed to as a sense of the Senate resolution respecting the Washington Energy Conference. The Secretary of State felt that it would be helpful as he goes into these very critical negotiations. I did not move to reconsider the vote by which the resolution was agreed to. The resolution is at the desk. I invite Members of the Senate to read it carefully and, if possible, to join in it or, if they feel that they have any objection, to please let me or the leadership know. Copies are available to Members.

The PRESIDENT pro tempore. Is there further morning business?

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

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HASKELL, from the Committee on Interior and Insular Affairs, with amendments:

S. 1863: A bill to designate the Weminuche Wilderness, Rio Grande and San Juan National Forests, in the State of Colorado (Rept. No. 93-680).

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. McCLURE:

S. 2965. A bill for the relief of Tiec Thi Hanh. Referred to the Committee on the Judiciary.

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

S. 2966. A bill to establish identification and reporting procedures to determine the existence and causes of shortages of products in interstate commerce. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2967. A bill to amend the Northwest At-

lantic Fisheries Act of 1950, as amended, and for other purposes; and

S. 2968. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary to phase in motor vehicle safety standards by specified percentages over a period of time, and for other purposes. Referred to the Committee on Commerce.

By Mr. EAGLETON:

S. 2969. A bill to require a reduction in motor vehicle insurance premiums in the District of Columbia, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. PACKWOOD:

S. 2970. A bill to amend the Social Security Act to provide adequate financing of health care benefits for all Americans. Referred to the Committee on Finance.

By Mr. McINTYRE:

S.J. Res. 186. A joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

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

S. 2966. A bill to establish identification and reporting procedures to determine the existence and causes of shortages of products in interstate commerce. Referred to the Committee on Commerce.

DOMESTIC SUPPLY INFORMATION ACT

Mr. TUNNEY. Mr. President, each morning's newspapers brings news of new shortages and potential shortages. While today's headlines hammer away at the consequences of the current energy shortage, the back pages are replete with warnings of drastic food shortages, insufficiencies of steel, paper, and many other materials and products. No mechanism now exists to anticipate and avert short supply situations before they reach critical stages. There are no means to provide for systematic evaluation of the causes of existing shortages or for development of legislative remedies. No where in Government does there exist the capacity to provide long-term study of trends in the supply and demand for the critical raw materials essential to our economy in the decades ahead.

The bill I am introducing today, the "Domestic Supply Information Act," would require the executive branch to systematically monitor, evaluate, and report to the Congress on existing and developing shortage problems in the domestic economy. It would require the Secretary of Commerce to determine the causes of such problems and provide legislative recommendations to the Congress on a regular, recurring basis. It arms the Secretary with the full investigative powers of Government to assure his or her access to whatever information is needed to determine the dimensions, causes, and solutions to shortage problems. Finally, this legislation provides for independent review of the Secretary's report and recommendations by the General Accounting Office.

Mr. President, the American people rightly expect their representatives in Government to give highest priority to protecting the smooth functioning of the economy. Their jobs, their incomes, their hard-won standard of living are at stake in these matters. The Committee on Commerce will soon hold hearings on shortage problems and I am most hopeful that legislative action will swiftly follow.

At this point, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 2966

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 "Domestic Supply Information Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to require the Secretary of Commerce to furnish to the Congress periodic reports relating to the existence, causes, and future or potential existence and causes of shortages of products in interstate commerce, and to provide for the evaluation and analysis of such reports.

DEFINITIONS

SEC. 3. For the purpose of this Act, the term—

(1) "Secretary" means the Secretary of Commerce; and

(2) "Office" means the Office of Domestic Supply established by section 4 of this Act.

ESTABLISHMENT OF OFFICE OF DOMESTIC SUPPLY

SEC. 4. (a) There is established within the Department of Commerce an Office of Domestic Supply. The Office shall be under the direction of a Director who shall be appointed by the Secretary. All functions of the Secretary under this Act shall be carried out by the Director.

(b) There shall be in the Office an Assistant Director for Investigations and an Assistant Director for Analysis and Reports, each of whom shall be appointed by the Secretary. Each Assistant Director shall perform such functions as the Director may prescribe.

FUNCTIONS

SEC. 5. The Secretary shall—

(1) establish, by regulation, criteria for determining whether an actual or potential shortage condition of any product in interstate commerce exists;

(2) establish procedures for accepting and acting upon complaints of actual or potential product shortages from members of the public;

(3) conduct all investigations necessary to determine the cause and existence or potential existence of any such product shortage;

(4) continuously monitor and evaluate the state of the economy to the extent necessary to achieve the purposes of this Act; and

(5) determine, in accordance with the rule making procedures of section 553 of title 5, United States Code, and the criteria established under paragraph (1) of this section, whether an actual or potential shortage condition of any product in interstate commerce exists.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) (1) The Secretary is authorized, in carrying out his functions under this Act, to hold such hearings, take such testimony, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and administer such oaths as he deems advisable.

(2) Subpenas shall be issued under the signature of the Secretary and shall be served by any individual designated by him. Any individual designated by the Secretary may administer oaths or affirmations to witnesses appearing before an investigation conducted by the Office.

(3) In the case of contumacy or refusal to obey a subpena issued under this subsection the Secretary may invoke the aid of any United States district court in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this section.

(b) Information obtained under the authority of this Act shall be public except that the Secretary shall treat information as confidential in any case where he determines that public disclosure of such information would result in a competitive advantage or disadvantage to one or more persons. Any information obtained under the authority of this Act shall be made available to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Commerce of the Senate, upon the request of either such committee.

(c) The Secretary is further authorized—

(1) to appoint and fix the compensation of personnel in the Office;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(3) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Office, and delegate authority for the performance of any function to any officer or employee of the Office under his direction and supervision.

COOPERATION OF OTHER DEPARTMENTS

SEC. 7. (a) The head of each department, agency, and independent instrumentality of the Government shall cooperate, to the fullest extent permissible under the law, with the Secretary in carrying out his functions under this Act.

(b) The Attorney General shall, upon request made by the Secretary, make available to the Secretary the investigation resources of the Department of Justice to obtain information deemed necessary by the Secretary to carry out his responsibilities under this Act.

REPORTS BY THE SECRETARY OF COMMERCE

SEC. 8. Not later than sixty days after the date of enactment of this Act, and each ninety days thereafter, the Secretary shall transmit to the Committee on Interstate and Foreign Commerce of the House of Representatives, to the Committee on Commerce of the Senate, and to the Comptroller General of the United States a report setting forth, with respect to the twelve-month period following the date of such report—

(1) the Secretary's estimates of (A) the domestic and foreign supply, (B) the domestic and foreign demand, and (C) the domestic and foreign wholesale and retail prices, for each product for which a shortage exists;

(2) an analysis of the causes of the shortage for each product which the Secretary has designated as being in that condition;

(3) an analysis of the impact of any such shortage on all affected measures of output, prices and employment for each product which the Secretary has designated as being in a shortage condition;

(4) an analysis of the future or potential for shortages of products in interstate commerce, the causes of such future or potential shortages and the impact of existing law and public policies on the development or avoidance of such shortages; and

(5) the Secretary's recommendations with respect to possible legislation to eliminate existing or future or potential shortages.

REPORTS BY THE COMPTROLLER GENERAL

SEC. 9. (a) Not later than sixty days after the transmittal of a report in accordance

with section 8, the Comptroller General of the United States shall prepare and transmit to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce of the Senate a report containing—

(1) the Comptroller General's analysis and evaluation of the report of the Secretary; and

(2) the Comptroller General's recommendations with respect to possible legislation to eliminate existing, future or potential shortages of products determined to be in that condition by the Secretary.

(b) For the purpose of carrying out his functions under subsection (a), the Comptroller General of the United States—

(1) shall have access to all information collected by the Secretary under the authority of this Act; and

(2) is authorized to procure the temporary or intermittent services of experts and consultants at rates not to exceed the maximum rate payable under section 3109 of title 5, United States Code.

ACCESS TO REPORTS

SEC. 10. The Committee on Interstate and Foreign Commerce of the House of Representatives or the Committee on Commerce of the Senate shall, upon written request, make available to any Member of the House of Representatives or the Senate, respectively, a copy of any report received by such Committee under this Act.

COMPENSATION OF DIRECTOR AND ASSISTANT DIRECTORS

SEC. 11. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(91) Director, Office of Domestic Supply, Department of Commerce."

(b) Section 5316 of such title is amended by adding at the end thereof the following:

"(134) Assistant Director for Investigations, Office of Domestic Supply, Department of Commerce.

"(135) Assistant Director of Analysis and Reports, Office of Domestic Supply, Department of Commerce."

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. (a) There is authorized to be appropriated to the Department of Commerce for the purposes of carrying out the provisions of this Act, $500,000 for the fiscal year ending June 30, 1974, $500,000 for the fiscal year ending June 30, 1975, and $500,000 for each fiscal year thereafter.

(b) There is authorized to be appropriated to the General Accounting Office for the purposes of carrying out the provisions of this Act, $500,000 for the fiscal year ending June 30, 1974, $500,000 for the fiscal year ending June 30, 1975, and $500,000 for each fiscal year thereafter.

SECTION-BY-SECTION ANALYSIS OF THE DOMESTIC SUPPLY INFORMATION ACT

Sec. 1 identifies the Act as the "Domestic Supply Information Act."

Sec. 2 defines the purposes of the Act as ensuring Congress is periodically furnished reports on the existence, causes and future existence and causes of shortages. It also provides that Congress will be given legislative recommendations on means to deal with shortages.

Sec. 3 defines the terms "Secretary" to mean the Secretary of Commerce and "Office" to mean the Office of Domestic Supply.

Sec. 4 establishes within the Department of Commerce an Office of Domestic Supply under the direction of a Director appointed by the Secretary and creates Assistant Directors for Investigations and for Analysis and Reports.

Sec. 5 requires the Secretary to establish criteria for determining the existence of actual or potential shortages, to establish procedures for acting upon public complaints of actual or potential shortages, to conduct necessary investigations, to monitor and evaluate the economy and to determine the existence of actual or potential shortages.

Sec. 6 authorizes the Secretary to hold hearings and compel the production of information necessary to the fulfillment of his or her responsibilities under the Act.

Sec. 7 directs the heads of all agencies of government to cooperate with the Secretary in the exercise of his or her functions under the Act.

Sec. 8 directs the Secretary to report every ninety days to the Senate and House Commerce Committees on foreign and domestic supply, demand and prices of goods in short supply. The Secretary is also required to provide analyses of the causes of shortages, of the impact of shortages on output, prices and employment of shortages and to provide his or her recommendations with respect to legislation to eliminate shortages.

Sec. 9 directs the Comptroller General to prepare and send to the Senate and House Commerce Committees a report containing his or her analysis and evaluation of the Secretary's report and his or her recommendations with respect to remedial shortage legislation.

Sec. 10 provides all members of Congress with access, on request, to the reports of the Secretary and the Comptroller General.

Sec. 11 establishes the offices of Director, Office of Domestic Supply, Assistant Director for Investigations, Office of Domestic Supply and Assistant Director of Analysis and Reports, Office of Domestic Supply.

Sec. 12 authorizes $500,000 to the Department of Commerce for the purpose of carrying out this Act, and $500,000 to the General Accounting Office for the same purpose for the fiscal year ending June 30, 1974 and for each fiscal year thereafter.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2967. A bill to amend the Northwest Atlantic Fisheries Act of 1950, as amended, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Northwest Atlantic Fisheries Act of 1950, as amended, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the RECORD 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. 2967

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

SEC. 101. Section 2 of the Northwest Atlantic Fisheries Act of 1950, as amended (16 USC 981 et seq.) (hereinafter referred to as the "Act"), is amended by striking out subsection (d) and by redesignating subsections (e) through (j) as subsections (d) through (i).

SEC. 102. Section 4(a) of the Act is amended by striking out the phrase "of the convention area" in both places it occurs and substituting in lieu thereof the phrase "under regulation by the Commission" in both places.

SEC. 103. Section 7 of the Act is amended—

(a) by striking out the phrase "that portion of the convention area" and substituting in lieu thereof "areas inhabited by species under regulation by the Commission" in subsection (d).

(b) by striking out the phrase "any portion of the convention area" and substituting in lieu thereof "areas inhabited by species under regulation by the Commission" in subsection (e).

SEC. 104. Section 9(c) of the Act is amended by striking out the phrase "the convention area" and substituting in lieu thereof "areas inhabited by species under regulation by the Commission".

DEPARTMENT OF STATE,
Washington, D.C., December 27, 1973.

Hon. GERALD R. FORD,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft of a proposed bill "To amend the Northwest Atlantic Fisheries Act of 1950, as amended, and for other purposes".

It is requested that this bill be referred to the appropriate committee for consideration; its enactment is recommended.

The purpose of the Northwest Atlantic Fisheries Act is the implementation of the International Convention for the Northwest Atlantic Fisheries 1949 (ICNAF) and the conservation regulations of the International Commission for the Northwest Atlantic Fisheries (ICNAF) established thereunder. The ICNAF Act was amended in 1971 by Public Law 92–87 to permit U.S. participation in a scheme of international enforcement of the ICNAF conservation regulations which became effective in 1971. The purpose of the proposed legislation is to further amend the ICNAF Act to permit U.S. participation in an extension of the ICNAF scheme of international enforcement as proposed by the Commission at its Annual Meeting in June 1973.

The Convention Area specified in the Convention and Act runs north and east from Rhode Island to Greenland. At the time of the 1971 amendment to the Act, all conservation measures applied only to this Area, and it was not foreseen when the amendment was drafted that any other action would be taken. The Convention specifies that the Commission's regulatory measures shall be "designed to achieve the optimum utilization of the stocks of those species of fish which support international fisheries in the Convention Area." At a Special Meeting in 1972 the Commission concluded that its conservation goals could be fulfilled only if certain of the conservation measures were applied to stocks which support international fisheries in the Convention Area but which range both within and outside the Convention Area as part of their migratory patterns. This proposal was approved by the Members Governments, and certain conservation regulations now apply to stocks fished both in ICNAF Subarea 5 (SA5) off New England and in ICNAF Statistical Area 6 (SA6) which extends southward to about Cape Hatteras. Although some stocks are fished both in the ICNAF Area and in territorial waters, regulations may not be extended to U.S. territorial waters in this fashion because territorial waters are specifically excluded in the Convention. Nor would the Convention allow ICNAF to adopt conservation measures with regard to species which support fisheries entirely outside the Convention Area.

The ICNAF scheme of international enforcement does not apply now to SA6. The 1973 ICNAF proposal mentioned above would extend its application to SA6 with regard to those stocks which migrate between the two regions and which are subject to ICNAF conservation measures. The United States is not in a position to accept this proposal and participate in international enforcement in this important area off the U.S. coast until the

ICNAF Act is amended. The reason is that the 1971 amendments to the Act limit our participation in such international enforcement to the Convention Area as defined in the Convention. The proposed legislation would amend the Act to permit such participation. This would be accomplished by deleting the references to the Convention Area and instead relating the provisions of the Act to the areas inhabited by species under regulation by the Commission. Such areas would be almost entirely in SA6, but some species such as the herring now under ICNAF regulation range a little further south than the presently defined southern boundary of SA6. The Commission may in the future, of course, find is necessary to apply conservation measures to species crossing other boundaries of the Convention Area in order to ensure a meaningful conservation program.

The bilateral fisheries agreement between the U.S. and Poland applies a voluntary inspection program based on the ICNAF scheme of international enforcement in SA6. The U.S. had sought a similar provision in the bilateral fisheries agreement with the Soviet Union for SA6 but had met with Soviet resistance to a separate inspection scheme for the bilateral. The Soviets, however, proposed to the 1973 ICNAF Annual Meeting that the ICNAF enforcement scheme be extended to cover those species under ICNAF regulation in SA6. The Commission agreed to this proposal, although a number of Members like the United States noted that changes in domestic law would have to be sought before they could formally accept the proposal. In view of the pressing nature of fisheries conservation problems off the coast of the United States, the Commission also urged Members to accept and apply the scheme in SA6 at an earlier date than the six months minimum in which the proposal might ordinarily become effective under the ICNAF Convention. The early application of the scheme to SA6 has already been accepted by the Soviet Union and Canada. It would seem to be very much in the interest of the United States to move quickly to apply the scheme to this area off our coast.

In the bilateral fisheries agreement signed with the Soviets immediately after ICNAF adopted this proposal, it was agreed to apply the ICNAF scheme on a voluntary basis to the enforcement of the provisions of the agreement. It was also agreed to apply the scheme on a voluntary basis to enforcement of ICNAF regulations in SA6 until the both sides are in a position to do so on a mandatory basis.

The Office of Management and Budget advises that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional Relations.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 2968. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorized the Secretary to phase in motor vehicle safety standards by specified percentages over a period of time, and for other purposes. 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, and ask unanimous consent that the letter of transmittal be printed in the RECORD 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. 2968

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1392) is amended by adding at the end thereof a new subsection (i) to read as follows:

"(1) (1) Notwithstanding any other provisions of this section the Secretary may, if by doing so he will be requiring the earlier availability of motor vehicle with improved safety features, by order specify a series of effective dates for a Federal motor vehicle safety standard, on or after which a specified percentage of motor vehicles, to which the standard applies, manufactured by each manufacturer for purposes of sale in the United States shall conform to that standard. Each order specifying a series of effective dates should include a statement of the reasons for which the series of effective dates is found to be in the public interest.

"(2) The effective dates within any series specified by the Secretary shall be at one-year intervals. During each six-month period after an effective date, the specified percentage of motor vehicles, to which a standard applies, manufactured by each manufacturer for purposes of sale in the United States shall conform to the standard. The final effective date in a series shall in all cases be not more than two years after the initial effective date, and all motor vehicles, to which the standard applies, manufactured on or after the final effective date for purposes of sale in the United States shall conform to the standard.

"(3) In the case where one or more manufacturers are wholly owned by another person or corporation, those manufacturers together with the owning person or corporation shall be considered as one manufacturer for purposes of this subsection. In all other cases each person or corporation that is a manufacturer shall be considered a separate manufacturer for purposes of this subsection."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., December 28, 1973.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation has prepared as part of the legislative program for the 93rd Congress, 2d Session, the enclosed proposed bill:

"To authorize the Secretary to phase-in motor vehicle safety standards by specified percentages over a period of time, and for other purposes."

The relevant provisions of the National Traffic and Motor Vehicle Safety Act (15 U.S.C. 1391 et seq.) by which the Secretary of Transportation or his delegate is authorized to set effective dates for motor vehicle safety standards are as follows:

Sec. 103(c): *"Each order establishing a Federal motor vehicle safety standard shall specify the date such standard is to take effect* which shall not be sooner than one-hundred and eighty days or later than one year from the date such order is issued, unless the Secretary finds, for good cause shown, that an earlier or later effective date is in the public interest, and publishes his reasons for such finding." (Italics supplied.)

Sec. 103(f)(3): "In prescribing standards under this session, the Secretary shall . . . consider whether any such proposed standard is reasonable, practicable and *appropriate for the particular type of motor vehicle or item of motor vehicle equipment for which it is prescribed* . . . (Italics supplied.)

Sec. 108(a)(1): *"No person shall manufacture* for sale, sell, offer for sale, or introduce or deliver for introduction in interstate commerce, or import into the United States, *any motor vehicle or item of motor vehicle equipment manufactured on or after the date any applicable Federal motor vehicle safety standard takes effect* under this title unless it is in conformity with such standard . . ." (Italics supplied.)

These provisions thus establish that motor vehicle safety standards shall set minimum performance standards for "particular types" of vehicles, that each standard shall specify an effective date, and that no nonconforming vehicles shall be produced after the effective date. There appears to be no reasonable construction of the language of the statute, and nothing in its legislative history, that would provide authority to require manufacturers to "phase-in" a percentage of their production of a particular type of vehicle to conformity with a standard. We therefore conclude that an amendment of the statute would be necessary to provide authority for such a regulatory action.

Therefore, under its present authority the Department has no choice, when imposing a new safety requirement on manufacturers of motor vehicles, but to order that requirement into effect for all of a particular type of car made on or after a specified date. Frequently, this creates an undesirable situation since many manufacturers change the body designs of various different car lines in successive years over a cycle of three or more years. Thus, the single effective date often either does not achieve the degree of safety improvement that is possible with part of the industry's production, or imposes severe burdens with respect to a portion of production that has special problems.

The proposed bill would amend the National Traffic and Motor Vehicle Safety Act, so as to grant the Department phase-in authority whereby more realistic effective dates for safety standards could be established. Such authority would allow the Secretary, in his discretion, to specify a series of dates by which all motor vehicle manufacturers would have to bring into compliance with a standard specified percentages of their production manufactured for purposes of sale in the United States. For example, he could require a standard to be phased-in over a two-year period, so that after September 1, 1974, 25 percent of the manufacturer's production would meet the standard, after September 1, 1975, 50 percent, and after September 1, 1976, all of its production would conform to the standard.

We do not envision phasing-in every safety standard. However, the phase-in approach could be used with respect to those standards which were determined to entail substantial start-up problems for the industry.

The desirability of this authority can be demonstrated by viewing it in connection with our rulemaking on direct fields of view. A notice of proposed rulemaking was issued last year for a standard that would require all passenger cars, multipurpose passenger vehicles, trucks, and buses to provide drivers with specified amounts of unobstructed view of the driving environment. The standard would accomplish this by limiting the size of vehicle structures, such as roof pillars, that obscure the driver's view of other vehicles and the road. It appears likely that many of the manufacturers will experience difficulty in achieving compliance with the standard since they will need to do substantial redesigning and retooling. It may be practicable, therefore, for some of these manufacturers to achieve compliance only in accordance with their normal model changeover cycle. Under present authority, we would have to set the single effective date

at a time when it was practicable for all manufacturers to achieve full compliance. Phase-in authority, however, would permit the Department to phase-in the standard over a several-year period. This approach would assure some improvement in motor vehicle safety at the earliest possible moment. Of course, the percentage of production selected would be applicable to all manufacturers.

In conclusion, we believe, as a general matter, that the gradual phase-in of an increasing percentage of a manufacturer's production to the requirements of a standard requiring major design changes would be beneficial to both manufacturers and the public. It would minimize a manufacturer's cost by permitting him to make the necessary changes in accordance with his normal model changeover, and the public would be afforded added vehicle safety earlier than otherwise possible.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

CLAUDE S. BRINEGAR.

By Mr. EAGLETON:

S. 2969. A bill to require a reduction in motor vehicle insurance premiums in the District of Columbia, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. EAGLETON. Mr. President, over the years, as the accident rate increased for residents of the District of Columbia so did the cost of auto insurance. To do so was only fair. By the same token, as accident rates decrease for residents of the District, so also should the cost of auto insurance. That, too, is only fair.

Today I am introducing the "fair auto insurance rates bill" for the District of Columbia. This legislation would call for an across-the-board reduction in automobile insurance rates of 10 percent. The effective date of this reduction would be retroactive to January 1, 1974, with a refund of any money paid in excess of this amount.

After the initial reduction, the Mayor of the District of Columbia is directed to conduct a detailed study of the rates of motor vehicle accidents, fatalities, injuries, property damage, and claim payments made by motor vehicle insurers. This study would be carried out at least every 60 days until no appreciable change occurs for 120 days.

The Mayor will also possess the authority to adjust premium rates for motor vehicle insurance in order to keep them abreast of changes that might occur in automobile accident rates in the District.

Mr. President, since November 1973, I have supported the reduction of auto insurance rates to stay abreast of drops in accident rates that might occur due to gas conservation efforts. During that time the auto insurance industry, on the whole, has not moved expeditiously toward establishing fair premium rates.

When gas conservation first began, I wrote letters to the three major auto insurance associations asking them to agree to lower the cost of auto insurance if accident rates dropped. The one association that responded said—

We all hope that reduced speeds will result in the saving of lives, but evidently you are ill informed or ill advised if you conclude that this results in substantial reductions of the damages that go into the development of auto insurance rates.

The next auto insurance industry response to the issue came in the form of a detailed study by the insurance institute for highway safety. Some of the arguments presented in this study were a disappointment to those of us who hoped that the insurance industry would react reasonably.

For example, the study said:

(1) "It should be noted that decreased travel speeds result in increased travel times and increased 'time exposure' to fixed environmental hazards along the way. This increased time exposure will increase traffic density."

(2) On car pooling: "Increased occupancy rates would mean that the chances of injury in a given crash are increased."

(3) On the drop in fatality rates: "People often change their behavior or claimed behavior in the desired direction as a result of being studied rather than as a result of the changed conditions. Therefore, caution is necessary before interpreting any early changes in losses."

The statements do not respond to the facts of decreases in accident and injury rates; they reflect only the industry's bias against reduced premium rates, whatever the facts may show.

The auto accident data compiled since gas conservation efforts began indicates that the few concessions some companies have begun to make—such things as reduced rates to car poolers or promised future distributions of windfall profits—simply do not meet the goal of equitably apportioning the savings resulting from the gasoline shortage.

Across the country State insurance commissioners are holding factfinding hearings about gas conservation and auto insurance rates. They are calling on insurance companies to pass along any windfall profits to the insured and some are requiring companies to reduce their rates. I hope that consideration of my bill by Congress will help to spark discussion of this issue on a national level—though it directly affects only the District of Columbia.

On February 22 and 25, the Senate District of Columbia Committee will hold hearings on the bill I am introducing today. These hearings will include testimony of experts from all across the country. We hope to obtain a clear understanding of how the American public is altering its driving habits due to the energy crisis. We also hope to learn how these alterations have affected automobile insurance rates.

The American people have taken the brunt of the negatives resulting from the energy crisis. They have had to pay more for their gasoline, when they can get it. They have had to live in cooler homes. They have had to limit or eliminate their weekend driving trips.

The people should reap the benefits occurring from these sacrifices in the form of reduced automobile insurance rates. It is incumbent on us in the U.S. Congress to be sure that they receive this benefit as soon as possible and to the maximum extent practicable.

By Mr. PACKWOOD:

S. 2970. A bill to amend the Social Security Act to provide adequate financing of health care benefits for all Americans. Referred to the Committee on Finance.

COMPREHENSIVE HEALTH INSURANCE ACT

Mr. PACKWOOD. Mr. President, today I have the honor of introducing the Comprehensive Health Insurance Act, a far-reaching proposal developed by the administration to insure that all Americans have access to health insurance coverage at affordable prices.

All Americans consider good health care at reasonable prices to be among the basic necessities of life, but for too many of our citizens, this has been an unrealized necessity. Many have no access to the health care delivery system. Many more, especially the low-income and those considered "high risk," have no access to health insurance coverage. And in this time of rising costs, I dare say no American has not at some time or another shuddered at the possibility of an unexpected serious illness or accident, and the financial disaster which too often results.

Mr. President, as we approach our Bicentenial anniversary, I believe it particularly appropriate that we begin active consideration of this landmark legislation, which if enacted, will guarantee access to health care financing for all Americans. As the President pointed out in his health message, barriers to good health care are barriers to equal opportunity, and in my judgment, this Nation cannot afford to allow either to continue.

From time to time, as we take up this vital legislation, I will be discussing various aspects of the Comprehensive Health Insurance Act, and would also welcome any and all questions and comments on the details of the bill, which of course are not fixed in stone.

At this point, I ask unanimous consent that the Comprehensive Health Insurance Act, the President's landmark health message, and a fact sheet on the bill be printed in the RECORD following my remarks.

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

S. 2970

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 "Comprehensive Health Insurance Act of 1974."

TITLE I—NATIONAL HEALTH CARE BENEFITS PROGRAM

SEC. 101. The Social Security Act is amended by striking out title XVIII and inserting in lieu thereof the following new title XVIII:

"TITLE XVIII—HEALTH CARE BENEFITS

"FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1800. (a) The Congress hereby finds that—

"(1) many Americans are not now re-

ceiving adequate health care because of inability to pay the cost of such care;

"(2) the lack of adequate protection against the cost of health care prevents or seriously interferes with the ability of many Americans to secure necessary health care for themselves and their families or requires them to deplete their resources substantially or completely in order to secure such care;

"(3) as a result, the national health is seriously and adversely affected and this in turn seriously affects the general welfare;

"(4) to protect the national health and, consequently, the general welfare, it is necessary to assure that adequate protection against the cost of necessary health care is provided by requiring employers to provide health care plans for their employees and assisting the States to provide health care plans for persons to whom employee health care plans are not available; and

"(5) to require this only of employers engaged in interstate commerce would impose an unreasonable burden on such commerce.

"(b) It is therefore the purpose of this title to provide adequate protection against these costs by requiring all employers to offer health care plans to their employees; and to assist the States in making similar plans available to individuals in need of such protection.

"PART A—EMPLOYEE HEALTH CARE BENEFITS

"HEALTH CARE PLANS REQUIRED

"SEC. 1801. (a) Every employer shall provide to each of his employees under the age of 65 whose place of employment is in a State certified by the Secretary under section 1861, and who was employed by him for not less than—

"(A) 25 hours per week for ten weeks, or

"(B) 350 hours,

in the preceding thirteen consecutive calendar weeks, a reasonable opportunity, as determined under regulations prescribed by the Secretary, to obtain coverage for himself and the members of his family under the age 65 under, at the option of the employee—

"(1) an employee health care insurance plan approved under this title or an assisted health care insurance plan obtained by the employer pursuant to part B,

"(2) a group practice prepaid health care plan approved under this title, or

"(3) an individual practice prepaid health care plan approved under this title,

except that the Secretary may by regulation specify circumstances in which an employer need not offer an employee an opportunity to obtain coverage under a group practice or individual practice prepaid health care plan because such a plan is not available. The employer must offer the same health care plans to all employees in the same locality, as determined under regulations prescribed by the Secretary, except for such exceptions as the Secretary may, by regulation, provide. For purposes of the first sentence of this subsection, there shall be counted only those hours of service performed within the United States or service performed outside the United States by an American citizen for an American employer.

"(b) An employer who has an employee to whom he is required to provide the opportunity to obtain coverage under a health care plan under subsection (a) shall provide the same opportunity to each of his employees employed at the same place of employment who is not otherwise entitled to that opportunity because of the hours of work requirement imposed under subsection (a) and was employed by him for not less than 25 hours in the preceding calendar week.

"(c) Any bargaining agent recognized as an exclusive bargaining agent under the laws of the United States or any State, may exercise, on behalf of the employees for whom it is recognized as the exclusive bargaining agent, the options which must be offered to employees under this section, including the option to decline coverage under any health care plan approved under this title or provided pursuant to part B.

"EMPLOYER CONTRIBUTIONS

"SEC. 1802. (a) An employer required by section 1801(a) to provide an employee the opportunity to obtain coverage for himself and the members of his family under the age of 65 under a health care insurance plan shall, if the employee obtains such coverage, contribute to the cost of that coverage, during the period that the employer is required by section 1801(a) to provide the opportunity to obtain coverage under the plan, and for 90 days after the employer is no longer required by section 1801(a) to provide that opportunity, an amount equal to at least 75 percent of the cost of that coverage, as determined under regulations prescribed by the Secretary. An employer must pay the contributions required by this section, in the case of a plan provided by a carrier, directly to the carrier or an employee health and welfare fund.

"(b) An employer required by section 1801 (a) to provide an employee the opportunity to obtain coverage for himself and the members of his family under the age of 65 under a prepaid health care plan shall, if the employee obtains that coverage, contribute to the cost of that coverage, during the period that the employer is required by section 1801(a) to provide the opportunity to obtain coverage under the plan and for 90 days after the employer is no longer required by section 1801(a) to provide that opportunity, an amount equal to the amount he would be required to contribute under subsection (a) to coverage under a health care insurance plan.

"INFORMATION FOR EMPLOYEES

"SEC. 1803. An employer required by section 1801 to provide an employee with an opportunity to obtain coverage under a health care plan shall advise the employee of the plans and arrangements for the financing or provision of health care offered by the employer, the benefits they provide, their cost, and the means by which coverage under any of them can be secured. The employer shall also provide the employee with information concerning the availability of health care benefits pursuant to part B.

"UNAPPROVED PLANS PROHIBITED

"SEC. 1804. An employer required by section 1801 to provide an employee with an opportunity to obtain coverage under a health care plan shall neither provide that employee with an opportunity to secure, nor contribute toward the cost of, coverage under any plan or arrangement for the financing or provision of health care other than a health care insurance plan approved under this title or obtained pursuant to part B or a prepaid health care plan approved under this title, except that—

"(1) the employer may offer the employee the opportunity to obtain coverage under a special employee health care program approved under this title, and

"(2) the employer may offer the employee the opportunity to obtain coverage under a plan or arrangement for the financing or provision of health care not approved under this title or obtained under part B if acceptance of coverage under the plan or arrangement is not a condition of obtaining coverage under any health care plan offered by the employer pursuant to section 1801 and the employee has obtained coverage under such a health care plan.

"DISCRIMINATION ON THE BASIS OF HEALTH STATUS PROHIBITED

"SEC. 1805. (a) No employer may discriminate against an individual with respect to the opportunity for employment, or the compensation, terms, condition, or privileges of employment, because of the individual's health status or the health status of his dependents, except when directly related to the capacity of the individual to perform his duties as an employee.

"(b) An employer required by section 1801 to provide an employee with an opportunity to obtain coverage under a health care plan shall not offer the employee a financial inducement to, or condition the employee's employment on, rejection of coverage under the plan.

"EXCLUDED EMPLOYERS

"SEC. 1806. The provisions of this section shall not apply to the United States Government, the government of the District of Columbia, a foreign government, or an international organization described in section 210(a)(15), or any agency or instrumentality of such a government organization.

"PART B—GRANTS TO STATES FOR HEALTH CARE BENEFITS PROGRAMS

"APPROPRIATION

"SEC. 1821. For the purpose of assisting each State to provide adequate health care benefits to individuals who are otherwise unable to obtain such benefits, there are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this part. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for provision of health care benefits.

"STATE PLANS FOR PROVISION OF HEALTH CARE BENEFITS

"SEC. 1822. (a) A State plan for the provision of health care benefits must—

"(1) provide that—

"(A) the members of any family residing in the State who are not entitled to federal health care benefits under part C of this title, are not covered under a health care plan pursuant to part A of this title, and have an aggregate annual income of less than—

"(I) 52.5% of the income class base, as determined under section 1825(b)(5), in the case of a one member family group, or

"(II) 75% of that income class base, in the case of a more than one member family group; and

"(B) the members of any family residing in the State who are not entitled to health care benefits under part C of this title and are not eligible for coverage under a health care plan pursuant to part A;

shall be eligible for health care benefits under the plan;

"(2) provide that any employer subject to the requirements of part A of this title shall be eligible to obtain health care benefits under the plan for the purpose of providing such benefits, pursuant to the requirements of part A, to his employees whose place of employment is within the State;

"(3) provide that the benefits under the plan for any family group described in clause (1) shall be the opportunity for the family group—

"(A) to obtain coverage under an assisted health care insurance plan, or

"(B) at the option of the family group, to have the State pay to any prepaid health care plan approved under this title under which the family group has obtained coverage at a rate which the State determines is reasonable, on behalf of the family group, an amount equal to the cost to the State of providing coverage under an assisted health care insurance plan, as determined under regulations prescribed by the Secretary;

"(4) provide that the benefits provided

to an employer described in clause (2) shall be—

"(A) the opportunity for each employee of the employer whose place of employment is within the State, and to whom the employer is required by part A to offer the opportunity to obtain coverage under a health care insurance plan, to obtain coverage for himself and the members of his family under the age of 65 under an assisted health care insurance plan, and

"(B) in the case of any such employee who elects instead to obtain coverage under a prepaid health care plan made available by the employer pursuant to part A of this title at a rate which the State determines is reasonable, to have the State pay to such plan, on behalf of the employer and employee, an amount equal to the cost to the State of providing coverage under an assisted health care insurance plan, as determined under regulations prescribed by the Secretary;

"(5) provide that the eligibility of family groups for benefits under the plan, the premium, deductible, coinsurance, and related requirements applicable to eligible family groups, and the eligibility of employers to obtain benefits under the plan shall be determined by the public agency designated by the Secretary;

"(6) provide that the opportunity to obtain coverage under an assisted health care insurance plan shall be provided (A) through arrangements with one or more carriers pursuant to which—

"(I) the carrier will offer coverage under the plan to all eligible family groups and offer to provide the plan to all eligible employers, and

"(II) the State will pay the carrier an amount equal to payments made by the carrier under the plan and the cost of necessary and proper administration, less any premium, deductible and coinsurance payments and other amounts received by the carrier in connection with administration of the plan, as determined under regulations prescribed by the Secretary, or, (B) directly by the State if the Secretary so authorizes;

"(7) provide that any premium, deductible or coinsurance payment or other amounts owed to the State or paid by the State pursuant to an arrangement with a carrier shall be a debt owed to the State, and that the State shall make reasonable efforts to collect such debts;

"(8) provide that if any member of a family group described in clause (1)(A) which is receiving health care benefits under the plan is an employee to whom an employer is required by section 1801 to offer the opportunity to obtain coverage under a health care insurance plan, the employer shall be required to pay the State the amount the employer would be required to contribute if the employee obtained coverage under the health care insurance plan offered by the employer;

"(9) provide that the State will, in the third quarter of each calendar year, determine, in accordance with regulations prescribed by the Secretary, the estimated average premium for coverage for the succeeding calendar year, in the State, under an employee health care insurance plan approved under this title, of an employee with one or more family members under the age of 65;

"(10) provide that the State will comply with such requirements as the Secretary may, by regulation, impose for the purpose of assuring cooperation among the States in the administration of State plans approved under this part;

"(11) provide that the State will not impose any premium tax on any premiums for health care plan coverage obtained under the State plan;

"(12) provide that the State will comply, and will require any carrier participating in the administration of the State plan to comply, with such requirements as the Secretary may, by regulation, prescribe for the purpose of controlling access to information of the State plan;

"(13) provide that the State will make such reports, in such form and containing such information, as the Secretary may require, and comply with such provisions as the Secretary may find necessary to assure the correctness and verification of such reports; and

"(14) contain such other provisions as the Secretary may determine are necessary to carry out the purposes of this part.

"(b) The Secretary shall approve any plan submitted by a State certified by the Secretary under section 1861 which fulfills the requirements specified in subsection (a).

"(c) The Secretary shall, by regulation, prescribe the criteria and standards for determining the State of residence of family groups for purposes of this part, which regulations shall provide that each family group residing in the United States shall have a State of residence.

"PAYMENT TO STATES

"SEC. 1823. (a) From the sums appropriated therefor, the Secretary shall pay to each State which has a plan approved under this part, for each quarter, beginning with the quarter commencing January 1, 1976, an amount equal to the net expenditures under the State plan during that quarter, less

"(A) the State contribution for that quarter, and

"(B) an amount which bears the same ratio to the payments made during that quarter under part C with respect to individuals described in section 1831(a) in income classes I, II, and III who reside in the State which would not have been made if those individuals were in income class IV, as the State contribution for that quarter bears to the net expenditures under the State plan during that quarter.

"(b)(1) For purposes of subsection (a), the net expenditures under a State plan during any quarter shall be the total amount expended during that quarter under the State plan, including amounts found necessary by the Secretary for proper and efficient administration of the plan, less the total of the debt payments, employer payments, and other amounts received by the State during that quarter in connection with administration of the plan.

"(2) For purposes of subsection (a), the State contribution for any quarter in the first calendar year in which there is in effect in the State a plan approved under this part shall be—

"(A) one-fourth of the total non-federal expenditures, other than expenditures related to the provisions of skilled nursing home facility services, home health services, intermediate care facility services, inpatient hospital services in institutions for mental diseases and psychiatric hospitals, and dental services, under the plan of the State approved under title XIX for fiscal year 1975; plus

"(B) ten percent of the product of—

"(I) the per capita income of the State divided by the per capita income of the United States; and

"(II) the net expenditures under the State plan during that quarter (as determined under paragraph (1)), less one-fourth of the total federal and nonfederal expenditures, other than expenditures related to the provision of skilled nursing home facility services, home health services, intermediate care facility services, inpatient hospital services in institutions for mental diseases and psychiatric hospitals, and dental services, under the plan of the State approved under title XIX for fiscal year 1975.

"(3) For purposes of subsection (a), the State contribution for any quarter in a calendar year beginning after the first calendar year in which there is in effect in the State a plan approved under this part shall be—

"(A) one-fourth of the State contribution under the plan of the State approved under this part for the first calendar year in which there is in effect in the State a plan approved under this part; plus

"(B) twenty-five percent of the product of—

"(I) the per capita income of the State divided by the per capita income of the United States; and

"(II) the net expenditures under the State plan during that quarter (as determined under paragraph (1)), less one-fourth of the net expenditures under the State plan during the first calendar year in which there is in effect in the State a plan approved under this part.

"OPERATION OF STATE PLANS

"SEC. 1824. If the Secretary, after reasonable notice and an opportunity for hearing to a State which has a plan approved under this part, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1822; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision;

the Secretary shall notify such State that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"REQUIREMENTS FOR ASSISTED HEALTH CARE INSURANCE PLANS

"SEC. 1825. (a) An assisted health care insurance plan must meet all of the requirements for approval of an employee health care insurance plan contained in section 1841, other than the requirements contained in subsections (c), (d), (e), (f), (g)(6), (g)(7), (g)(8), and (h) thereof.

"(b)(1) An assisted health care insurance plan must charge as a premium for each calendar year an amount equal to the following percentages of the estimated average premium for coverage for such year, in the State, under an employee health care insurance plan approved under this title, of an employee and the members of his family under the age of 65—

"(A) in the case of family groups described in section 1822(a)(1) in income class III, 20% for one member groups, and 50% for more than one member groups;

"(B) in the case of family groups described in section 1822(a)(1) in income class IV, 40% for one member groups, and 100% for more than one member groups;

"(C) in the case of family groups described in section 1822(a)(1) in income class V, 60% for one member groups, and 150% for more than one member groups; and

"(D) in the case of employees of employers described in section 1822(a)(2), 60% for employees without any family members under the age of 65, and 150% for employees with one or more family members under the age of 65.

No premium shall be charged in the case of family groups described in section 1822(a)(1) in income classes I and II.

"(2)(A) An assisted health care insurance plan must, subject to paragraph (4), impose, with respect to all items and services other than outpatient drugs and biologicals, and other blood and blood products, a per in-

dividual per calendar year deductible equal to the following percentages of the deductable base—

"(I) in the case of family groups described in section 1822(a)(1) in income class II, 33⅓%;

"(II) in the case of family groups described in section 1822(a)(1) in income class III, 66⅔%; and

"(III) in the case of family groups described in section 1822(a)(1) in income classes IV and V, and employees of employers described in section 1822(a)(2), 100%;

except that no further deductible shall be imposed under this paragraph in any calendar year after three members of a covered family group or employee and his family satisfy the deductible requirement for that year. No such deductible shall be imposed in the case of family groups described in section 1822(a)(1) in income class I.

"(B) The plan must, subject to paragraph (4), impose, with respect to outpatient drugs and biologicals, other than blood and blood products, a per individual per calendar year deductible equal to the following percentages of the deductible base—

"(I) in the case of family groups described in section 1822(a)(1) in income class II, 16⅔%; and

"(II) in the case of family groups described in section 1822(a)(1) in income classes III, IV, and V, and employees of the employers described in section 1822(a)(2), 33⅓%.

No such deductible shall be imposed in the case of family groups described in section 1822(a)(1) in income class I.

"(C) The plan must impose, with respect to blood and blood products, such deductible as the Secretary may, by regulation, prescribe.

"(D) The deductible base shall be $150 for calendar year 1976 and 1977, and the amount determined under subparagraph (E) for years after 1977.

"(E) The Secretary shall, during November of 1977 and of each year thereafter, determine and promulgate the per individual deductible to be applied under this paragraph for the following calendar year. The deductible shall be computed by increasing or decreasing $150 by the same percentage (rounded to the nearest one-tenth of one percent) by which the actuarial value of an employee health care insurance plan approved under this title for the year in which the determination is made exceeds or is less than such actuarial value for calendar year 1976. If the deductible derived from such computation is not a multiple of $6, it shall be reduced to the next lower multiple of $6.

"(3) An assisted health care insurance plan must impose, subject to paragraph (4), a coinsurance requirement equal to—

"(A) in the case of family groups described in section 1822(a)(1) in income class I, 10 per centum;

"(B) in the case of family groups described in section 1822(a)(1) in income class II, 15 per centum;

"(C) in the case of family groups described in section 1822(a)(1) in income class III, 20 per centum; and

"(D) in the case of family groups described in section 1822(a)(1) in income classes IV and V, and employees of employers described in section 1822(a)(2), 25 per centum;

of expenses in excess of any applicable deductible.

"(4) An assisted health care insurance plan must provide that no further deductible or coinsurance requirement will be imposed in any calendar year after the total of the deductible and coinsurance amounts imposed under the plan equals the following percentages of annual income—

"(A) in the case of family groups described in section 1822(a)(1) in income class I, 6 per centum;

"(B) in the case of family groups described in section 1822(a)(1) in income class II, 9 per centum;

"(C) in the case of family groups described in section 1822(a)(1) in income class III, 12 per centum; and

"(D) in the case of family groups described in section 1822(a)(1) in income class IV, 15 per centum.

In the case of family groups described in section 1822(a)(1) in income class V, and employees of employers described in section 1822(a)(2), the plan must provide that no further deductible or coinsurance requirement will be imposed in any calendar year after the total of the deductible and coinsurance amounts imposed under the plan equals 10.5 per centum, in the case of one member family groups and employees without any family members under the age of 65, or 15 per centum, in the case of more than one member family groups and employees with one or more family members under the age of 65, of the income class base for that calendar year, as determined under paragraph (5). The plan must provide that any deductible or coinsurance amount charged against a covered individual under any other health care insurance plan approved under this title or provided pursuant to this part or part C will be taken into account in determining if the deductible and coinsurance requirements imposed under the plan have been met.

"(5)(A) The income class of a family group described in section 1822(a)(1) for any calendar year must be determined on the basis of the family group's income for that year.

"(B) In the case of one member family groups, the income limits of the classes must be—

"(I) for income class I, less than 17.5 per centum of the income class base;

"(II) for income class II, at least 17.5 per centum of the income class base, but less than 35 per centum of that base;

"(III) for income class III, at least 35 per centum of the income class base, but less than 52.5 per centum of that base;

"(IV) for income class IV, at least 52.5 per centum of the income class base, but less than 70 per centum of that base; and

"(V) for income class V, at least 70 per centum of the income class base.

"(C) In the case of more than one member family groups, the income limits of the classes must be—

"(I) for income class I, less than 25 per centum of the income class base;

"(II) for income class II, at least 25 per centum of the income class base, but less than 50 per centum of that base;

"(III) for income class III, at least 50 per centum of the income class base, but less than 75 per centum of that base;

"(IV) for income class IV, at least 75 per centum of the income class base but less than 100 per centum of that base; and

"(V) for income class V, at least 100 per centum of the income class base.

"(D) The income class base shall be $10,000 for calendar years 1976 and 1977, and the amount determined under subparagraph (E) for years after 1977.

"(E) The Secretary shall, during November of 1977 and of each year thereafter, determine and promulgate the income class base to be applied under this paragraph for the following calendar year. The base shall be computed by increasing or decreasing $10,000 by the same per centum (rounded to the nearest one-tenth of one per centum) by which the average of the taxable wages of all employees as reported to the Secretary under title II for the first qurter of the calendar year in which the determination is made exceeds or is less than such average for the first quarter of calendar year 1976. If the base derived from such computation is not a multiple of $100, it shall be reduced to the next lower multiple of $100.

"(c) An assisted health care insurance plan must provide that coverage under the plan will continue to be available to a covered employee of an employer described in section 1822(a)(2), and the members of his family under the age of 65, to whom the plan is offered pursuant to section 1801(a) for 180 days after the employer is no longer required by section 1801(a) to offer the plan to the employee, at the same premium rate at which coverage under the plan is available to employees of the employer.

"(d) An assisted health care insurance plan must provide—

"(1) that an account will be established against which a covered individual may charge the cost of obtaining items and services covered under the plan, without regard to the deductible and coinsurance requirements applicable under the plan;

"(2) that payment for items and services covered under the plan, other than emergency services, will be made only on the basis of charges against that account;

"(3) that payment will be made on the basis of charges against the account for items and services covered under the plan at the applicable reimbursement rates; and that, unless the account is in default, payment will be made to full and associate participating providers for all items and services without reduction on account of the deductible and coinsurance requirements applicable under the plan and the covered individual will be billed the portion of any payment properly chargeable to him on account of those limitations and deductible and coinsurance requirements; and

"(4) that credit will be available with respect to any bill submitted to a covered individual pursuant to clause (3) and that interest will accrue on amounts owed on any bill, in accordance with regulations prescribed by the Secretary; that no recovery will be made from any individual or entity to whom the plan has made payment because of the failure of a covered individual to pay any such bill; and that an account will not be regarded as in default unless payment of amounts due under the account, or any other such account established with respect to the covered individual pursuant to the requirements of this title, is 90 days in arrears.

"PART C—FEDERAL HEALTH CARE BENEFITS

"ELIGIBILITY FOR AND NATURE OF BENEFITS

"SEC. 1831. (a)(1) The Secretary shall establish a Federal health care benefits program under which an individual residing in a State certified by the Secretary under section 1861 who—

"(A) has attained the age of 65, and

"(B) is entitled to monthly insurance benefits under section 202, or would be entitled, upon application, to such benefits if all employment subject to the taxes imposed by sections 3101(b) and 3111(b) of the Internal Revenue Code of 1954 were covered employment for the purpose of determining entitlement to such benefits, or is a qualified railroad retirement beneficiary,

shall be entitled to Federal health care benefits under part C of title XVIII.

"(2) For purposes of paragraph (1)—

"(A) an individual shall be deemed entitled to monthly insurance benefits under section 202, or to be a qualified railroad retirement beneficiary, for the month in which he died if he would have been enttiled to such benefits, or would have been a qualified railroad retirement beneficiary, for such month had he died in the next month, and

"(B) the term 'qualified railroad retirement beneficiary' means an individual whose name has been certified to the Secretary by the Railroad Retirement Board under section 21 of the Railroad Retirement Act of 1937. An individual shall cease to be a qualified railroad retirement beneficiary at the close of the month preceding the month which is

certified by the Railroad Retirement Board on the month in which he ceased to meet the requirements of section 21 of the Railroad Retirement Act of 1937.

"(b) The benefits provided under the program shall be the opportunity, at the option of the individual—

"(1) to obtain coverage under the Federal health care insurance plan, or

"(2) to have the Secretary pay to any prepaid health care plan approved under this title under which the individual has obtained coverage at a rate which the Secretary determines is reasonable, on behalf of the individual, an amount equal to the cost to the Government of providing coverage under a Federal health care insurance plan, as determined under regulations prescribed by the Secretary.

"FEDERAL HEALTH CARE INSURANCE PLAN

"SEC. 1832. (a) The Federal health care insurance plan shall be an insurance plan which meets all the requirements for approval of an employee health care insurance plan contained in section 1841, other than the requirements contained in subsections (c), (d), (e), (f), (g)(6), (g)(7), (g)(8), (g)(9), and (h) thereof.

"(b)(1) The Federal health care insurance plan shall charge as a premium for each calendar year an amount equal to 15% of the amount which the Secretary determines is the estimated average cost of coverage for that year under the plan of an individual in income class IV, except that no premium shall be charged in the case of individuals in income classes I and II. Premiums shall be paid to the Secretary at such times, and in such manner, as the Secretary shall by regulation provide. All premium payments shall be deposited in the Treasury to the credit of the Federal Health Care Benefits Trust Fund.

"(2)(A) The Federal health care insurance plan shall, subject to paragraph (4), impose with respect to all items and services other than outpatient drugs and biologicals, and other blood and blood products, a per individual per calendar year deductible equal to the following percentages of the deductible base, as determined under section 1825(b)(2)—

"(I) in the case of individuals in income class II, 33⅓ per centum; and

"(II) in the case of individuals in income classes III, IV, and V, 66⅔ per centum.

No such deductible shall be imposed in the case of individuals in income class I.

"(B) The plan shall, subject to paragraph (4), impose, with respect to outpatient drugs and biologicals, other than blood and blood products, a per individual per calendar year deductible equal to the following percentages of the deductible base, as determined under section 1825(b)(2)—

"(I) in the case of individuals in income class II, 16⅔ per centum; and

"(II) in the case of individuals in income classes III, IV, and V, 33⅓ per centum.

No such deductible shall be imposed in the case of individuals in income class I.

"(C) The plan shall impose, with respect to blood and blood products, such deductible as the Secretary may, by regulation, prescribe.

"(3) The federal health care plan must impose, subject to paragraph (4), a coinsurance requirement equal to—

"(A) in the case of individuals in income class I, 10 per centum;

"(B) in the case of individuals in income class II, 15 per centum;

"(C) in the case of individuals in income classes III, IV, and V, 20 per centum;

of expenses in excess of any applicable deductible.

"(4) The federal health care insurance plan shall provide that no further deductible or coinsurance requirement will be imposed in any calendar year after the total of the deductible and coinsurance amounts imposed under the plan equals the following percentages of annual income—

"(A) in the case of individuals in income class I, 6 per centum;

"(B) in the case of individuals in income class II, 9 per centum;

"(C) in the case of individuals in income class III, 12 per centum.

In the case of individuals in income classes IV and V, the plan shall provide that no further deductible or coinsurance requirement will be imposed in any calendar year after the total of the deductible and coinsurance amounts imposed under the plan equals 7.5 per centum of the income class base for that calendar year, as determined under section 1825(b)(5). The plan shall provide that any deductible for coinsurance amount charged against a covered individual under any other health care insurance plan approved under this title or provided pursuant to part B will be taken into account in determining if the deductible and coinsurance requirements imposed under the plan have been met.

"(5) The income class of an individual shall be determined on the basis of the same standards as those prescribed in section 1825(b)(5) for the determination of the income class of a family group described in section 1822(a)(1), with an individual being considered, for that purpose, a one member family group.

"(c) The federal health care insurance plan shall provide—

"(1) that an account will be established against which a covered individual may charge the cost of obtaining items and services covered under the plan, without regard to the deductible and coinsurance requirements applicable under the plan;

"(2) that payment for items and services covered under the plan, other than emergency services, will be made only on the basis of charges against that account;

"(3) that payment will be made on the basis of charges against the account for items and services covered under the plan at the applicable reimbursement rates; and that, unless the account is in default, payment will be made to full and associate participating providers for all items and services without reduction on account of the deductible and coinsurance requirements applicable under the plan and the covered individual will be billed the portion of any payment properly chargeable to him on account of those limitations and deductible and coinsurance requirements; and

"(4) that credit will be available with respect to any bill submitted to a covered individual pursuant to clause (3) and that interest will accrue on amounts owed on any bill, in accordance with regulations prescribed by the Secretary; that no recovery will be made from any individual or entity to whom the plan has made payment because of the failure of a covered individual to pay any such bill; and that an account will not be regarded as in default unless payment of amounts due under the account, or any other such account established with respect to the covered individual pursuant to the requirements of this title, is 90 days in arrears.

"USE OF CARRIERS IN ADMINISTRATION OF FEDERAL HEALTH CARE INSURANCE PLAN BENEFITS

"SEC. 1833. (a) The Secretary is authorized to enter into contracts with carriers for the administration of benefits under the Federal health care insurance plan. Each such contract shall contain such terms and conditions not inconsistent with this part as the Secretary may find necessary or appropriate.

"(b)(1) Contracts with carriers under this section may be entered into without regard to section 3709 of the Revised Statutes or any other provision of law requiring competitive bidding.

"(2) No such contract shall be entered into with any carrier unless the Secretary finds that such carrier will perform its obligations under the contract efficiently and effectively and will meet such requirements as to financial responsibility, legal authority, and other matters as he finds pertinent.

"(3) Each contract under this section shall be for a term of at least one year, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term; except that the Secretary may terminate any such contract at any time (after such reasonable notice and opportunity for hearing to the carrier involved as he may provide in regulations) if he finds that the carrier has failed substantially to carry out the contract or is carrying out the contract in a manner inconsistent with efficient and effective administration of the program established by this part.

"(c) Any contract entered into with a carrier under this section shall provide for advances of funds to the carrier for the making of payments by it under the federal health care insurance plan, and shall provide for payment of the cost of administration of the carrier, as determined by the Secretary to be necessary and proper for carrying out the functions covered by the contract.

"(d) Any contract with a carrier under this section may require such carrier or any of its officers or employees certifying payments or disbursing funds pursuant to the contract, or otherwise participating in carrying out the contract, to give surety bond to the United States in such amount as the Secretary may deem appropriate.

"(e)(1) No individual designated pursuant to a contract under this section as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payments certified by him under this section.

"(2) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer described in paragraph (1) of this subsection.

"SOURCE OF PAYMENTS TO PROVIDERS OF SERVICES AND PREPAID HEALTH CARE PLANS

"SEC. 1834. The Secretary shall pay the amounts which he determines should be paid under this part to providers of items and services and prepaid health care plans, prior to audit or settlement by the General Accounting Office, from the Federal Health Care Benefits Trust Fund.

"FEDERAL HEALTH CARE BENEFITS TRUST FUND

"SEC. 1835. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Health Care Benefits Trust Fund' (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending June 30, 1976, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes imposed by section 3101(b) and 3111(b) of the Internal Revenue Code of 1954 with respect to wages from employment in States certified by the Secretary under section 1861 reported to the Secretary of the Treasury or his delegate pursuant to Subtitle F of such code after December 31, 1975, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such sections to wages, which wages shall be certified by the Secretary of

Health, Education, and Welfare on the basis of records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with such reports; and

"(2) the taxes imposed by section 1401(b) of the Internal Revenue Code of 1954 with respect to self-employment income earned in States certified by the Secretary under section 1861 reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code after December 31, 1975, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such section to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of records of self-employment established and maintained by the Secretary of Health, Education, and Welfare in accordance with such returns.

The amounts appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such sentence.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Commissioner of Social Security shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next two fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the Trust Fund (except public debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(f) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments provided for by this part, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"AUTHORIZATION OF APPROPRIATIONS TO THE TRUST FUND

"SEC. 1836. There is authorized to be appropriated to the Federal Health Care Benefits Trust Fund from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

"(1) payments made or to be made during the fiscal year from the Trust Fund with respect to individuals described in section 1831(a) in income classes I, II, and III which would not have been made or would not be made if those individuals were in income class IV,

"(2) the additional administrative expenses resulting or expected to result from the making of those payments, and

"(3) any loss in interest to the Trust Fund resulting from the making of those payments, in order to place the Trust Fund, at the end of the fiscal year, in the same position in which it would have been if those payments had not been made.

"PART D—REQUIREMENTS FOR APPROVAL OF HEALTH CARE PLANS AND SPECIAL EMPLOYEE HEALTH CARE PROGRAMS AND FOR CERTIFICATION OF PROVIDERS

"REQUIREMENTS FOR APPROVAL OF EMPLOYEE HEALTH CARE INSURANCE PLANS

"Covered Services

"SEC. 1841. (a)(1) To be approved under this title, an employee health care insurance plan must provide, subject to the succeeding provisions of this section, for payment for the following items and services, for each covered individual—

"(A) inpatient hospital services;

"(B) physicians' services;

"(C) medical and other health services;

"(D) home health services;

"(E) post-hospital extended care services;

"(F) outpatient drugs and biologicals;

"(G) routine dental services for individuals under the age of 13;

"(H) developmental vision care services, as defined in regulations prescribed by the Secretary, routine eye and vision examinations, and eyeglasses, for individuals under the age of 13; and

"(I) hearing aids and examinations therefor, for individuals under the age of 13.

The items and services described in the preceding sentence include, but are not limited to, items and services related to mental health care, including alcoholism and drug abuse.

"(2) Notwithstanding the provisions of paragraph (1), the plan must provide that payment will not be made for items and services—

"(A) which are not reasonable and necessary for the diagnosis or treatment of congenital defect, illness, or injury or to improve the functioning of a malformed body member; except for family planning and maternity items and services, routine dental services for individuals under the age of 13, routine eye and vision examinations and eyeglasses for individuals under the age of 13, hearing aids and examinations therefor for individuals under the age of 13, and well child care for individuals under the age of 6;

"(B) which are eyeglasses or eye examinations therefor, or hearing aids or examinations therefor, except for children under the age of 13;

"(C) for which the individual furnished such items or services has no legal obligation to pay and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for;

"(D) which are not provided within the United States, except for emergency inpatient hospital and physicians' services;

"(E) which constitute personal comfort items;

"(F) which are orthopedic shoes or other supportive devices for the feet, except for individuals under the age of 6;

"(G) which are custodial care;

"(H) which are cosmetic surgery or provided in connection therewith, except as required for the prompt repair of accidental injury or for the improvement of the functioning of a malformed body member;

"(I) which are provided by immediate relatives of the individual or members of his household;

"(J) which are—

"(I) the treatment of weak, strained, or flat foot conditions and the prescription of supporting or corrective devices therefor, except when provided to individuals under the age of 6,

"(II) routine foot care; and

"(K) kidney dialysis or transplantation items and services, unless provided by a kidney dialysis or transplantation center or facility which meets such requirements as the Secretary may by regulation provide; or

"(L) to the extent that payment has been made, or can reasonably be expected to be made, with respect to those items and services, under a workmen's compensation law or plan of the United States or a State.

"Coverage Limits

"(b) To be approved under this title, an employee health care insurance plan may not impose any limits with respect to the items and services for which payment must

be provided under subsection (a), except that payment for—

"(1) post-hospital extended care services shall be limited to 100 days per calendar year;

"(2) home health services must be limited to 100 visits per calendar year;

"(3) inpatient hospital services for the treatment of mental illness shall be limited to 30 days per calendar year, with each day of partial hospitalization, as defined in regulations prescribed by the Secretary, counting as one-half day of inpatient services;

"(4) services provided on an outpatient basis for the treatment of mental illness shall be limited to the amount determined under this subsection per calendar year, and payment for such services other than services provided on an outpatient basis in a comprehensive community care center, as defined in regulations prescribed by the Secretary, shall be limited to one-half of that amount; and

"(5) routine eye and vision examinations, eyeglasses, hearing aids and examinations therefor, family planning and prenatal and postnatal items and services, and well child care shall be subject to such limitations as the Secretary may by regulation provide.

In November of each year, the Secretary shall determine the limit to be imposed under clause (4), for the following calendar year, which limit shall be the estimated cost of 30 outpatient visits to a private practitioner for the treatment of mental illness.

"Deductibles and Coinsurance

"(c)(1) To be approved under this title an employee health care insurance plan must, subject to paragraph (3), impose, with respect to all items and services other than outpatient drugs and biologicals, and blood and blood products, a per individual, per calendar year, deductible equal to the deductible base for that calendar year, as determined under section 1825(b)(2), except that no further deductible shall be imposed under this sentence in any calendar year after three members of a covered family satisfy the deductible requirement for that year. The plan must, subject to paragraph (3), impose, with respect to outpatient drugs and biologicals, other than blood and blood products, a per individual, per calendar year deductible equal to one-third of the deductible base for that calendar year, as determined under section 1825(b)(2). The plan must impose, with respect to blood and blood products, such deductible as the Secretary may by regulation provide.

'(2) The plan must impose, subject to paragraph (3), a coinsurance requirement of 25 per centum of expenses in excess of any applicable deductible.

"(3) The plan must provide that no further deductible or coinsurance requirement will be imposed in any calendar year after the total of the deductibles and coinsurance imposed under the plan equals 10.5 per centum, in the case of employees without any family members under the age of 65, or 15 per centum, in the case of employees with one or more family members under the age of 65, of the income class base, as determined under section 1825(b)(5). The plan must provide that any deductible or coinsurance amount charged against a covered individual under any other health care insurance plan approved uder this title or provided pursuant to part B or C will be taken into account in determining if the deductible and coinsurance requirements imposed under the plan have been met.

"Extended Coverage

"(d) To be approved under this title, an employee health care insurance plan must provide that coverage under the plan will continue to be available to a covered employee to whom the plan is offered by an employer pursuant to section 1801(a), and the members of his family under the age of 65, for 180 days after the employer is no longer required by section 1801(a) to offer the plan to the employee, at the same premium rate at which coverage under the plan is available to employees of the employer.

"Coverage in the Event of Failure to Pay Premium

"(e) To be approved under this title, an employee health care insurance plan must provide that coverage under the plan will not be terminated because of the failure to pay for such coverage until such payment is 90 days in arrears and notice has been given to the individuals whose coverage is to be terminated.

"Health Card

"(f) To be approved under this title, an employee health care insurance plan must provide—

"(1) that an account will be established against which a covered individual may charge the cost of obtaining items and services covered under the plan, without regard to the deductible and coinsurance requirements applicable under the plan;

"(2) that payment for items and services covered under the plan, other than emergency services, will be made only on the basis of charges against that account;

"(3) that payment will be made on the basis of charges against the account for items and services covered under the plan at the applicable reimbursement rates; and that, unless the account is in default, payment will be made to full participating providers for all items and services, and to associate participating providers for outpatient drugs and biologicals, without reduction on account of the deductible and coinsurance requirements applicable under the plan and the covered individual will be billed the portion of any payment properly chargeable to him on account of those deductible and coinsurance requirements; and

"(4) that credit will be available with respect to any bill submitted to a covered individual pursuant to clause (3) and that interest will accrue on amounts owed on any bill, in accordance with regulations prescribed by the Secretary; that no recovery will be made from any individual or entity to whom the plan has made payment because of the failure of a covered individual to pay any such bill; and that an account will not be regarded as in default unless payment of amounts due under the account, or any other such account established with respect to the covered individual pursuant to the requirements of this title, is 90 days in arrears.

"Other Requirements

"(g) To be approved under this title, an employee health care insurance plan must provide—

"(1) that payment will be made for items and services in accordance with the applicable reimbursement rates and standards, as determined pursuant to section 1861;

"(2) that, except for emergency services, payment will be made for items and services only to individuals and entities certified as participating providers;

"(3) that the provisions of part B of title XI shall apply to payments for items and services under the plan;

"(4) that payment will not be made for items and services in violation of any order of the Secretary pursuant to section 1122;

"(5) that no individual may be covered under more than one health care plan approved under this title or obtained pursuant to part B or C, and that in the event of coverage under more than one plan, payment will be made, or items and services provided, under only one such plan, as determined under regulations prescribed by the Secretary;

"(6) that the portion of the premium for coverage under the plan which represents the cost of providing coverage in excess of $10,000 per individual per calendar year will be the same for all coverage under the plan and any other employee health care insurance plan of the carrier or self-insured employer approved under this title;

"(7) that the rates applicable to coverage under the plan will be the same for all employees of any employer to whom the plan is provided, except that the rate for coverage of employees without any family members under the age of 65 will be 40 per centum of the rate for coverage of employees with one or more family members under the age of 65;

"(8) that the access to information obtained in connection with administration of the plan will be controlled in accordance with such requirements as the Secretary may, by regulation, prescribe;

"(9) that any contract or arrangement with an employer under which the plan is offered to employees of the employer pursuant to section 1801 will have a term of not more than one year, and will expire on December 31; and

"(10) that such uniform reporting methods and statistical procedures as the Secretary may require will be utilized in administration of the plan, and the Secretary will be furnished such information derived from the use of such methods and procedures as he may require to carry out the purposes of this title.

"Modification of Requirements

"(h) The Secretary may, by regulation, make such modifications in the requirements imposed by this section as he determines are appropriate with respect to employee health care insurance plans offered to employees whose place of employment is outside the United States.

"REQUIREMENTS FOR APPROVAL OF GROUP PRACTICE PREPAID HEALTH CARE PLANS

"Benefits

"SEC. 1842. (a) To be approved under this title, a group practice prepaid health care plan must provide—

"(1) for the provision, within the geographic area served by the plan, to covered individuals, of at least those items and services described in subsection (a) of section 1841, without regard to the provisions of subsections (c) through (h) of that section (other than any deductible imposed with respect to blood and blood products) and with no lower limitations than those described in subsection (b) of that section, and for payment for the provision of at least those items and services, within that area, when the provision of the items and services is beyond the control of the covered individual;

"(2) for the provision of, or payment for the provision of, at least those items and services, outside the geographic area served by the plan, when it is medically necessary that an item or service be provided to a covered individual before he can return to the geographic area served by the plan, and

"(3) that the plan will be compensated for the provision of, and payment for, those items and services, solely on a predetermined periodic rate basis, except for such copayments by covered individuals as the Secretary may, by regulation, authorize.

"Organizational Requirements

"(b) For a group practice prepaid health care plan to be approved under this title, the organization through which items and services are provided to covered individuals within the geographic area served by the plan must—

"(1) provide physicians' services (other than infrequently used services, as determined under regulations prescribed by the

Secretary) through physicians who are employees or partners of the organization, or through arrangements with one or more groups of physicians engaged in the coordinated practice of their profession for the organization; and

"(2) meet such requirements concerning its organizational structure and financial arrangements as the Secretary may, by regulation, prescribe for the purpose of assuring that—

"(A) the organization bears the responsibility for the efficient and effective utilization of health care resources to meet the health care needs of covered individuals,

"(B) the individuals, groups, and institutions within the organization or cooperating with it in the provision of health care services to covered individuals share in that responsibility, and

"(C) the organization provides clearly identifiable focal points of responsibility for the performance of all managerial, administrative, and service functions.

"Other Requirements

"(c) To be approved under this title, a group practice prepaid health care plan must provide that—

"(1) coverage under the plan will continue to be available to a covered employee to whom the plan is offered by an employer pursuant to section 1801(a) and the members of his family under the age of 65 for 180 days after the employer is no longer required by section 1801(a) to offer the plan to the employee, at the same rate at which coverage under the plan is available to employees of the employer;

"(2) coverage under the plan of employees to whom t..e plan is offered by an employee pursuant to section 1801 will not be terminated because of the failure to pay for such coverage until payment is 90 days in arrears and notice has been given to the individuals whose coverage is to be terminated;

"(3) the provisions of part B of title XI shall apply to items and services provided under the plan;

"(4) items and services will not be provided in violation of any order of the Secretary pursuant to section 1122;

"(5) no individual may be covered under more than one health care plan approved under this title or obtained pursuant to part B or C, and that in the event of coverage under more than one plan, payment will be made, or items and services provided, under only one such plan, as determined under regulations prescribed by the Secretary;

"(6) the rate applicable to coverage under the plan will be the same for all employees of any employer to whom the plan is provided, except that the rate for coverage of an employee without any family members under the age of 65 will be 40 per centum of the rate for coverage of an employee with one or more family members under the age of 65;

"(7) any contract or arrangement with an employer under which the plan is offered to employees of the employer pursuant to section 1801 will have a term of not more than one year, and will expire on December 31; and

"(8) such uniform reporting methods and statistical procedures as the Secretary may require will be utilized in administration of the plan, and the Secretary will be furnished such information derived from the use of such methods and procedures as he may require to carry out the purposes of this title.

"Modification of Requirements

"(d) The Secretary may, by regulation, make such modifications in the requirements imposed by this section as he determines are appropriate with respect to group practice prepaid health care plans offered to employees whose place of employment is outside the United States.

"REQUIREMENTS FOR APPROVAL OF INDIVIDUAL PRACTICE PREPAID HEALTH CARE PLANS

"Requirements for Approval

"SEC. 1843. (a) For an individual practice prepaid health care plan to be approved under this title—

"(1) the plan must meet the requirements imposed by section 1842(a) through (c) with respect to group practice prepaid health care plans, other than the requirements imposed by section 1842(b)(1); and

"(2) the organization through which items and services are provided to covered individuals within the geographic area served by the plan must provide physicians' services (other than infrequently used services, as determined under regulations prescribed by the Secretary) through arrangements with physicians engaged in the practice of their profession on an individual practice basis.

"Modification of Requirements

"(b) The Secretary may, by regulation, make such modifications in the requirements imposed by this section as he determines are appropriate with respect to individual practice prepaid health care plans offered to employees whose place of employment is outside the United States.

"REQUIREMENTS FOR APPROVAL OF SPECIAL EMPLOYEE HEALTH CARE PROGRAMS

"SEC. 1844. For a special employee health care program to be approved under this title—

"(1) the program must provide for the provision, or payment for the provision, to covered individuals, of at least those items and services described in subsection (a) of section 1841;

"(2) so much of the program as provides for payment for the provision of items and services must meet all of the requirements imposed by and pursuant to section 1841(b) through (h) with respect to employee health care insurance plans approved under this title, except that the program may have lower limitations and deductible and coinsurance requirements than those required by section 1841(b) and (c);

"(3) so much of the program as provides for the provision of items and services must meet all of the requirements imposed by and pursuant to either section 1843 with respect to group practice prepaid health care plans approved under this title, or section 1844 with respect to individual practice prepaid health care plans approved under this title; and

"(4) the employer must contribute toward the cost of providing coverage under the program to an employee at least as much as he would be required to contribute under section 1802 if the employee elected coverage under a health care insurance plan approved under this title.

"REQUIREMENTS FOR CERTIFICATION OF PROVIDERS

"Full Participating Providers

"SEC. 1845. (a) To be certified as a full participating provider, an individual or entity must—

"(1) agree to accept the payments made by health care insurance plans and special health care programs approved under this title or provided pursuant to part B or C, on the basis of charges against accounts established pursuant to the requirements of section 1841(f), as the sole means of obtaining payment for so much of the charges for the provision of items and services to individuals covered under those plans and programs as are payable under the plans;

"(2) agree to accept the payments made by health care insurance plans and special health care programs approved under this title or provided pursuant to part B or C, on the basis of valid charges against accounts established pursuant to the requirements of section 1841(f), as payment in full for the provision of items and services covered, without regard to the deductible and coinsurance requirements described in section 1841(c), under the plans and programs to individuals covered under the plans and programs, except for any reduction in the amount of any such payment because an account is in default;

"(3) agree not to accept payment for the provision of any item or service from more than one health care insurance plan or special health care program approved under this title or provided pursuant to part B or C; and

"(4) be otherwise eligible, under the provisions of this title, to provide one or more items or services covered under health care insurance plans approved under this title or provided pursuant to part B or C, as determined under regulations prescribed by the Secretary.

"Associate Participating Providers

"(b)(1) To be certified as an associate participating provider, an individual or entity must—

"(A) meet the requirements imposed by clauses (1), (3), and (4) of subsection (a) with respect to full participating providers; and

"(B) agree to accept the payments made by health care insurance plans provided pursuant to part B or C, on the basis of valid charges against accounts established pursuant to the requirements of section 1841(f), as payment in full for the provision of items and services, other than outpatient drugs and biologicals, covered, without regard to the deductible and coinsurance requirements described in section 1841(c), under the plans to individuals covered under the plans, except for any reduction in the amount of any such payment because an account is in default.

"(2) No hospital, skilled nursing facility, or home health agency may be certified as an associate participating provider.

"PART E—ADMINISTRATION AND REGULATION

"APPROVAL OF HEALTH CARE PLANS, CERTIFICATION OF PROVIDERS, ADMINISTRATION OF PLAN REQUIREMENTS, AND REGULATION OF CARRIERS, SELF-INSURED EMPLOYERS AND PROVIDERS

"SEC. 1861. (a) The Secretary shall certify under this section each State which, by statute or regulation pursuant to statute—

"(1)(A) requires each carrier or self-insured employer which provides an employee health care insurance or prepaid health care plan, and each employer which provides a special health care program, under which coverage is made available pursuant to section 1801 to an employee whose place of employment is within the State, to—

"(I) file the plan or program, or any amendment thereto, with the State not later than thirty days before the plan, program, or amendment becomes effective (or such later date as the Secretary may permit), and

"(II) keep the State currently advised of the employers to whom the plan or program is provided and the employees of such employers to whom coverage under the plan or program is made available;

"(B) provides for prompt review of each such plan, program, or amendment and determination of whether the plan, program, or amendment meets the requirements for approval under this title with respect to employees whose place of employment is within the State, and for prompt notification to the carrier and employers to whom it is known to have provided the plan or amendment, the self-insured employer, or the employer providing the special health care program, of such determination; and

"(C) provides for withdrawal, with respect

to employees whose place of employment is within the State, of the approval of any plan, program, or amendment which it determines no longer meets, or is administered in such a manner that it no longer meets, the requirements for approval under this part, and for prompt notification of the carrier and employers to whom it is known to have provided the plan or amendment, the self-insured employer, or the employer providing the special health program, of such determination;

"(2) provides for establishment of the reimbursement rates and standards applicable to payments by health care insurance plans and special health care programs approved under this title or provided pursuant to part B or C for items and services provided within the State, in accordance with such procedures and criteria as the Secretary may by regulation provide; and for dissemination of the rates and standards to affected carriers, self-insured employers, employers providing special health care programs, certified providers, and covered individuals, in accordance with such procedures as the Secretary may, by regulation, provide;

"(3) (A) provides that any individual, other than an individual who provides health care as an employee of the United States, or any of its agencies or instrumentalities, or entity, other than an entity which is controlled by the United States, or any of its agencies or instrumentalities, wishing to be certified as a full or associate participating provider with respect to items and services provided within the State may file an application for such certification;

"(B) provides for prompt review of each such application and determination of whether the applicant meets the requirements for certification under this title as a full or associate participating provider with respect to items or services provided within the State, and for prompt notification to the applicant of its determination;

"(C) provides for withdrawal of the certification of any individual or entity which it determines no longer meets the requirements for certification under this title with respect to items and services provided within the State, and for prompt notification to the individual or entity of such determination; and

"(D) provides for the dissemination of information concerning the certification of full and associate participating providers to affected carriers, self-insured employers, employers providing special health care plans, and covered individuals, in accordance with such procedures as the Secretary may, by regulation, provide;

"(4) provides for the establishment of arrangements, meeting such requirements as the Secretary may by regulation provide, under which any participating provider may determine the validity of a charge against an account established, pursuant to the requirements of sections 1825(d) and 1841(f), under an employee health care insurance plan or special health care program approved under this title for an employee whose place of employment is within the State, or under an assisted health insurance plan provided within the State pursuant to part B;

"(5) requires each carrier which provides an employee health care insurance plan to an employer with less than 50 employees whose place of employment is within the State under which coverage is made available pursuant to section 1801 to an employee whose place of employment is within the State, to offer the plan to all employers with less than 50 employees whose place of employment is within the State for the purpose of making coverage under the plan available to those employees pursuant to section 1801, and requires that the plan be offered to all such employers under the same rating structure and at the same rates;

"(6) has in effect an agreement with the Secretary under section 1122;

"(7) (A) requires each carrier or self-insured employer which offers or provides, within the State, an employee health care insurance or prepaid health care plan approved under this title, and each employer which offers or provides, within the State, a special employee health care program, to have on file with the State a current statement of the rates, or rating plans and formulas, applicable to the plan or arrangement, containing sufficient specificity to permit determination by the State of whether such rates, or rates based on such plans and formulas, are reasonable in relation to the benefits provided;

"(B) provides for the review of all such rates and rating plans and formulas, and for subsequent disapproval and suspension of any rate determined by the State to be unreasonable in relation to the benefits provided, or any plan or formula as to which it is determined that rates based on such plan or formula are unreasonable in relation to the benefits provided;

"(8) requires that there be an annual fiscal audit of each such carrier and employer by an independent certified public accountant and that the reports of such audits be available to the public;

"(9) requires each carrier which offers or provides, within the State, any plan or arrangement for financing or provision of health care to make available to each individual to whom the plan or arrangement is offered or provided, upon request, written information concerning—

"(A) the benefits and exclusions from coverage under such plan or arrangement,

"(B) the premium rate or rates for such plan or arrangement applicable to such individual, and

"(C) the percentage of the premium rate or rates for such plan or arrangement applicable to such individual which is expected to be paid out as benefits, as determined on the basis of actuarial standards prescribed by the Secretary;

"(10) requires that, except in case of emergency or other exceptional circumstances, each certified provider of health care within the State make available, in accordance with regulations of the Secretary, to individuals covered under a health care insurance plan approved under this title or provided pursuant to part B or C who seek such care directly from the provider, information concerning the provider's charges for commonly provided services, the provider's hours of operation and other matters affecting access to his services, and the extent to which the provider is licensed, accredited, or certified by recognized licensing, accrediting, or certifying agencies or bodies;

"(11) provides for determination of when carriers of employee health care insurance plans are insolvent or impaired and when carriers of prepaid health care plans, and self-insured employers providing employee health care insurance or prepaid health care plans, domiciled in the State, are unable, because of their financial condition, to meet their obligations to covered individuals under such plans; and assures that, in the event a carrier of an employee health care insurance plan is found to be insolvent or impaired, or a carrier of a prepaid health care plan or a self-insured employer providing an employee health care insurance or prepaid health care plan is found to be unable, because of its financial condition, to meet obligations to covered individuals under the plan, under the applicable laws of the State in which the carrier or self-insured employer is domiciled, any valid claim or obligation arising under—

"(A) employee health care insurance or prepaid health care plan coverage provided by the carrier or self-insured employer and made available pursuant to section 1801, to an employee whose place of employment is within the State, or

"(B) in the case of a carrier, a contractual obligation of the carrier to an employer under which employee health care insurance or prepaid health care plan coverage is made available pursuant to section 1801 to such an employee, will be fully paid, guaranteed, assumed, or reinsured under an insolvency or guarantee fund or other means established or regulated by the State;

"(12) provides for the coordination of benefits under health care insurance plans approved under this title or provided pursuant to part B and other insurance which provides for the financing of health care;

"(13) provides for furnishing the Secretary with such information as he may, by regulation, require concerning the activities carried out by the State under the statutes and regulations required by clauses (1) through (12); and

"(14) provides an opportunity for any aggrieved person to bring a suit in the courts of the State to——

"(A) compel the proper performance of any duty under State law related to the requirements of paragraphs (1) through (12), or to review any decision made pursuant to such a duty, and

"(B) compel any carrier, employer, or certified provider to comply with any requirement related to the requirements of paragraphs (1) through (12).

"(b) Upon his determination, in a calendar year, that a State is entitled to certification under this section, the Secretary shall so notify the State and shall certify it with respect to calendar years beginning after such calendar year.

"INFORMATION FROM EMPLOYERS

"SEC. 1862. The Secretary may require any employer to furnish such information, at such time and in such form, as he finds necessary to determine if part A applies to such employer and, if so, whether such employer is complying with the requirements of that part.

"AGREEMENTS WITH OTHER AGENCIES

"SEC. 1863. The Secretary, pursuant to agreement with the head of any Federal agency, may utilize the services and facilities of such agency in carrying out his functions under this title and may provide for payment therefor in advance or by way of reimbursement, and in such installments, as may be agreed upon.

"JUDICIAL REVIEW OF CERTAIN DETERMINATIONS OF THE SECRETARY

"SEC. 1864. (a) Any State dissatisfied with a determination of the Secretary under section 1861 with respect to whether the State is meeting the requirements of section 1861 may, within 60 days after it has been notified of such determination, file a petition for review of such determination with the United States court of appeals for the circuit in which such State is located. 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 record of the proceedings on which he based his determination as provided in section 2112 of title 28, United States Code.

"(b) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous

action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(c) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be 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.

"JUDICIAL REMEDIES FOR NONCOMPLIANCE; CRIMINAL SANCTIONS

"SEC. 1868. (a) The Attorney General may bring suit to compel an employer to comply with the provisions of part A. Such a suit shall be brought in the United States district court, including any court enumerated in section 460 of title 28, United States Code, for the district in which the employer's principal place of business is located.

"(b) Any employee may bring suit to compel his employer to comply with the provisions of part A with respect to him and to recover any expenditures necessitated by his employer's failure to do so. Such suit may be brought, without regard to jurisdictional amount, in the United States district court, including any court enumerated in section 460 of title 28, United States Code, for the district in which the plaintiff's place of employment is located or such other district as may be permitted by law.

"(c)(1) Any employer who fails to comply with the requirements imposed upon employers by part A shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 for each employee with respect to whom he failed to so comply.

"(2) Any person who fails to comply with any regulation or order issued by the Secretary pursuant to section 1862, or who submits false information to the Secretary in connection with any such order or regulation, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000.

"PART F—MISCELLANEOUS PROVISIONS

"DEFINITIONS

"SEC. 1881. For purposes of this title—

"Inpatient Hospital Services

"(a) The term 'inpatient hospital services' means the following items and services furnished to an inpatient of a hospital and (except as provided in paragraph (3)) by the hospital—

"(1) bed and board;

"(2) such nursing services and other related services, such use of hospital facilities, and such medical social services as are ordinarily furnished by the hospital for the care and treatment of inpatients, and such drugs, biologicals, supplies, appliances, and equipment, for use in the hospital, as are ordinarily furnished by such hospital for the care and treatment of inpatients; and

"(3) such other diagnostic or therapeutic items or services, furnished by the hospital or by others under arrangements with them made by the hospital, as are ordinarily furnished to inpatients either by such hospital or by other under such arrangements;

excluding, however—

"(4) medical or surgical services provided by a physician who is not an employee of the hospital; and

"(5) the services of a private-duty nurse or other private-duty attendant.

"Hospital

"(b) The term 'hospital' means, except with respect to emergency services provided outside the United States, an institution which—

"(1) is primarily engaged in providing, by or under the supervision of physicians, to inpatients (A) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

"(2) maintains clinical records on all patients;

"(3) has bylaws in effect with respect to its staff of physicians;

"(4) has a requirement that every patient must be under the care of a physician;

"(5) provides 24-hour nursing service rendered or supervised by a registered professional nurse, and has a licensed practical nurse or registered professional nurse on duty at all times;

"(6) has in effect a hospital utilization review plan which meets the requirements of subsection (k);

"(7) in the case of an institution in any State in which State or applicable local law provides for the licensing of hospitals, (A) is licensed pursuant to such law or (B) is approved, by the agency of such State or locality responsible for licensing hospitals, as meeting the standards established for such licensing; and

"(8) meets such other requirements as the Secretary finds necessary in the interest of the health safety of the individuals who are furnished services in the institution.

"Notwithstanding the preceding provisions of this subsection, such term shall not include any institution which is primarily for the care and treatment of mental diseases or tuberculosis unless it is a psychiatric hospital (as defined in subsection (c)) or unless it is a tuberculosis hospital (as defined in subsection (d)). The term 'hospital' also includes a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to items and services ordinarily furnished by such institution to inpatients, and payments may be made with respect to services provided by or in such an institution only to such extent and under such conditions, limitations, and requirements (in addition to or lieu of the conditions, limitations, and requirements otherwise applicable) as may be provided in regulations.

"Psychiatric Hospital

"(c) The term 'psychiatric hospital' means an institution which—

"(1) is primarily engaged in providing, by or under the supervision of a physician, psychiatric services for the diagnosis and treatment of mentally ill persons;

"(2) satisfies the requirements of paragraphs (3) through (8) of subsection (b);

"(3) maintains clinical records on all patients and maintains such records as the Secretary finds to be necessary to determine the degree and intensity of the treatment provided to individuals;

"(4) meets such staffing requirements as the Secretary finds necessary for the institution to carry out an active program of treatment for individuals who are furnished services in the institution; and

"(5) is accredited by the Joint Commission on Accreditation of Hospitals.

In the case of an institution which satisfies paragraphs (1) and (2) of the preceding sentence and which contains a distinct part which also satisfies paragraphs (3) and (4) of such sentence, such distinct part shall be considered to be a 'psychiatric hospital' if the institution is accredited by the Joint Commission on Accreditation of Hospitals or if such distinct part meets requirements equivalent to such accreditation requirements as determined by the Secretary.

"Tuberculosis Hospital

"(d) The term 'tuberculosis hospital' means an institution which—

"(1) is primarily engaged in providing, by or under the supervision of a physician, medical services for the diagnosis and treatment of tuberculosis;

"(2) satisfies the requirements of paragraphs (3) through (8) of subsection (b);

"(3) maintains clinical records on all patients and maintains such records as the Secretary finds to be necessary to determine the degree and intensity of the treatment provided to individuals;

"(4) meets such staffing requirements as the Secretary finds necessary for the institution to carry out an active program of treatment for individuals who are furnished services in the institution; and

"(5) is accredited by the Joint Commission on Accreditation of Hospitals.

In the case of an institution which satisfies paragraphs (1) and (2) of the preceding sentence and which contains a distinct part which also satisfies paragraphs (3) and (4) of such sentence, such distinct part shall be considered to be a "tuberculosis hospital" if the institution is accredited by the Joint Commission on Accreditation of Hospitals or if such distinct part meets requirements equivalent to such accreditation requirements as determined by the Secretary.

"Physicians' Services

"(e) The term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office and institutional calls.

"Physician

"(f) The term 'physician' when used in connection with the performance of any function or action, means, except with respect to emergency services provided outside the United States, (1) a doctor of medicine or osteopathy, other than an intern, resident, or fellow, legally authorized to practice medicine and surgery by the State in which he performs such function or action (including a physician within the meaning of section 1101(a)(7)), (2) a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he performs such function but only with respect to (A) surgery related to the jaw or any structure contiguous to the jaw or (B) the reduction of any fracture of the jaw or any facial bone, (3) a doctor of optometry who is legally authorized to practice optometry by the State in which he performs such function, but only with respect to establishing the necessity for prosthetic lenses, or (4) except for the purposes of subsections (j), (k), (m) and (n), a doctor of podiatry or surgical chiropody, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform in the State in which he performs them.

"Medical and Other Health Services

"(g) The term 'medical and other health services' means any of the following items or services—

"(1) physicias' services;

"(2)(A) services, other than physician extender services, and supplies (including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered) furnished as an incident to a physician's professional service, of kinds which are commonly furnished in physicians' offices and are commonly either rendered without charge or included in the physicians' bills;

"(B) hospital services (including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered) other than physician extender services, incident to physicians' services rendered to outpatients;

"(C) diagnostic services which are—

"(i) furnished to an individual as an outpatient by a hospital or by other under

arrangements with them made by a hospital, and

"(ii) ordinarily furnished by such hospital (or by others under such arrangements) to its outpatients for the purpose of diagnostic study;

"(D) outpatient physical therapy services; and

"(E) physician extender services;

"(3) diagnostic X-ray tests (including tests under the supervision of a physician, furnished in a place of residence used as the patient's home, if the performance of such tests meets such conditions relating to health and safety as the Secretary may find necessary), diagnostic laboratory tests, and other diagnostic tests;

"(4) X-ray, radium, and radioactive isotope therapy, including materials and services of technicians;

"(5) surgical dressings, and splints, casts, and other devices used for a reduction of fractures and dislocations;

"(6) durable medical equipment, including dialysis equipment and supplies, iron lungs, oxygen tents, hospital beds, and wheelchairs used in the patient's home (including an institution used as his home other than an institution that meets the requirements of subsection (b)(1) or (j)(1) of this section), whether furnished on a rental basis or purchased;

"(7) ambulance service where the use of other methods of transportation is contraindicated by the individual's condition, but only to the extent provided in regulations;

"(8) prosthetic devices (other than dental) which replace all or part of an internal body organ (including colostomy bags and supplies directly related to colostomy care) including replacement of such devices; and

"(9) leg, arm, back, and neck braces, and artificial legs, arms, and eyes, including replacements if required because of a change in the patient's physical condition.

No diagnostic tests performed in any laboratory which is independent of a physician's office or a hospital shall be included within paragraph (3) unless such laboratory—

"(10) if situated in any State in which State or applicable local law provides for licensing of establishments of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality, responsible for licensing establishments of this nature, as meeting the standards established for such licensing; and

"(11) meets such other conditions relating to the health and safety of individuals with respect to whom such tests are performed as the Secretary may find necessary.

There shall be excluded from the diagnostic services specified in paragraph (2)(C) any item or service (except services referred to in paragraph (1)) which—

"(12) would not be included under subsection (a) if it were furnished to an inpatient of a hospital; or

"(13) is furnished under arrangements referred to in such paragraph (2)(C) unless furnished in the hospital or in other facilities operated by or under the supervision of the hospital or its organized medical staff.

"Extended Care Services

"(h) The term 'extended care services' means the following items and services furnished to an inpatient of a skilled nursing facility and (except as provided in paragraphs (3) and (6)) by such skilled nursing facility—

"(1) nursing care provided by or under the supervision of a registered professional nurse;

"(2) bed and board in connection with the furnishing of such nursing care;

"(3) physical, occupational, or speech therapy furnished by the skilled nursing facility or by others under arrangements with them made by the facility;

"(4) medical social services;

"(5) such drugs, biologicals, supplies, appliances, and equipment, furnished for use in the skilled nursing facility as are ordinarily furnished by such facility for the care and treatment of inpatients;

"(6) medical services provided by an intern, resident-in-training, or fellow of a hospital with which the facility has in effect a transfer agreement (meeting the requirements of subsection (l)), under a teaching program of such hospital, and other diagnostic or therapeutic services provided by a hospital with which the facility has such an agreement in effect; and

"(7) such other services necessary to the health of the patients as are generally provided by skilled nursing facilities;

excluding however, any item or service if it would not be included under subsection (a) if furnished to an inpatient of a hospital.

"Post-Hospital Extended Care Services

"(i) The term 'post-hospital extended care services' means extended care services furnished an individual after transfer from a hospital in which he was an inpatient for not less than 3 consecutive days before his discharge from the hospital in connection with such transfer, and for so long as he remains in the skilled nursing facility providing the services and is not discharged from it. For purposes of the preceding sentence, items and services shall be deemed to have been furnished to an individual after transfer from a hospital, and he shall be deemed to have been an inpatient in the hospital immediately before transfer therefrom, if he is admitted to the skilled nursing facility—

"(A) within 14 days after discharge from such hospital, or

"(B) within 28 days after such discharge, in the case of an individual who was unable to be admitted to a skilled nursing facility within such 14 days because of a shortage of appropriate bed space in the geographic area in which he resides, or (C) within such time as it would be medically appropriate to begin an active course of treatment, in the case of an individual whose condition is such that skilled nursing facility care would not be medically appropriate within 14 days after discharge from a hospital.

An individual shall be deemed not to have been discharged from a skilled nursing facility if, within 14 days after discharge therefrom, he is admitted to such facility or any other skilled nursing facility.

"Skilled Nursing Facility

"(j) The term 'skilled nursing facility' means an institution (or a distinct part of an institution) which has in effect a transfer agreement (meeting the requirements of subsection (l)) with one or more certified hospitals and which—

"(1) is primarily engaged in providing to inpatients (A) skilled nursing care and related services for patients who require medical or nursing care, or (B) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

"(2) has policies, which are developed with the advice of (and with provision of review of such policies from time to time by) a group of professional personnel, including one or more physicians and one or mre registered professional nurses, to govern the skilled nursing care and related medical or other services it provides;

"(3) has a physician, a registered professional nurse, or a medical staff responsible for the execution of such policies;

"(4)(A) has a requirement that the health care of every patient must be under the supervision of a physician, and (B) provides for having a physician available to furnish necessary medical care in case of emergency;

"(5) maintains clinical records on all patients;

"(6) provides 24-hour nursing service which is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (2), and has at least one registered professional nurse employed full time;

"(7) provides appropriate methods and procedures for the dispensing and administering of drugs and biologicals;

"(8) has in effect a utilization review plan which meets the requirements of subsection (k);

"(9) in the case of an institution in any State in which State or applicable local law provides for the licensing of institutions of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing;

"(10) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of each patient's need for skilled nursing facility care);

"(11) meets such provisions of the Life Safety Code of the National Fire Protection Association (21st edition, 1967) as are applicable to nursing homes; except that, for such periods as are appropriate, specific provisions of such Code which if rigidly applied would result in unreasonable hardship upon a nursing home may be waived, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in nursing facilities; and

"(12) meets such other conditions relating to the health and safety of individuals who are furnished services in such institution or relating to the physical facilities thereof as the Secretary may find necessary, except that the Secretary shall not require as a condition of participation that medical social services be furnished in any such institution.

The term 'skilled nursing facility' also includes a Christian Science Sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to items and services ordinarily furnished by such an institution to inpatients.

"To the extent that paragraph (6) of this subsection may be deemed to require that any skilled nursing facility engage the services of a registered professional nurse for more than 40 hours a week, the Secretary is authorized to waive such requirement if he finds that—

"(A) such facility is located in a rural area and the supply of skilled nursing facility services in such area is not sufficient to meet the needs of individuals residing therein,

"(B) such facility has one full-time registered professional nurse who is regularly on duty at such facility 40 hours a week, and

"(C) such facility (i) has only patients whose physicians have indicated (through physicians' orders or admission notes) that each such patient does not require the services of a registered nurse or a physician for a 48-hour period, or (ii) has made arrangements for a registered professional nurse or a physician to spend such time at such facility as may be indicated as necessary by the physician to provide necessary skilled nursing services on days when the regular

full-time registered professional nurse is not on duty.

"Utilization Review

"(k) A utilization review plan of a hospital or skilled nursing facility shall be considered sufficient if it is applicable to services furnished by the institution to individuals entitled to insurance benefits under this title and if it provides—

"(1) for the review of admissions to the institution, the duration of stays therein, and the professional services (including drugs and biologicals) furnished, (A) with respect to the medical necessity of the services, and (B) for the purpose of promoting the most efficient use of available health facilities and services;

"(2) for such review to be made by either (A) a staff committee of the institution composed of two or more physicians, with or without participation of other professional personnel, or (B) a group outside the institution which is similarly composed and (i) which is established by the local medical society and some or all of the hospitals and skilled nursing facilities in the locality, or (ii) if (and for as long as) there has not been established such a group which serves such institution, which is established in such other manner as may be approved by the Secretary;

"(3) for such review, in each case of inpatient hospital services or extended care services furnished to such an individual during a continuous period of extended duration, as of such days of such period (which may differ for different classes of cases) as may be specified in regulations, with such review to be made as promptly as possible, after each day so specified, and in no event later than one week following such day; and

"(4) for prompt notification to the institution, the individual, and his attending physician of any finding (made after opportunity for consultation to such attending physician) by the physician members of such committee or group that any further stay in the institution is not medically necessary.

The review committee must be composed as provided in clause (B) of paragraph (2) rather than as provided in clause (A) of such paragraph in the case of any hospital or skilled nursing facility where, because of the small size of the institution, or (in the case of a skilled nursing facility) because of lack of an organized medical staff, or for such other reason or reasons as may be included in regulations, it is impracticable for the institution to have a properly functioning staff committee for the purposes of this subsection.

"Agreements for Transfer Between Skilled Nursing Facilities and Hospitals

"(l) A hospital and a skilled nursing facility shall be considered to have a transfer agreement in effect, if, by reason of a written agreement between them or (in case the two institutions are under common control) by reason of a written undertaking by the person or body which controls them, there is reasonable assurance that—

"(1) transfer of patients will be effected between the hospital and the skilled nursing facility whenever such transfer is medically appropriate as determined by the attending physician; and

"(2) there will be interchange of medical and other information necessary or useful in the care and treatment of individuals transferred between the institutions, or in determining whether such individuals can be adequately cared for otherwise than in either of such institutions.

Any skilled nursing facility which does not have such an agreement in effect, but which has attempted in good faith to enter into such an agreement with a hospital sufficiently close to the facility to make feasible the transfer between them of patients and the information referred to in paragraph (2), shall be considered to have such an agreement in effect if and for so long as to do so is in the public interest and essential to assuring extended care services for persons in the community who are eligible for payments with respect to such services under this title.

"Home Health Services

"(m) The term 'home health services' means the following items and services furnished to an individual, confined to his home (except when receiving items and services referred to in clause (7)) and in need of skilled nursing care on an intermittent basis, or physical or speech therapy, who is under the care of a physician, by a home health agency or by others under arrangements with them made by such agency, under a plan (for furnishing such items and services to such individual) established and periodically reviewed by a physician, which items and services are, except as provided in paragraph (7), provided on a visiting basis in a place of residence used as such individual's home—

"(1) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;

"(2) physical, occupational, or speech therapy;

"(3) medical social services under the direction of a physician;

"(4) to the extent permitted in regulations, part-time or intermittent services of a home health aide;

"(5) medical supplies (other than drugs and biologicals), and the use of medical appliances, while under such a plan;

"(6) in the case of a home health agency which is affiliated or under common control with a hospital, medical services provided by an intern or resident-in-training of such hospital under a teaching program of such hospital; and

"(7) any of the foregoing items and services which are provided on an outpatient basis, under arrangements made by the home health agency, at a hospital or skilled nursing facility, or at a rehabilitation center which meets such standards as may be prescribed in regulations, and—

"(A) the furnishing of which involves the use of equipment of such a nature that the items and services cannot readily be made available to the individual in such place of residence, or

"(B) which are furnished at such facility while he is there to receive any such item or service described in clause (A), but not including transportation of the individual in connection with any such item or service;

excluding, however, any item or service if it would not be included under subsection (a) if furnished to an inpatient of a hospital.

"Home Health Agency

"(n) The term 'home health agency' means a public agency or private organization, or a subdivision of such an agency or organization, which—

"(1) is primarily engaged in providing skilled nursing services and other therapeutic services;

"(2) has policies, established by a group of professional personnel (associated with the agency or organization), including one or more physicians and one or more registered professional nurses, to govern the services (referred to in paragraph (1)) which it provides, and provides for supervision of such services by a physician or registered professional nurse;

"(3) maintains clinical records on all patients;

"(4) in the case of an agency or organization in any State in which State or applicable local law provides for the licensing of agencies or organizations of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing agencies or organizations of this nature, as meeting the standards established for such licensing; and

"(5) meets such other conditions as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by such agency or organization;

"(6) meets such other standards and requirements as the Secretary may by regulation provide.

"Outpatient Physical Therapy Services

"(o) The term 'outpatient physical therapy services' means physical therapy services furnished by a hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or a public health agency, or by others under an arrangement with, and under the supervision of, such hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or public health agency to an individual as an outpatient—

"(1) who is under the care of a physician, and

"(2) with respect to whom a plan prescribing the type, amount, and duration of physical therapy services that are to be furnished such individual has been established, and is periodically reviewed, by a physician (as so defined);

excluding, however—

"(3) any item or service if it would not be included under subsection (a) if furnished to an inpatient of a hospital; and

"(4) any such service—

"(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

"(i) provides an adequate program of physical therapy services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may specify,

"(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists, to govern the services (referred to in clause (i)) it provides,

"(iii) maintains clinical records on all patients,

"(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

"(v) meets such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Secretary may find necessary, or

"(B) if furnished by a public health agency unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Secretary may find necessary. In addition, such term includes physical therapy services which meet the requirements of the first sentence of this subsection except that they are furnished to an individual as an inpatient of a hospital or skilled nursing facility. The term 'outpatient physical therapy services' also includes speech pathology services furnished by a hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency,

or by a public health agency, or by others under an arrangement with, and under the supervision of, such hospital, skilled nursing facility, home health agency, clinic, rehabilitation agency, or public health agency to an individual as an outpatient, subject to the conditions prescribed in this subsection.

"Drugs and Biologicals

"(p) The term 'drugs' and the term 'biologicals', except for purposes of subsection (m)(5) of this section, include only such drugs and biologicals, respectively, as are required by section 503(b) of the Federal Food, Drug, and Cosmetic Act to be dispensed only upon prescription, and such other drugs and biologicals as the Secretary may by regulation provide.

"Outpatient Drugs and Biologicals

"(q) The term 'outpatient drugs and biologicals' means drugs and biologicals required by section 503(b) of the Federal Food, Drug, and Cosmetic Act to be dispensed only upon prescription and such other life saving and sustaining drugs and biologicals as the Secretary may by regulation provide, provided for an individual who is not an inpatient in a hospital or skilled nursing facility.

"Routine Dental Services

"(r) The term 'routine dental services' means services in connection with the examination, care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth provided by a dentist or an assistant to a dentist working under his supervision, except that it does not include orthodontic services.

"Dentist

"(s) The term 'dentist', when used in connection with the performance of any function, means a doctor of dentistry or of dental or oral surgery who is legally authorized to practice dentistry by the State in which he performs such function.

"Eyeglasses

"(t) The term 'eyeglasses' means lenses for the correction of a vision defect, other than contact lenses, provided on the basis of an eye examination.

"Eye and Vision Examination

"(u) The term 'eye and vision examination' means an examination for the purpose of determining the need for eyeglasses or vision care, or prescribing, fitting, or changing eyeglasses, performed by an individual who may legally perform such examination in the State in which it is performed.

"Hearing Aids and Examinations

"(v) The term 'hearing aids and examinations' means devices for the correction of hearing defects and examinations for the purpose of determining the need for such a device, subject to such limitations and restrictions as the Secretary may by regulation provide.

"Physician Extender Services

"(w) The term 'physician extender services' means services performed under the supervision and control of a physician by a physician's assistant, nurse practitioner, or other individual, whether or not performed in the office of such physician or at a place at which he is present, if—

"(1) the services are, related to the practice by the supervising physician of general medicine, family medicine, internal medicine, geriatrics, or such other medical specialties as the Secretary may by regulation prescribe,

"(2) the individual has—

"(A) successfully completed an appropriate training program approved by the Secretary or by an accrediting organization approved by the Secretary, or

"(B) passed a physician extender certification examination conducted by a certifying organization approved by the Secretary which does not have as a prerequisite graduation from an accredited training program, or;

"(C) met such other proficiency requirements as the Secretary may by regulation prescribe,

"(3) the individual may legally perform the services in the State in which the services are performed,

"(4) under the law of the State in which the services are performed, the individual acts, in performing the services, as the agent or otherwise on behalf of the supervising physician or organization which employs the individual, and

"(5) the charges for such services are included in the bills of the supervising physician or the employing organization.

"Carrier

"(x) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier, other than a self-insured employer.

"Self-Insured Employer

"(y) The term 'self-insured employer' means an employer who (either through outside administrators or otherwise) engages, without arrangements with a carrier, in providing, paying for, or reimbursing the cost of, health services for his employees.

"Family

"(z)(1) The term 'employee and the members of his family' means the employee and

"(A) his spouse, and

"(B) each parent, step-parent, unmarried child, and unmarried stepchild of the employee or the employee's spouse receiving more than one-half of his support from the employee and his spouse,

who is residing at the place of residence maintained by the employee as his home.

"(2) The term 'members of a family' means an individual and

"(A) his spouse, and

"(B) each parent, step-parent, unmarried child, and unmarried stepchild of the individual or the employee's spouse receiving more than one-half of his support from the individual and his spouse,

who is residing at the place of residence maintained by the individual as his home. For purposes of the preceding sentence, the term 'individual' does not include any individual who is receiving more than one-half of his support from a child and his spouse or a stepchild and his spouse, and is residing at the place of residence maintained by that child or stepchild as his home, or any unmarried individual who is receiving more than one-half of his support from a parent and his spouse, or a step-parent and his spouse, and is residing at the place of residence maintained by that parent or step-parent as his home.

"(3) An individual who is determined, under regulations prescribed by the Secretary, to be temporarily absent from a place of residence for the purpose of engaging in or seeking employment or self-employment (including military service), or attending a school, college, or university, or a course of vocational or technical training, or receiving institutional care, shall be considered to be residing at that place of residence.

"Income

"(aa) The term 'income' means all income, from whatever source derived, as determined under regulations prescribed by the Secretary, and subject to such restrictions and limitations as he may, by regulation, provide.

"Arrangements for certain services

"(bb) The term 'arrangements' is limited to arrangements under which receipt of payment by the hospital, a skilled nursing facility, or home health agency (whether in its own right or as agency), with respect to services for which an individual is entitled to have payment made under this title, discharges the liability of such individual or any other person to pay for the services.

"State and United States

"(cc) The terms 'State' and 'United States' have the meaning given to them by subsections (h) and (i), respectively, of section 210.

"Employee

"(dd) Whether an individual is an employee of another shall be determined at common law. The term includes employees of State and local governments, and their agencies and instrumentalities.

"American employer

"(ee) The term 'American employer' means an employer which is (1) a State or local government or an agency or instrumentality of one of the foregoing, (2) an individual who is a resident of the United States, (3) a partnership, if two-thirds or more of the partners are residents of the United States, (4) a trust, if all of the trustees are residents of the United States, or (5) a corporation organized under the laws of the United States or of any State.

"REPORT

"SEC 1882. On or before January 15 of the year following the fiscal year in which this section is enacted, and annually thereafter, the Secretary shall prepare a report, and submit it to the President for transmission to the Congress, summarizing the activities conducted in the preceding fiscal year in compliance with the amendments to this Act made by the Comprehensive Health Insurance Act of 1974. The report shall include an appraisal of the adequacy of the program under this title to meet the health care needs of the American people, and shall make such legislative recommendations as the Secretary deems appropriate."

EFFECTIVE DATE

SEC. 102. (a) Except as provided in subsection (b), section 101 of this Act shall be effective on January 1, 1976, or, if later, the first day of the first calendar year commencing at least 18 months after the enactment of this Act.

(b) Notwithstanding subsection (a), the provisions of title XVIII of the Social Security Act, as in effect prior to the enactment of this Act, shall remain in effect on and after January 1, 1976, with respect to individuals entitled to hospital insurance benefits under section 226 of the Social Security Act, as amended by this Act, and wages and self-employment income earned in States not certified by the Secretary under section 1861 of the Social Security Act, as amended by this Act.

TRANSITIONAL PROVISIONS CONCERNING PAYMENTS TO CERTAIN EMPLOYERS

SEC. 103. (a) If the total cash wages paid by an employer to his employees whose place of employment is within a single State, in the first year in which the amendments made by section 101 of this Act are effective with respect to those employees, or in any of the succeeding four years, when multiplied by the difference between—

(A) the ratio of (I) the cost to the employer of meeting the employer contribution requirement imposed by part A of title

XVIII of the Social Security Act, as amended by this Act with respect to those employees in that year to, (II) the total cash wages paid to those employees; and

(B) the ratio of (I) the cost to the employer of providing health benefits to his employees whose place of employment is in that State in the year preceding the year in which the amendments made by section 101 of this Act are effective with respect to those employees to, (II) the total cash wages paid to those employees in that year,

exceeds 3 percent of the total cash wages paid to those employees in that year, the Secretary shall pay to the employer the following percentages of that excess—

(1) for the first year in which the amendments made by section 101 of this Act are effective with respect to those employees, 75 per centum.

(2) for the first succeeding year, 60 percent.

(3) for the second succeeding year, 45 percent;

(4) for the third succeeding year, 30 percent; and

(5) for the fourth succeeding year, 15 percent.

(b) There are authorized to be appropriated such sums as may be necessary for the Secretary to make the payments required by subsection (a).

TRADITIONAL PROVISIONS CONCERNING EMPLOYER CONTRIBUTIONS

SEC. 104. Notwithstanding the provisions of section 1802 of the Social Security Act, as amended by this Act, the employer contribution requirement imposed under section 1802 with respect to employment in a State shall be 65 percent for 3 years beginning with the date that section 1802 is applicable to employment in that State.

TRADITIONAL PROVISIONS CONCERNING ELIGIBILITY FOR FEDERAL HEALTH CARE BENEFITS

SEC. 105. (a) Anyone who resides in a State certified by the Secretary under section 1861 of the Social Security Act, as amended by this Act—

(1) has attained the age of 65,

(2) (A) attained that age before or during the calendar year in which section 101 of this Act becomes effective under section 102(a) of this Act, or (B) has not less than 3 quarters of coverage (as defined in title II of the Social Security Act or section 5(*l*) of the Railroad Retirement Act of 1937), whenever acquired, for each calendar year elapsing after the calendar year before the calendar year in which section 101 of this Act becomes effective under section 102(a) of this Act and before the year in which he attained that age,

(3) is not, and upon filing the appropriate application would not be, entitled to federal health care benefits under section 1831 of that Act, and is not certifiable as a qualified railroad retirement beneficiary under section 21 of the Railroad Retirement Act of 1937,

(4) is a resident of the United States (as defined in section 210(i) of the Social Security Act), and is (A) a citizen of the United States or (B) an alien lawfully admitted for permanent residence, and

(5) has filed an application under this section in such manner and in accordance with such other requirements as may be prescribed in regulations of the Secretary, shall (subject to the limitations of this section) be deemed, solely for purposes of section 1831 of the Social Security Act, to be entitled to monthly insurance benefits under section 202 for each month, beginning with the first month in which he meets the requirements of this subsection and ending with the month in which he dies, or, if earlier, the month before the month in which he becomes, or upon filing the appropriate application under title II of that Act would become, entitled to Federal health care benefits under section 1831 or become certifiable as a qualified railroad retirement beneficiary. An individual who would have met the preceding requirements of this subsection in any month had he filed application under paragraph (5) hereof before the end of that month shall be deemed to have met those requirements in that month if he files the application before the end of the twelfth month following that month. No application under this section which is filed by an individual more than 3 months before the first month in which he meets the requirements of paragraphs (1), (2), (3), and (4) shall be accepted as an application for purposes of this section.

(b) The provisions of subsection (a) shall not apply to any individual who—

(1) is, at the beginning of the first month in which he meets the requirements of subsection (a), a member of any organization referred to in section 210(a)(17) of the Social Security Act, or

(2) has, prior to the beginning of that first month, been convicted of any offense listed in section 202(u) of the Social Security Act.

(c) There is authorized to be appropriated to the Federal Health Care Benefits Trust Fund (established by section 1835 of the Social Security Act) from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

(1) payments, other than payments described in section 1836(1) of the Social Security Act, as amended by this Act, made or to be made during such fiscal year from that Trust Fund with respect to individuals who are entitled to Federal health care benefits under section 1831 solely by reason of this section,

(2) the additional administrative expenses resulting or expected to result from the making of those payments,

(3) any loss in interest to the Trust Fund resulting from the making of those payments,

in order to place that Trust Fund, at the end of the fiscal year, in the same position in which it would have been if the preceding subsections of this section had not been enacted.

TITLE II—REDUCTION IN SERVICES PROVIDED UNDER MEDICAL ASSISTANCE PROGRAMS

AMENDMENTS TO MEDICAID PROGRAM

SEC. 201. (a) Section 1902(a) of that Act is amended by—

(1) striking out the parenthetical phrase in paragraph (9);

(2) striking out "paragraph (4), (14), or (16)" in paragraph (10) and inserting "paragraph (1), (4) or (5)" in lieu thereof;

(3) striking out clause (II) in paragraph (10), inserting "and" at the end of clause (I), and redesignating clause (III) as clause (II);

(4) striking out paragraph (13) and inserting the following new paragraph in lieu thereof:

"(13) provide—

"(A) for inclusion of at least the services listed in clauses (1) and (2) of section 1905 (a), and

"(B) for payment for the items and services provided under the plan on the basis of such standards as the Secretary may by regulation prescribe;";

(5) striking out "through (5) and (7)" in paragraph (14)(A) and inserting "and (2)" in lieu thereof;

(6) striking out paragraph (15);

(7) striking out "(including drugs)" and "community pharmacy," in paragraph (23);

(8) inserting "psychiatric" before "hospitals" in paragraph (24);

(9) striking out "1861(j)" in paragraph (28) and inserting "1881(j)" in lieu thereof; and

(10) striking out "the State or local agency utilized by the Secretary for the purpose specified in the first sentence of section 1864 (a), or, if such agency is not" and ", the State agency responsible for such licensing," in paragraph (33) (B).

(b) Section 1903(a) of such Act is amended by—

(1) striking out everything after "under the State plan" in clause (1) and inserting "; plus" in lieu thereof; and

(2) striking out clause (5).

(c) Section 1903(b) of such Act is amended by striking out paragraph (1).

(d) Section 1903(g)(1) of such Act is amended by—

(1) striking out "hospital (including an institution for tuberculosis)," and "inpatient hospital services (including tuberculosis hospitals)," in the matter before clause (A); and striking out "section 1812" and inserting "title XVIII" in lieu thereof.

(e) Section 1903(i) of such Act is amended by striking out clause (1) through (3).

(f) Section 1903(i) of such Act is further amended by—

(1) striking out "hospital or" each time that it appears in clause (4); and

(2) striking out "1861(k)" each time that it appears in clause (4) and inserting "1881 (k)" in lieu thereof.

(g) Section 1903 is further amended by striking out subsections (j) and (k).

(h) The first sentence of section 1905(a) of such Act is amended by striking out everything after "all of such cost—" and inserting in lieu thereof the following:

"(1) skilled nursing facility services (other than services in an institution for tuberculosis or mental diseases) for individuals 21 years of age or older;

"(2) home health care services;

"(3) intermediate care facility services (other than such services in an institution for tuberculosis or mental diseases) for individuals who are determined, in accordance with section 1902(a)(31)(A), to be in need of such care;

"(4) for individuals 65 years of age or older, inpatient hospital services in an institution for mental diseases, and skilled nursing services and intermediate care facility services in an institution for tuberculosis or mental diseases;

"(5) inpatient psychiatric hospital services for individuals under 21, as defined in subsection (h); and

"(6) any other medical care, and any other type of remedial care recognized under State law, specified by the Secretary which is provided to an individual in an institution or is intended to reduce the need for institutionalization;

except that such term does not include—

"(A) any such payments with respect to care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution);

"(B) except as otherwise provided in paragraph (5), any such payments with respect to care or services for any individual who has not attained 65 years of age and who is a patient in an institution for tuberculosis or mental diseases; or

"(C) any such payments with respect to care or services which must be covered under a health care insurance plan provided under part B or C of title XVIII or for any premium, deductible, or coinsurance which must be imposed under such plan."

(i) Section 1905 of such Act is further amended by—

(1) striking out subsections (e) and (g); and

(2) striking out everything after "Indian reservation" in subsection (i) and inserting "and is certified under title XVIII." in lieu thereof.

(j) Section 1910 of such Act is amended to read as follows:

"SEC. 1910. An institution certified as a skilled nursing facility under title XVIII shall be deemed to meet the standards for certification as a skilled nursing facility for purposes of section 1902(a)(28)."

(k) Section 1902(b) is amended by inserting "submitted by a State certified under section 1861" after "approve any plan".

EFFECTIVE DATE

SEC. 202. The amendments made by section 201 shall be effective with respect to payments under section 1903 of the Social Security Act for quarters beginning on or after the effective date of section 101 of this Act under section 102(a) of this Act.

AMENDMENTS TO PROFESSIONAL STANDARDS REVIEW PROGRAM

SEC. 301. (a)(1) Section 1151 of the Social Security Act is amended by—

(A) inserting ", or which are provided," immediately after "(in whole or in part)",

(B) inserting ", or which are provided," immediately before "under the Social Security Act", and

(C) inserting ", and such services will be provided" immediately after "payment for such services will be made".

(2) Section 1155(a)(1) of that Act is amended by—

(A) striking out "(subject to the provisions of subsection (g))", and

(B) striking out "under this Act" and inserting "under title V or XIX, for which payment may be made by a health care insurance plan or special employee health care program approved under title XVIII or provided pursuant to part B or C of that title, or which are provided by a prepaid health care plan or special employee health care program approved under title XVIII," in lieu thereof.

(3) Section 1155 of that Act is further amended by striking out subsection (g).

(4) Section 1157 of that Act is amended by striking out the last sentence therein.

(5) Section 1158(a) of that Act is amended by striking out everything before clause (1) and inserting "Except as provided for in section 1159, no Federal funds appropriated under title XIX for the provision of health care items and services shall be used (directly or indirectly) for the payment for, and no health care insurance plan or special employee health care program approved under title XVIII or provided under part B or C of that title shall make payment on, any claim for the provision of any item or service, unless the Secretary pursuant to regulation determines that the claimant is without fault if—" in lieu thereof.

(6) Section 1159(a) of that Act is amended by striking out everything before "or a provider or practitioner" and inserting "Any individual entitled to benefits under title XIX or covered under a health care insurance plan or special employee health care program approved under title XVIII or provided under part B or C of that title" in lieu thereof.

(7) Section 1160(a) of that Act is amended by striking out "to beneficiaries and recipients under this Act" and inserting "to individuals eligible for benefits under title V or XIX or covered under a health care insurance plan, prepaid health care plan, or special employee health care program approved under title XVIII or provided under part B or C of that title" in lieu thereof.

(8) Section 1160(b) of that Act is amended by striking out "under this Act" and inserting "under title V or XIX, or by a health care insurance plan or special employee health care program approved under title XVIII or provided pursuant to part B or C of that title" in lieu thereof.

(9) Section 1160 of that Act is further amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

"(c) If after reasonable notice and opportunity, for discussion with the practitioner or provider concerned, any Professional Standards Review Organization submits a report and recommendation to the Secretary pursuant to section 1157 (which report and recommendation shall be submitted through the Statewide Professional Standards Review Council, if such Council has been established, which shall promptly transmit such report and recommendations together with any additional comments and recommendations thereon as it deems appropriate) and if the Secretary determines that such practitioner or provider, in providing health care services over which such organization has review responsibility on behalf of a prepaid health care plan or special employer health care program approved under title XVIII has demonstrated an unwillingness or a lack of ability substantially to comply with such obligations, he (in addition to any other sanction provided under law) may require the prepaid health care plan or special employee health care program to take such remedial action as he determines is appropriate, including, but not limited to, professional education, or suspension or termination of personnel."

(b) The amendments made by this section shall be effective with respect to items and services provided in States certified by the Secretary under section 1861 of the Social Security Act, as amended by this Act.

AMENDMENTS TO CAPITAL EXPENDITURES REVIEW PROGRAM

SEC. 302. (a) Section 1122(a) of the Social Security Act is amended by striking out so much of such section as precedes "are not used" and inserting "The purpose of this section is to assure that Federal funds paid pursuant to titles V and XIX, payments made under health care insurance plans and special employee health care programs approved under title XVIII or provided pursuant to part B or C of that title, and payments made to prepaid health care plans and special employee health care programs approved under title XVIII" in lieu thereof.

(b) Section 1122 is further amended by striking out subsection (c).

(c) Section 1122 is further amended by striking out so much of subsection (d) as follows clause (B) of paragraph (1), and subsection (e), and inserting in lieu thereof the following:

"then he shall, in determining the Federal payments to be made under title V or XIX, exclude amounts with respect to services furnished, during such period as the Secretary finds necessary in any case to effectuate the purpose of this section, in the health care facility for which such capital expenditure is made; shall notify carriers, self-insured employers, and employers which provide coverage under health care insurance plans and special employee health care programs approved under title XVIII or provided pursuant to part B or C of that title to individuals who in the judgment of the Secretary could reasonably be expected to seek services in the facility, that payments are not to be made with respect to services furnished in the facility to such individuals during such period, and direct such carriers, self-insured employers, and employers to notify such individuals of such exclusion; and shall notify carriers, self-insured employers, and employers which provide coverage under prepaid health care plans and special employee health care programs approved under title XVIII which in the judgment of the Secretary could reasonably be expected to provide services in the facility, that items and services are not to be provided under the plan in the facility during such period.

"(2) With respect to any organization which is reimbursed primarily on a per capita basis, the Secretary shall determine, for purposes of Federal payments under titles V and XIX, the amount which in his judgment is a reasonable equivalent of the amount which would be excluded under this subsection if payment were made on some other basis.

"(3) The period referred to in paragraph (1) for which the exclusion of payment for, and provision of, services applies shall begin with respect to services provided after—

"(A) in the case of title V or XIX, the Secretary notifies the State or other recipient of Federal funds thereunder of his determination;

"(B) in the case of payments under health care insurance plans and special employee health care programs approved under title XVIII or provided pursuant to part B or C of that title, notice to those individuals covered under such plans who, in the judgment of the Secretary, could reasonably be expected to seek services in the facility involved; and

"(C) in the case of services provided under prepaid health care plans and special employee health care insurance programs approved under title XVIII, notice to the carriers, self-insured employers, and employers which provide coverage under those plans which, in the judgment of the Secretary, could reasonably be expected to provide services in the facility.

"(4) If the Secretary, after submitting the matters involved to the advisory council established or designated under subsection (i), determines that an exclusion under paragraph (1) of payments for, and provision of, services furnished in any health care facility would discourage the operation or expansion of such facility (or in the case of a facility of a health maintenance organization, the operation or expansion of such organization) and such facility or organizations has demonstrated to his satisfaction that it is capable of providing comprehensive health care services (including institutional services) efficiently, effectively, and economically, or would otherwise be inconsistent with the effective administration of title V, XVIII, or XIX, he shall not exclude such payments pursuant to paragraph (1) or notify carriers, self-insured employers, or employers not to make such payments or provide such services.

"(e) Where a person obtains under lease or comparable arrangement any facility or part thereof, or equipment for a facility, which would have been subject to an exclusion under subsection (c) if the person had acquired it by purchase, the Secretary shall provide for such an exclusion with respect to services furnished in such facility by such person."

(d) The amendments made by this section shall be effective with respect to capital expenditures in States certified by the Secretary under section 1861 of the Social Security Act, as amended by this Act.

MISCELLANEOUS SOCIAL SECURITY AMENDMENTS

SEC. 303. (a)(1) Section 201(g)(1) of the Social Security Act is amended by—

(A) inserting ", the Federal Health Care Benefits Trust Fund," immediately after "Federal Hospital Insurance Trust Fund",

(B) striking out "with respect to title XVI" and inserting "with respect to titles XVI and XVIII" in lieu thereof, and

(C) striking out "section 1601" and inserting "sections 1601 and 1836" in lieu thereof.

(2) Section 201(i) of that Act is amended by inserting "the Federal Health Care Benefits Trust Fund," immediately after "Federal Hospital Insurance Trust Fund,".

(b)(1) Section 218(e) of that Act is amended by—

(A) striking out "3101 and 3111" in paragraph (1)(A) and inserting "3101(a) and 3111(a), and in the case of a State not certified under section 1861, 3101(b) and 3111(b), respectively, in lieu thereof, and

(B) striking out "3111" in paragraph (2)(B) and inserting "3111(a), and in the case of a State not certified under section 1861, 3111(b)," in lieu thereof.

(2) Section 218(f)(3) of that Act is amended by striking out "3101 and 3111" and inserting "3101(a) and 3111(a), and in the case of a State not certified under section 1861, 3101(b) and 3111(b),", respectively, in lieu thereof.

(3) Agreements under section 218 of the Social Security Act in effect on the effective date of the amendments made by this subsection shall be deemed to be modified to the extent necessary to meet the requirements of section 218, as amended by this subsection.

(c) Subsections (a) and (b) of section 226 of the Social Security Act are each amended by inserting "residing in a State which is not certified under section 1861" immediately after "Every individual".

(d) Section 505(a)(6) of such Act is amended by striking out "which would be determined under section 1861(v) as the reasonable cost of such services for purposes of title XVIII" and inserting "determined in accordance with methods and standards as the Secretary may, by regulation, provide" in lieu thereof.

(e) Section 1116 of such Act is amended by—

(1) inserting "or part B of title XVIII," after "part A of title IV," each time that it appears therein; and

(2) inserting "1824," after "1604,".

(f)(1) Section 202(u) of that Act is amended by striking out "insurance benefits under part A of" and inserting "federal benefits under" in lieu thereof

(2) Section 202(v) of that Act is amended by striking out "part A" each time that it appears therein and inserting "the federal programs" in lieu thereof.

(g) The amendments made by this section shall be effective on the effective date of section 101 of this Act under section 102(a) of this Act.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 304. (a) The matter before clause (1) in section 322(a) of the Public Health Service Act is amended by—

(1) striking out "without charge", and

(2) inserting ", subject to such charges as the Secretary may by regulation impose" immediately after "stations of the Service".

(b) Section 1310(a) of the Public Health Service Act is amended by inserting "whose place of employment is not within a State certified under section 1861 of the Social Security Act" immediately after "offered to its employees".

(c) The amendments made by this section shall be effective on the effective date of section 101 of this Act under section 102(a) of this Act.

AMENDMENTS TO THE RAILROAD RETIREMENT PROGRAM

SEC. 305. (a) Section 5(k) of the Railroad Retirement Act of 1937 is amended by inserting "or Federal Health Care Benefits Trust Fund, as applicable" immediately after "Federal Hospital Insurance Trust Fund".

(b)(1) Section 21(a) of that Act is amended by striking out everything after "individuals described in subsection (b) of this section to" and inserting "federal health care benefits under section 1831 of the Social Security Act as the Secretary of Health, Education, and Welfare has under such section with respect to individuals to whom such section applies. For purposes of section 11, a determination with respect to the rights of an individual under this section shall be considered to be a decision with respect to an annuity."

(2) Section 21(c) of that Act is amended by striking out "part A" and inserting "part C" in lieu thereof.

(3) Section 21(d) of that Act and section 105 of the Social Security Amendments of 1965 are each amended by striking out the parenthetical phrase therein.

(4) Section 21(e) of the Railroad Retirement Act of 1937 is amended to read as follows:

"(e) Individuals described in subsection (b) of this section shall have the same rights to federal health care benefits with respect to health care provided in Canada as individuals to whom section 1831 of the Social Security Act applies have with respect to health care provided in the United States, and this subsection shall be administered by the Board as if the provisions of part C of title XVIII of the Social Security Act were applicable, as if references to the Secretary of Health, Education, and Welfare were to the Board, as if references to the Federal Health Care Benefits Trust Fund were to the Railroad Retirement Account, as if references to the United States or a State included Canada or a subdivision thereof, and as if title XVIII of the Social Security Act contained such modifications in its requirements and provisions as the Board determines are appropriate with respect to health care provided for shall be made from the Railroad Retirement Account in accordance with, and subject to, the conditions applicable under section 10(b) in making payment of other benefits, but only to the extent that the amount of payments hereunder provided for exceeds the amount payable pursuant to the law in effect in Canada."

(c) Section 22 of that Act is repealed.

(d)(1) The amendments made by subsection (a) shall be effective on the effective date of section 101 of this Act under section 102(a) of this Act.

(2) The amendments made by subsections (b) and (c) shall be effective with respect to individuals residing in States certified under section 1861 of the Social Security Act, as amended by this Act.

AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 306. Effective with respect to wages in States certified under section 1861 of the Social Security Act, as amended by this Act, paragraphs (5), (6)(A), (6)(B), (6)(C), and (7) of section 3121(b) of that Code are each amended by inserting "with respect to the taxes imposed by sections 3101(a) and 3111(a)," immediately before "service" the first time that it appears in each of those paragraphs.

TITLE IV—GENERAL PROVISIONS

GENERAL SEVERABILITY

SEC. 401. If a provision enacted by this Act is held invalid, all other provisions so enacted shall remain in effect. If a provision enacted by this Act is held invalid in one or more of its applications, the provision shall remain in effect with respect to all other applications.

DEFINITION

SEC. 402. As used in this Act and in the amendments made by this Act, the term "Secretary" means, unless the context otherwise requires, the Secretary of Health, Education, and Welfare.

THE WHITE HOUSE,
February 6, 1974.

To the Congress of the United States:

One of the most cherished goals of our democracy is to assure every American an equal opportunity to lead a full and productive life.

In the last quarter century, we have made remarkable progress toward that goal, opening the doors to millions of our fellow countrymen who were seeking equal opportunities in education, jobs and voting.

Now it is time that we move forward again in still another critical area: health care.

Without adequate health care, no one can make full use of his or her talents and opportunities. It is thus just as important that economic, racial and social barriers not stand in the way of good health care as it is to eliminate those barriers to a good education and a good job.

Three years ago, I proposed a major health insurance program to the Congress, seeking to guarantee adequate financing of health care on a nationwide basis. That proposal generated widespread discussion and useful debate. But no legislation reached my desk.

Today the need is even more pressing because of the higher costs of medical care. Efforts to control medical costs under the New Economic Policy have been met with encouraging success, sharply reducing the rate of inflation for health care. Nevertheless, the overall cost of health care has still risen by more than 20 percent in the last two and one-half years, so that more and more Americans face staggering bills when they receive medical help today:

Across the Nation, the average cost of a day of hospital care now exceeds $110.

The average cost of delivering a baby and providing postnatal care approaches $1,000.

The average cost of health care for terminal cancer now exceeds $20,000.

For the average family, it is clear that without adequate insurance, even normal care can be a financial burden while a catastrophic illness can mean catastrophic debt.

Beyond the question of the prices of health care, our present system of health care insurance suffers from two major flaws:

First, even though more Americans carry health insurance than ever before, the 25 million Americans who remain uninsured often need it the most and are most unlikely to obtain it. They include many who work in seasonal or transient occupations, high-risk cases, and those who are ineligible for Medicaid despite low incomes.

Second, those Americans who do carry health insurance often lack coverage which is balanced, comprehensive and fully protective:

Forty percent of those who are insured are not covered for visits to physicians on an out-patient basis, a gap that creates powerful incentives toward high-cost care in hospitals;

Few people have the option of selecting care through prepaid arrangements offered by Health Maintenance Organizations so the system at large does not benefit from the free choice and creative competition this would offer;

Very few private policies cover preventive services;

Most health plans do not contain built-in incentives to reduce waste and inefficiency. The extra costs of wasteful practices are passed on, of course, to consumers; and

Fewer than half of our citizens under 65—and almost none over 65—have major medical coverage which pays for the cost of catastrophic illness.

These gaps in health protection can have tragic consequences. They can cause people to delay seeking medical attention until it is too late. Then a medical crisis ensues, followed by huge medical bills—or worse. Delays in treatment can end in death or lifelong disability.

COMPREHENSIVE HEALTH INSURANCE PLAN (CHIP)

Early last year, I directed the Secretary of Health, Education, and Welfare to prepare a new and improved plan for comprehensive health insurance. That plan, as I indicated in my State of the Union message, has been developed and I am presenting it to the Congress today. I urge its enactment as soon as possible.

The plan is organized around seven principles:

First, it offers every American an opportunity to obtain a balanced, comprehensive range of health insurance benefits;

Second, it will cost no American more than he can afford to pay;

Third, it builds on the strength and diversity of our existing public and private systems of health financing and harmonizes them into an overall system;

Fourth, it uses public funds only where needed and requires no new Federal taxes;

Fifth, it would maintain freedom of choice by patients and ensure that doctors work for their patient, not for the Federal Government.

Sixth, it encourages more effective use of our health care resources;

And finally, it is organized so that all parties would have a direct stake in making the system work—consumer, provider, insurer, State governments and the Federal Government.

BROAD AND BALANCED PROTECTION FOR ALL AMERICANS

Upon adoption of appropriate Federal and State legislation, the Comprehensive Health Insurance Plan would offer to every American the same broad and balanced health protection through one of three major programs:

Employee Health Insurance, covering most Americans and offered at their place of employment, with the cost to be shared by the employer and employee on a basis which would prevent excessive burdens on either;

Assisted Health Insurance, covering low-income persons, and persons who would be ineligible for the other two programs, with Federal and State government paying those costs beyond the means of the individual who is insured; and,

An improved Medicare Plan, covering those 65 and over and offered through a Medicare system that is modified to include additional, needed benefits.

One of these three plans would be available to every American, but for everyone, participation in the program would be voluntary.

The benefits offered by the three plans would be identical for all Americans, regardless of age or income. Benefits would be provided for:

Hospital care;

Physicians' care in and out of the hospital;

Prescription and life-saving drugs;

Laboratory tests and X-rays;

Medical devices;

Ambulance services; and,

Other ancillary health care.

There would be no exclusions of coverage based on the nature of the illness. For example, a person with heart disease would qualify for benefits as would a person with kidney disease.

In addition, CHIP would cover treatment for mental illness, alcoholism and drug addiction, whether that treatment were provided in hospitals and physicians' offices or in community-based settings.

Certain nursing home services and other convalescent services would also be covered. For example, home health services would be covered so that long and costly stays in nursing homes could be averted where possible.

The health needs of children would come in for special attention, since many conditions, if detected in childhood, can be prevented from causing lifelong disability and learning handicaps. Included in these services for children would be:

Preventive care up to age six;

Eye examinations;

Hearing examinations; and,

Regular dental care up to age 13.

Under the Comprehensive Health Insurance Plan, a doctor's decisions could be based on the health care needs of his patients, not on health insurance coverage. This difference is essential for quality care.

Every American participating in the program would be insured for catastrophic illnesses that can eat away savings and plunge individuals and families into hopeless debt for years. No family would ever have annual out-of-pocket expenses for covered health services in excess of $1,500, and low-income families would face substantially smaller expenses.

As part of this program, every American who participates in the program would receive a Healthcard when the plan goes into effect in his State. This card, similar to a credit card, would be honored by hospitals, nursing homes, emergency rooms, doctors, and clinics across the country. This card could also be used to identify information on blood type and sensitivity to particular drugs—information which might be important in an emergency.

Bills for the services paid for with the Healthcard would be sent to the insurance carrier who would reimburse the provider of the care for covered services, then bill the patient for his share, if any.

The entire program would become effective in 1976, assuming that the plan is promptly enacted by the Congress.

HOW EMPLOYEE HEALTH INSURANCE WOULD WORK

Every employer would be required to offer all full-time employees the Comprehensive Health Insurance Plan. Additional benefits could then be added by mutual agreement. The insurance plan would be jointly financed, with employers paying 65 percent of the first three years of the plan, and 75 percent thereafter. Employees would pay the balance of the premiums. Temporary Federal subsidies would be used to ease the initial burden on employers who face significant cost increases.

Individuals covered by the plan would pay the first $150 in annual medical expenses. A separate $50 deductible provision would apply for out-patient drugs. There would be a maximum of three medical deductibles per family.

After satisfying this deductible limit, an enrollee would then pay for 25 percent of additional bills. However, $1,500 per year would be the absolute dollar limit on any family's medical expenses for covered services in any one year.

HOW ASSISTED HEALTH INSURANCE WOULD WORK

The program of Assisted Health Insurance is designed to cover everyone not offered coverage under Employee Health Insurance or Medicare, including the unemployed, the disabled, the self-employed, and those with low incomes. In addition, persons with higher incomes would also obtain Assisted Health Insurance if they cannot otherwise get coverage at reasonable rates. Included in this latter group might be persons whose health status or type of work puts them in high-risk insurance categories.

Assisted Health Insurance would thus fill many of the gaps in our present health insurance system and would ensure that for the first time in our Nation's history, all Americans would have financial access to health protection regardless of income or circumstances.

A principal feature of Assisted Health Insurance is that it relates premiums and out-of-pocket expenses to the income of the person or family enrolled. Working families with incomes of up to $5,000, for instance, would pay no premiums at all. Deductibles, co-insurance, and maximum liability would all be pegged to income levels.

Assisted Health Insurance would replace State-run Medicaid for most services. Unlike Medicaid, where benefits vary in each State, this plan would establish uniform benefit and eligibility standards for all low-income persons. It would also eliminate artificial barriers to enrollment or access to health care.

As an interim measure, the Medicaid program would be continued to meet certain needs, primarily long-term institutional care. I do not consider our current approach to long-term care desirable because it can lead to over-emphasis on institutional as opposed to home care. The Secretary of Health, Education, and Welfare has undertaken a thorough study of the appropriate institutional services which should be included in health insurance and other programs and will report his findings to me.

IMPROVING MEDICARE

The Medicare program now provides medical protection for over 23 million older Americans. Medicare, however, does not cover outpatient drugs, nor does it limit total out-of-pocket costs. It is still possible for an elderly person to be financially devastated by a lengthy illness even with Medicare coverage. I therefore propose that Medicare's benefits be improved so that Medicare would provide the same benefits offered to other Americans under Employee Health Insurance and Assisted Health Insurance.

Any person 65 or over, eligible to receive Medicare payments, would ordinarily, under my modified Medicare plan, pay the first $100 for care received during a year, and the first $50 toward out-patient drugs. He or she would also pay 20 percent of any bills above the deductible limit. But in no case would any Medicare beneficiary have to pay more than $750 in out-of-pocket costs. The premiums and cost sharing for those with low incomes would be reduced, with public funds making up the difference.

The current program of Medicare for the disabled would be replaced. Those now in the Medicare for the disabled plan would be eligible for Assisted Health Insurance, which would provide better coverage for those with high medical costs and low incomes.

Premiums for most people under the new Medicare program would be roughly equal to that which is now payable under Part B of Medicare—the Supplementary Medical Insurance program.

COSTS OF COMPREHENSIVE HEALTH INSURANCE

When fully effective, the total new costs of CHIP to the Federal and State governments would be about $6.9 billion with an additional small amount for transitional assistance for small and low wage employers:

The Federal Government would add about $5.9 billion over the cost of continuing existing programs to finance health care for low-income or high risk persons.

State governments would add about $1.0 billion over existing Medicaid spending for the same purpose, though these added costs

would be largely, if not wholly offset by reduced State and local budgets for direct provision of services.

The Federal Government would provide assistance to small and low wage employers which would initially cost about $450 million but be phased out over five years.

For the average American family, what all of these figures reduce to is simply this:

The national average family cost for health insurance premiums each year under Employee Health Insurance would be about $150; the employer would pay approximately $450 for each employee who participates in the plan.

Additional family costs for medical care would vary according to need and use, but in no case would a family have to pay more than $1,500 in any one year for covered services.

No additional taxes would be needed to pay for the cost of CHIP. The Federal funds needed to pay for this plan could all be drawn from revenues that would be generated by the present tax structure. I am opposed to any comprehensive health plan which requires new taxes.

MAKING THE HEALTH CARE SYSTEM WORK BETTER

Any program to finance health care for the Nation must take close account of two critical and related problems—cost and quality.

When Medicare and Medicaid went into effect, medical prices jumped almost twice as fast as living costs in general in the next five years. These programs increased demand without increasing supply proportionately and higher costs resulted.

This escalation of medical prices must not recur when the Comprehensive Health Insurance Plan goes into effect. One way to prevent an escalation is to increase the supply of physicians, which is now taking place at a rapid rate. Since 1965, the number of first-year enrollments in medical schools has increased 55 percent. By 1980, the Nation should have over 440,000 physicians, or roughly one-third more than today. We are also taking steps to train persons in allied health occupations, who can extend the services of the physician.

With these and other efforts already underway, the Nation's health manpower supply will be able to meet the additional demands that will be placed on it.

Other measures have also been taken to contain medical prices. Under the New Economic Policy, hospital cost increases have been cut almost in half from their post-Medicare highs, and the rate of increase in physician fees has slowed substantially. It is extremely important that these successes be continued as we move toward our goal of comprehensive health insurance protection for all Americans. I will, therefore, recommend to the Congress that the Cost of Living Council's authority to control medical care costs be extended.

To contain medical costs effectively over the long haul, however, basic reforms in the financing and delivery of care are also needed. We need a system with built-in incentives that operates more efficiently and reduces the losses from waste and duplication of effort. Everyone pays for this inefficiency through their health premiums and medical bills.

The measure I am recommending today therefore contains a number of proposals designed to contain costs, improve the efficiency of the system and assure quality health care. These proposals include:

1. HEALTH MAINTENANCE ORGANIZATIONS (HMO'S)

On December 29, 1973, I signed into law legislation designed to stimulate, through Federal aid, the establishment of prepaid comprehensive care organizations. HMO's have proved an effective means for delivering health care and the CHIP plan requires that they be offered as an option for the individual and the family as soon as they become available. This would encourage more freedom of choice for both patients and providers, while fostering diversity in our medical care delivery system.

2. PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO'S)

I also contemplate in my proposal a provision that would place health services provided under CHIP under the review of Professional Standards Review Organizations. These PSRO's would be charged with maintaining high standards of care and reducing needless hospitalization. Operated by groups of private physicians, professional review organizations can do much to ensure quality care while helping to bring about significant savings in health costs.

3. MORE BALANCED GROWTH IN HEALTH FACILITIES

Another provision of this legislation would call on the States to review building plans for hospitals, nursing homes and other health facilities. Existing health insurance has overemphasized the placement of patients in hospitals and nursing homes. Under this artificial stimulus, institutions have felt impelled to keep adding bed space. This has produced a growth of almost 75 percent in the number of hospital beds in the last twenty years, so that now we have a surplus of beds in many places and a poor mix of facilities in others. Under the legislation I am submitting, States can begin remedying this costly imbalance.

4. STATE ROLE

Another important provision of this legislation calls on the States to review the operation of health insurance carriers within their jurisdiction. The States would approve specific plans, oversee rates, ensure adequate disclosure, require an annual audit and take other appropriate measures. For health care providers, the States would assure fair reimbursement for physician services, drugs and institutional services, including a prospective reimbursement system for hospitals.

A number of States have shown that an effective job can be done in containing costs. Under my proposal all States would have an incentive to do the same. Only with effective cost control measures can States ensure that the citizens receive the increased health care they need and at rates they can afford. Failure on the part of States to enact the necessary authorities would prevent them from receiving any Federal support of their State-administered health assistance plan.

MAINTAINING A PRIVATE ENTERPRISE APPROACH

My proposed plan differs sharply with several of the other health insurance plans which have been prominently discussed. The primary difference is that my proposal would rely extensively on private insurers.

Any insurance company which could offer those benefits would be a potential supplier. Because private employers would have to provide certain basic benefits to their employees, they would have an incentive to seek out the best insurance company proposals and insurance companies would have an incentive to offer their plans at the lowest possible prices. If, on the other hand, the Government were to act as the insurer, there would be no competition and little incentive to hold down costs.

There is a huge reservoir of talent and skill in administering and designing health plans within the private sector. That pool of talent should be put to work.

It is also important to understand that the CHIP plan preserves basic freedoms for both the patient and doctor. The patient would continue to have a freedom of choice between doctors. The doctors would continue to work for their patients, not the Federal Government. By contrast, some of the national health plans that have been proposed in the Congress would place the entire health system under the heavy hand of the Federal Government, would add considerably to our tax burdens, and would threaten to destroy the entire system of medical care that has been so carefully built in America.

I firmly believe we should capitalize on the skills and facilities already in place, not replace them and start from scratch with a huge Federal bureaucracy to add to the ones we already have.

COMPREHENSIVE HEALTH INSURANCE PLAN—A PARTNERSHIP EFFORT

No program will work unless people want it to work. Everyone must have a stake in the process.

This Comprehensive Health Insurance Plan has been designed so that everyone involved would have both a stake in making it work and a role to play in the process—consumer, provider, health insurance carrier, the States and the Federal Government. It is a partnership program in every sense.

By sharing costs, consumers would have a direct economic stake in choosing and using their community's health resources wisely and prudently. They would be assisted by requirements that physicians and other providers of care make available to patients full information on fees, hours of operation and other matters affecting the qualifications of providers. But they would not have to go it alone either: doctors, hospitals and other providers of care would also have a direct stake in making the Comprehensive Health Insurance Plan work. This program has been designed to relieve them of much of the red tape, confusion and delays in reimbursement that plague them under the bewildering assortment of public and private financing systems that now exist. Healthcards would relieve them of troublesome bookkeeping. Hospitals could be hospitals, not bill collecting agencies.

CONCLUSION

Comprehensive health insurance is an idea whose time has come in America.

There has long been a need to assure every American financial access to high quality health care. As medical costs go up, that need grows more pressing.

Now, for the first time, we have not just the need but the will to get this job done. There is widespread support in the Congress and in the Nation for some form of comprehensive health insurance.

Surely if we have the will, 1974 should also be the year that we find the way.

The plan that I am proposing today is, I believe, the very best way. Improvements can be made in it, of course, and the Administration stands ready to work with the Congress, the medical profession, and others in making those changes.

But let us not be led to an extreme program that would place the entire health care system under the dominion of social planners in Washington.

Let us continue to have doctors who work for their patients, not for the Federal Government. Let us build upon the strengths of the medical system we have now, not destroy it.

Indeed, let us act sensibly. And let us act now—in 1974—to assure all Americans financial access to high quality medical care.

RICHARD NIXON.

THE WHITE HOUSE, *February 6, 1974.*

MAJOR FEATURES OF THE COMPREHENSIVE HEALTH INSURANCE PLAN

I. STRUCTURE

A. Employee Health Insurance Plan (EHIP)

All employers would be required to offer the basic insurance plan and Health Maintenance Organization (HMO) coverage to each employee under age 65 who has met

the full-time hours of work test. Coverage extends to family members under 65. Employers may self-insure.

Election of coverage would be voluntary at the option of the employee.

The basic plan would also be available to self-employed and non-working families, individuals, and non-employer groups (e.g., unions or professional associations), through private carriers.

Employers would be required to offer coverage meeting the basic plan, and could offer optional plans supplementing the basic plan. Employers could not offer non-approved plans.

Employers would contribute 65 percent of premium expenses for covered employees. (75% after three years.) However, if an employer's payroll rises by more than 3 percent due to required contributions to coverage, then the Federal Government would pay a subsidy to the employer for employer premiums in excess of the 3 percent increase in payroll expenses. The subsidy would be 75 percent of such excess in the first year reduced by 15 percentage points each year thereafter.

The employer contribution toward coverage would begin 90 days after onset of employment and continue for 90 days after termination of full-time employment.

An individual or family which has been enrolled in an Employee Health Insurance Plan would be allowed to continue coverage under the plan, at the employer's group rate, for 90 days following the period of a required employer contribution (a total of 180 days after termination), by paying the premium in full themselves.

B. Assisted Health Insurance Plan (AHIP)

States would contract with intermediaries to offer the basic plan to all residents of the State, except those with family incomes of $7,500 or more who are offered the Employee Health Insurance Plan.

Employers who desire to do so could offer AHIP (at 150% of the average group rate in the State) in fulfillment of the requirement to offer a mandated plan. Members of such employee groups could enroll in AHIP irrespective of income level.

Persons who would, in fact, enroll in AHIP:

a. families below $5,000 income ($3,500 for individuals) regardless of work status

b. non-working families between $5,000 and $7,500 income ($3,500–$5,250 for individuals)

c. very high risk working families between $5,000 and $7,500 income ($3,500–$5,250 for individuals)

d. non-working families with unusually high medical risks (disabled and early retirees) regardless of income

e. unusually high risk employer groups.

All persons eligible for AHIP would have the option of obtaining coverage through an approved prepaid health care plan.

The premiums, deductibles, coinsurance, and maximum liability would be related to income.

Carriers administering AHIP coverage would be reimbursed by the State on the basis of actual benefits paid for covered services, less income derived from this plan, plus a negotiated rate for administration.

Employers would be required to make a contribution to AHIP for low-income employees who elect that coverage, in the amount they would have contributed for other employees under an Employee Health Insurance Plan.

For AHIP eligibles who elect coverage through a prepaid health care plan, the State would contribute an amount equal to the cost of providing AHIP coverage.

II BENEFIT PACKAGE

A. Reimbursable services

Hospital services, not subject to a dollar limitation.

Physician services, not subject to a dollar limitation.

Prescription drugs, out-of-hospital.

Mental Health services:

Inpatient—30 full days or 60 partial days.

Outpatient—30 visits to a comprehensive community care center or private practitioner (the latter not to exceed 15 visits).

Special and preventive services for children:

Well child care up to age 6.

Eye examinations, developmental vision care, and eyeglasses up to age 13.

Ear examinations and hearing aids up to age 13.

Routine dental services up to age 13.

Other preventive services:

Prenatal and maternity services.

Family planning.

Home Health Services—100 visits per year.

Post-hospital extended care—100 days per year.

Blood and blood products.

Other medical services, as in Medicare (prosthetic devices, dialysis equipment and supplies, x-rays, laboratory, ambulance, etc.).

B. Premiums and cost-sharing (EHIP and AHIP)

EMPLOYER PLAN

Premiums for employer groups of 51 or more employees and other families and groups being offered EHIP would be negotiated between employer and other groups and the insurance carrier.

Expenses for an insured individual which exceed $10,000 in a year cannot be attributed to the experience rating of the employee group through which the individual has obtained coverage.

Each insurance company would be required to offer the same rate to all employees in firms with 1 to 50 employees (subject to the single/family rate differential).

Rates for coverage under the plan cannot differ on the basis of family size and composition, except that there must be separate rate determinations for singles and families with the single rate being 40 percent of the family rate.

The benefit package as presently constituted would result in an approximate average group family premium of about $600. (A single person's premium could be expected to be $240.) The average premium required by this coverage per full-time employee is $415.

The employer would eventually pay 75% of premium costs and employees the remaining 25%.

EHIP would not reimburse for services until the insured unit has met a deductible of $150 per person (maximum of three deductibles per family), with a separate $50 per person deductible on reimbursement for outpatient drugs.

After satisfying the deductible, the enrollee pays a coinsurance of 25 percent, with a maximum liability for cost-sharing (deductible plus coinsurance) of $1,500 in a year.

There would be no per year or lifetime limitation on benefits paid by the Plan.

ASSISTED HEALTH INSURANCE PLAN (AHIP)

Premiums, deductibles, coinsurance, and maximum liability would be all income-related under the AHIP. The following schedule has been used in making cost estimates for the Comprehensive Health Insurance Act or 1974.

Annual income	Contribution	Per person deductible: Drugs	Per person deductible: Other	Coinsurance (percent)	Maximum liability
SINGLE					
I. 0 to $1,749	0	0	0	10	6 percent of income.
II. $1,750 to $3,499	0	$25	$50	15	9 percent of income.
III. $3,500 to $5,249	[1] $120	50	100	20	12 percent of income.
IV. $5,250 to $6,999	[1] 240	50	150	25	15 percent of income.
V. $7,000 plus	[1] 360	50	150	25	$1,050.
FAMILY					
I. 0 to $2,499	0	0	0	10	6 percent of income.
II. $2,500 to $4,999	0	$25	$50	15	9 percent of income.
III. $5,000 to $7,499	[2] $ 300	50	100	20	12 percent of income.
IV. $7,500 to $9,999	[2] 600	50	150	25	15 percent of income.
V. $10,000 plus	[2] 900	50	150	25	$1,500.

[1] Based on 50 percent of average group single rate in group III, 100 percent in group IV, and 150 percent in group V. Expected average group single premium rate equals $240.

[2] Contributions based on 50 percent of average group family premium rate in the State for group III, 100 percent for group IV, and 150 percent for group V. Expected average group family premium rate equals $600.

III. FEDERAL PROGAMS

A. Medicare

Medicare for the Aged would be retained, with the benefits changed to conform with the mandated health plan.

Medicare would continue to be administered directly by the Social Security Administration through its own system of fiscal intermediaries.

The benefit package would include the full range of services as in EHIP and AHIP. As a result, outpatient drugs and mental health services would be covered, and the aged would have far superior protection against catastrophic expenses—complete hospitalization and maximum financial liability. (Medicare now covers 90 days of hospitalization per episode plus a lifetime reserve of 60 days.)

A Medicare beneficiary would face an annual per person deductible of $100 on all services except outpatient drugs. The deductible for outpatient drugs would be $50. Beneficiaries would pay 20 percent coinsurance on expenses above the deductible up to a maximum annual liability of $750.

Medicare for the Aged would be financed from the current 1.8 percent payroll tax plus a small premium contribution by the enrollee (about $90 per person annually, roughly equal to the current Part B premium).

Federal, State, and local government employers and employees would participate in the Medicare system and be subject to the Medicare payroll tax.

Medicare beneficiaries who are low-income would be eligible for reduced premium payments and cost-sharing. The income testing and income definitions would be tied to SSI.

Dependents of Medicare beneficiaries below age 65 would be eligible to enroll in AHIP.

Medicare for the Disabled (including the kidney disease provisions) would cease as a separate program. The disabled would be eligible for AHIP coverage. Most current Medicare disabled beneficiaries would have

better protection because of the catastrophic provisions and because a high proportion would qualify for reduced cost sharing because they are low-income but have Social Security cash payments which place them beyond Medicaid eligibility.

Reimbursement for Medicare services in a State would be based on the same system as used in that State for EHIP/AHIP services.

B. Medicaid

Medicaid would be terminated except for certain services not covered by the Comprehensive Health Insurance Act. These include (1) services in a skilled nursing facility or intermediate care facility; (2) care in mental institutions for persons under age 21 or over 65; and (3) home health services.

C. Indian Health

The Indian Health Service would continue to provide health care to eligible Indians.

Indians may also participate in State AHIP programs.

D. Veterans Administration

The VA would continue to operate a separate health care system for those eligible for VA benefits.

The VA system would be reimbursed for services not related to a disability incurred while in the military.

IV. REIMBURSEMENT POLICY

A. Healthcard

All persons (including Medicare enrollees) would receive an identification card which would be evidence of financial protection for all covered services.

Participating providers of service would be required to accept the card as evidence of coverage and would bill the indicated carrier for covered services.

The carrier would reimburse the provider and would bill the enrollee for the applicable cost-sharing.

B. Classification of providers

Full-Participating Providers—would agree to accept reimbursement through the Healthcard as payment in full for all patients (EHIP, AHIP, and Medicare). To these providers the Healthcard would reimburse the full amount of the applicable reimbursement rates (the insured amount as well as the patient's cost-sharing). All institutions would be required to be full-participating providers.

Associate-Participating Providers—would agree to accept reimbursement through the Healthcard as payment in full for all AHIP and Medicare patients, and as payment of the insured amount of an Employee Health Insurance Plan enrollee's bills. To collect the remainder of his fee for the patient, the physician would bill the patient directly.

Non-Participating Providers—would not be reimbursed from any approved plan for services provided.

V. REGULATION AND ADMINISTRATION

A. State Regulation and Administration—States must enact appropriate legislation fulfilling each of the following responsibilities to be eligible for Federal financial participation in the plan. This regulation must extend to prepaid health care plans as well as to all private carriers and self-insured employers.

Carriers and self-insured employers providing the basic plan would file their plans with the States, keeping the State advised of the employers and employees to whom the plan is provided. States would be required to provide for prompt review of the plan and determination as to whether it meets the requirements of the law.

Premium rates and rating structures would be reviewed for reasonableness (file and use procedure) for all private health insurance.

Enrollees would be guaranteed against noncoverage or nonpayment of claims related to the basic plan resulting from carrier insolvency.

An annual CPA audit would be required for all insurance carriers offering coverage under the plan.

Carriers would be required to disclose information with regard to services covered, rates, and the relation between premiums and benefits paid. This requirement must extend to all private health insurance sold.

All capital investment over $100,000 would be approved by a State-designated planning agency to receive reimbursement through the plan.

Medical services would be subject to Professional Standards Review Organization.

Physician reimbursement for covered services under the insurance plans would be based on amounts determined after consultation with providers and other interested parties. Physicians would be free to bill additional charges to those covered under the Employee Health Insurance Plan provided the patient is notified beforehand of such additional charges.

States would establish prospective reimbursement systems for hospitals.

Providers would make available to patients information regarding charges for most commonly given services, hours of operation and other matters affecting access to services, and extent of certification, accreditation, and licensure.

In addition to administration and participation in financing of the AHIP, States would be responsible for certifying health care providers as eligible for participation in the Comprehensive Health Insurance Plan.

B. Federal Regulations and Administration—The Federal Government would:

Establish standards for eligibility.

Define the services to be reimbursed by the plan.

Operate an expanded program of benefits for the aged.

VI. COSTS

Added Federal/State expenditures to finance the Assisted Health Insurance Plan would approximate $6.9 billion.

Added State spending under the Government Plan would equal aobut $1.0 billion. Much of this would be offset by reductions in other State health programs.

Added Federal spending would equal about $5.9 billion.

The Federal subsidy to assist low-income employees and their employers would equal about $0.45 billion.

The additional cost of increased benefits for the aged would be $1.8 billion.

VII. FINANCING

A. Employee Health Insurance Plan (EHIP):

Would be financed jointly by employers and employees.

Employers would be required to make a contribution to the EHIP for those employees who qualify and enroll.

B. Assisted Health Insurance Plan (AHIP):

Costs of AHIP above the income derived from enrollees would be shared by State and Federal governments. The States share would be related to current levels of State expenditures, ability to pay, and anticipated future expenditures under The Comprehensive Health Insurance Plan in that State. The total State share would be about 25%.

C. Medicare:

The Medicare Trust Fund (plus a small premium contribution (about $90 per year)) would pay for all services provided under the basic Medicare plan. The cost above the basic income aged would be borne by General Revenues and State contributions.

D. Medicaid:

A residual Medicaid program for long term care services would continue with the current Federal/State Medicaid matching formula.

VIII. SPECIAL PROVISIONS TO ASSIST SMALL EMPLOYERS

The following provisions have been incorporated, which would particularly assist small employers, since they have a higher proportion of low wage workers and pay higher premiums than large employers.

Where two memoers of the same family are eligible for Employee Health Insurance Plan coverage, only one could accept. This provision would benefit small business, which hire a disproportionate number of secondary workers.

Each insurance company would be required to offer coverage at the same premium rate to all employees in firms with up to 50 employees. This provision would reduce the costs associated with carriers individually rating small groups. It also would minimize the adverse labor market effects against hiring high medical risk individuals.

The Federal government will subsidize the employer whose payroll costs increase by more than three percent as a result of The Health Insurance Plan. The excess over three percent will be subsidized by 75% the first year and reduced 15 percentage points each year thereafter.

By Mr. McINTYRE:

S.J. Res. 186. A joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day." Referred to the Committee on the Judiciary.

NATIONAL HUNTING AND FISHING DAY

Mr. McINTYRE. Mr. President, I am privileged once again this year to introduce a resolution to give much deserved public recognition to America's outdoor sportsmen.

I am proposing legislation for the third consecutive year to set aside the fourth Saturday of September as National Hunting and Fishing Day, a day to honor the country's outdoor sportsmen for their many contributions in the areas of environmental protection, fish and wildlife preservation, and boat and hunting safety promotion.

Mr. President, to give my colleagues an idea of how quickly the celebration of Hunting and Fishing Day has grown, let me list a few statistics about last year's day alone:

More than 3,000 separate programs, representing the efforts of more than 9,000 clubs and organizations, were held on the fourth Saturday in September last year.

An estimated 12 million people either took part in or observed some Hunting and Fishing Day related program in 1973. Observances ranged from the 212,000 people who stopped by a Hunting and Fishing Day display in Wichita, Kans., to small parades and displays in such disparate areas as the suburbs of New York City and my own home State capital of Concord, N.H.

More than 500 of the Nation's mayors proclaimed National Hunting anf Fishing Day.

All of the 50 State Governors issued official National Hunting and Fishing Day proclamations.

More than 1,500 of the Nation's radio stations gave $1 million of free air time to promote the day.

Thanks to efforts by U.S. military bases abroad, more than 80 programs reached more than 30,000 people in Europe last year.

Mr. President, the major purpose of National Hunting and Fishing Day is to give the Nation's 55 million outdoor sportsmen their greatest opportunity in modern times to present themselves to the public as practicing conservationists.

In small towns and major cities throughout this country, they have shown their interest in this celebration, contributing immeasurably to the broadening of understanding between the Nation's sportsmen and the public at large. All of us have a common interest in preserving, protecting and enhancing natural resources, natural beauty, wildlife and the total environment. National Hunting and Fishing Day can and should be a reaffirmation of our determination to work in harmony to achieve those goals.

Mr. President, because the first two National Hunting and Fishing Days proved so successful, and because the broad goals of conservation and the environment are so important, I am today reintroducing the resolution designating the fourth Saturday of September as National Hunting and Fishing Day and making this event an annual observance.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 650

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 650, a bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns.

S. 1017

At the request of Mr. JACKSON, the Senator from Wyoming (Mr. HANSEN) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of S. 1017, the Indian Self-Determination and Educational Reform Act of 1973.

S. 1414

At the request of Mr. CHILES, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 1414, a bill to strengthen congressional control in determining priorities of appropriations and expenditures by requiring the budget to be organized and submitted on the basis of national needs, agency programs, and basic program steps.

S. 1862

At the request of Mr. TAFT, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1862, a bill to provide for the establishment of the Cuyahoga Valley National Historical Park and Recreation Area.

S. 2589

At the request of Mr. JACKSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2589, the National Energy Emergency Act of 1973.

S. 2676

At the request of Mr. BIDEN, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 2676, the National Homestead Assistance Act.

S. 2832

At the request of Mr. TAFT, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 2832, the Earned Immunity Act of 1974.

S. 2893

At the request of Mr. KENNEDY, the Senator from Ohio (Mr. TAFT), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 2893, the National Cancer Act of 1974.

S. 2908

At the request of Mr. BIDEN, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 2908, a bill to establish a mass transportation trust fund and to amend the Urban Mass Transportation Act of 1964 in order to assure adequate local transportation service.

S. 2938

At the request of Mr. JACKSON, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 279

At the request of Mr. JAVITS, the Senator from Illinois (Mr. PERCY), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Alabama (Mr. ALLEN), the Senator from Georgia (Mr. TALMADGE), the Senator from Nevada (Mr. BIBLE) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of Senate Resolution 279, expressing the sense of the Senate regarding the Washington Energy Conference.

OPPOSITION TO INCREASE IN PRICE OF NATURAL GAS—AMENDMENT

AMENDMENT NO. 961

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

Mr. MOSS submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 31) expressing the sense of Congress against increases in the price of natural gas.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 79

Mr. JACKSON. Mr. President, I am pleased to announce that the junior Senator from Ohio (Mr. METZENBAUM) has joined in cosponsorship of the East-West Trade and Freedom of Emigration Amendment (No. 79) to the Trade Reform Act of 1973, bringing the total number of cosponsors to 78.

NOTICE OF HEARING ON NOMINATION

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, February 19, 1974, at 10:30 a.m., in room 2228, Dirksen Office Building, on the following nomination:

Laurence H. Silberman, of Maryland, to be Deputy Attorney General vice William D. Ruckelshaus, resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

ADDITIONAL STATEMENTS

NATURAL GAS PRICING

Mr. HANSEN. Mr. President, in the continuing debate over the regulation of natural gas in interstate commerce by the FPC, that Commission has been soundly criticized from all sides for delays in decisions as well as for substantive reasons—like whether only cost evidence should be considered in setting the wellhead rate. It is well, then, to note that the Commission has just determined that 55 cents an mcf is the just and reasonable rate based on cost evidence in Southern Natural, Opinion 686. The newest Commissioner, Don Smith, should be commended for breaking the logjam at the Commission and for his fair evaluation of cost evidence. That a new Commissioner so widely accepted by the Senate should, after consideration of an evidentiary record, recognize that 55 cents an mcf is cost justified should be instructive to those who claim windfall without evidence. After all, 55 cents an mcf is the Btu equivalent of a barrel of crude oil at about $3.20 a barrel, which is significantly less than the "old" oil price even before the recent increase. Natural gas, after all, is a premium fuel.

THE VIETNAM VETERANS GI BILL

Mr. MCGOVERN. Mr. President, the Washington Star-News carried a lead editorial on Monday, February 4, concerning the inadequacy of GI bill benefits available to Vietnam-era veterans. I am pleased to see that an effort I began last May with the introduction of five bills designed to aid young veterans is finally beginning to come to the forefront.

The article notes that a bill does exist in the Senate that would bring present benefits up to the level they were for those of us who fought in World War II. That bill is 2789, introduced by myself and Senators MATHIAS, INOUYE, and DOLE on December 7, 1973. Since that time, support has snowballed and we now have a total of 35 Senate sponsors. I ask unanimous consent that the names of Senators PASTORE, BEALL, and NELSON be added to S. 2789 as cosponsors.

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

Mr. McGOVERN. I am also pleased to announce that the bill was introduced in the House of Representatives yesterday by Messrs. HELSTOSKI, WALSH, WOLFF, CARNEY, and Mrs. HECKLER. It is particularly pleasing to know that all five House sponsors are members of the Veterans Affairs Subcommittee on Education and Training.

I think it is important that the young veterans in America understand that there are those of us in the Congress who have not forgotten them. The paltry 8-percent subsistence increase offered in the President's message is not indicative of the true concern held by most of the elected representatives.

I ask unanimous consent that the Star-News editorial of February 4 be printed in the RECORD.

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

FORGOTTEN VETS

There is a widespread public belief that educational benefits for Vietnam veterans have been roughly comparable to those available to their dads after World War II. And if that were the case, President Nixon's proposal the other day to boost payments to vets under the GI education program by 8 percent would be a reasonable inflationary adjustment.

But the basic premise, which the administration has tried hard to advance, simply isn't true. In thousands of cases, as a couple of independent studies have demonstrated over the last year, the inadequacy of current benefits virtually wipes out the educational opportunities which Vietnam veterans had assumed was their right under the asserted policies of a grateful nation.

The disparities arise in part from a sharp difference in approach. Under the post-World War II pattern, the government paid tuition and other educational costs directly to colleges, and gave single veterans $75 a month for living expenses. Access to government-subsidized housing also was often available. At the outset of educational benefits for Vietnam veterans in 1966, however, all these forms of assistance were lumped in a single, absurdly inadequate monthly payment of $100. With the passage of time the monthly sum has increased—to $130 in 1967, to $175 three years later and to the present level of $220 in October 1972. But in too many instances that amount has not nearly kept pace with the leap-frogging increases in college costs.

This is not universally true—and that is one of the chief problems in this complex dispute. In California, for example, where public colleges and low tuitions abound, relatively high percentages of veterans are participating in the GI program. But that is not at all the case in other states, chiefly in the East and Midwest, where the present formula takes no account of higher costs.

In the House, as opposed to the President's 8-percent benefit boost, a Veterans Affairs subcommittee last fall backed a somewhat more generous increase of 13.5 percent. It is high time that the full House committee got around to considering that proposition. In the Senate, fortunately, hearings are expected to begin soon on a much more realistic approach, backed by 32 senators, to authorize special supplements where tuition costs exceed the national average.

One may honestly argue, we suppose, about the validity of the concept of continuing the GI education program, but the debate never seems to get phrased in those terms. What we have wound up with, in point of fact, is a national commitment which often provides lip-service promises instead of results, which heaps yet another outrageous frustration on thousands of young veterans who have had the misfortune to serve in a vastly unpopular war. Education takes on added importance in this period of uncertain employment. And it is ironic, as Senator Daniel Inouye observed the other day, that the GI-bill benefits of an earlier postwar period seem to have been so quickly forgotten by those in positions of political responsibility today.

CONCERN FOR THE SHEEPHERDER

Mr. McCLURE. Mr. President, on January 14, the New York Times ran an editorial titled "Back to Poison?" which lashed out at the sheep rancher for his "fantastic and unprovable estimate of 800,000 lambs and sheep lost to predators." The raising of domestic livestock is very important to Idaho and other Western States for the production of food and fiber for the Nation.

The National Wool Growers Association has prepared a well-reasoned answer to the New York Times editorial and I ask unanimous consent that the editorial and the wool growers' answer be printed in the RECORD.

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

[From the New York Times, Jan. 14, 1974]

BACK TO POISON?

Just two years ago, President Nixon signed—to the warm praise of conservationists—an Executive order that was intended to put an end to the horrid practice of poisoning prairie dogs and predatory birds and animals on the public lands. Of all man's intrusions on nature's order, the wholesale use of poison in the United States has been among the most reckless and indefensible.

Like most Executive orders, this one requested aggressive leadership if it was actually to produce a change in long-established Government practice. In this instance, the Interior Department managed to find language in the order that enabled it to continue the use of poisons against prairie dogs. Meanwhile, the pressure from Western sheep and cattle ranchers for resumption of large-scale use of poison has been unremitting.

Twenty-one Western Senators led by Senator Henry M. Jackson, who used to be known as a conservationist, have now intensified this pressure by sending Secretary of the Interior Morton a joint letter complaining that his department has failed to protect ranchers against "substantial losses of domestic livestock to coyotes."

The sheep ranchers have come up with the fantastic and unprovable estimate of 800,000 lambs and sheep lost to predators. Whatever the figure, the ranchers make no secret of their preferred solution to the predator problem: back to poisons.

It is impossible to zero in on particular predators and poison only them even if that were desirable, which it is not. The slaughter of millions of prairie dogs, amounting now almost to extermination, has resulted in the virtual disappearance of the unique animal—the black-footed ferret—that preys on prairie dogs. Numerous other predators and scavengers have incidentally been decimated by the use of poison, including falcons, hawks, owls, condors and even the nation's symbol, the eagle. Moreover, the coyote—instead of being the dread menace depicted in sheepmen's propaganda—is, like the wolf, a useful species whose very existence is threatened.

Ranchers and their political patrons must come to understand that the indiscriminate use of poison on the public domain is morally offensive and ecologically inexcusable. If the White House and the Interior Department stand their ground, the ranchers may come to realize that for once they cannot prevail by political bullying.

When that is clearly established, they will drop their exaggerated claims of damage and begin to cope with the modest problem of predators, where it exists, in more humane and more effective ways. Instead of relying upon chemicals to police the natural enemies of their lambs and sheep, they might even consider hiring shepherds to tend their flocks. That was how man raised sheep over ages past—before he became greedy enough to resort to the cruel practice of mass poisoning.

NATIONAL WOOL GROWERS ASSOCIATION,
Washington, D.C., January 28, 1974.

Mr. ARTHUR OCHS SULZBERGER,
Chairman and President,
New York Times Corp.,
New York, N.Y.

DEAR MR. SULZBERGER: The New York Times, a fountainhead of contemporary American knowledge has been had—or else your editorial staff knows better, but chooses to expound as it would have the public believe. I refer specifically to an editorial entitled "Back to Poison?" which appeared in the edition of Monday, January 14, 1974. This expression of opinion is so biased and misleading and so replete with falsehoods and inaccuracies that it seems impossible it could have been written by persons with any sense of objectivity—especially considering your newspaper has recently printed several excellent news accounts of coyote predation upon livestock in the Western United States.

I know the persons who communicated with your editorialists in this instance, and they deceived and misled them just as they have other segments of the news media, the American people, and even committees of the Congress of the United States. Hopefully the principal informants won't be around much longer. Had your staff wanted to write a sensible editorial they could have done so because factual information is available which, if studied, would produce a balanced judgment on this very critical subject.

To begin with, the twenty-one Western Senators who signed the letter of complaint to Secretary Morton, referred to in the editorial, have not, as an impartial reader might infer, advocated a resumption of the use of poisons as a method of controlling coyotes. Such an inference does them a great disservice. It took considerable courage and conviction to compose and sign the letter because they knew full well that by so doing they would be subjected to editorial abuse and a spate of hysterical, form letter, hate mail. They are not the "political patrons" of ranchers, but concerned legislators troubled by the west-wide peril of coyote predation who are seeking some straight answers. It is a grave problem and if you were to ask your own Western reporters they would attest to this fact. The editorial skillfully clouds the issue by irrelevant references to the poisoning of prairie dogs and other supposedly endangered species. The editorial should have focused on the coyote issue, as the Senators did.

Now let's get a few things straight. Regarding the use of the chemical toxicants in question for predator control, there is absolutely no evidence that these ecologically sound tools were harmful to the environment. No evidence! The shrill cries of irresponsible environmentalists that millions of innocent animals were slaughtered by the "wholesale" use of toxicants has no factual basis. There is only the much heralded study of 1971, known as the "Cain Report." At least one member of the Cain Committee has publically recanted on his critical contribution.

The report was intended to be only a preliminary study, and it cautioned against an immediate elimination of toxicants. Yet it was used as the basis for the Presidential Executive Order prohibiting toxicant use on Federal Lands.

The Cain Committee overlooked a vast collection of material compiled by the Department of Interior to defend a 1971 lawsuit brought by two environmental groups to force an end to predator control. These reports are a thorough and factual defense of the program. They have been long suppressed, but recently pried loose by the Committee on Agriculture of the House of Representatives. They deal with each of the wildlife species mentioned in the editorial and conclude that the breeding populations of none of these animals, nor any others for that matter, were reduced by toxicants being used for predator control. This is substantial data, which was and is available to your reporters and editorial writers—if they were inclined to look for it.

As a matter of interest it would be well to note that the same chemicals which were banned for use in predator control are still being used in rural and urban areas to combat rodents. The Environmental Protection Agency recently dropped a legal inquiry into the rodent aspect for lack of evidence that such use was harmful to the environment. Yet the evidence is the same for the predator program and no hearing was held, despite governmental promises to do so, before the substances were removed for that purpose.

The use of chemical toxicants to control wild animal predators was not indiscriminant and although it may have offended some uninformed segments of society, it was ecologically sound.

Let's talk about fact and fiction. Does it not seem strange to you that regarding this subject the assertions of some radical environmentalists—most of whom have never bothered to observe conditions in the West—are unquestioned for accuracy, whereas the claims of those of us who live with this problem are dismissed as exaggerations. Is the word of someone blindly accepted just because he speaks in the name of a better environment? The losses of sheepmen are substantiated. This is being done every day by government officials, veterinarians, trappers, professors, researchers, etc. The loss figure of 800,000 sheep, which ranchers were supposed to "have come up with", and which the editorial labeled as a "fantastic and unprovable estimate", is modest in relation to that just reported by a Department of Agriculture expert on January 25, in San Diego, California. Dr. Clair Terrill estimates 2,000,000 sheep were killed by coyotes in 1972 alone with a loss valued at $50,000,000. That represents 100,000,000 pounds of meat.

The President's Executive Order which banned toxicants was another example of environmental overkill, politically perpetrated on the American public, by a handful of arrogant administrative appointees, who have dealt irreparable harm to the nation's food supply in the name of ecology. What is so discouraging is that it has taken so long for the truth to emerge. But it is. Pseudo-environmentalists have cried wolf (or black footed ferret) once too often. Their credibility is shattered. I refer to pseudo-environmentalists because the more professional environmental groups have either taken no position on this subject or have endorsed the carefully controlled use of some toxicants—as has the International Association of Fish, Game and Conservation Commissioners and the National Wildlife Federation.

The New York Times carried a letter last Sunday from the President of the Audubon Society in which he stated wool growers are only interested in toxicants, where we should be supporting research for improved methods. Where was the Society during all those years—before the environment became a popular cause which filled the coffers of the New York Office—when wool growers were pleading alone for interest in predator research? We welcome other means of control.

Wool growers are sometimes *too* eager to find new answers. A report was made last fall at a sheep management symposium in Denver by a rancher who felt he had found an effective repellent for coyotes. As a result, a great many sheep throughout the West were sprayed with the substance until the Environment Protection Agency and the Food and Drug Administration advised the product had no clearance and ranchers were risking condemnation of their lambs at the slaughter plant.

Mr. Sulzberger, we sheepmen don't like toxicants any more than their critics do. A panel of scientists presented to the National Wool Growers Convention in San Diego last week, the full range of predator research endeavors. It's impressive research and an impressive effort. But, to a man, they emphasized that results are, at best, several years away; and that we should expect no panaceas. Several projects show promise of helping under some circumstances, just as the currently developed tools are effective under some conditions. For now toxicants are the only effective weapons in some areas under some circumstances. They are no panacea either. Unless we have a variety of tools available to us which can be selectively employed by trained professionals, until toxicant substitutes are perfected, the senseless waste of food and fiber, which is so desperately needed today, will continue.

Sheep raising is one of the most ecologically sound of agricultural enterprises. These helpless animals are generally raised in natural environments on a renewable resource—natural forage. They produce red meat and natural fiber, with simple efficiency, using little more than solar energy. Such efficiency is vital in today's world.

Another absurdity contained in the editorial is the statement that the coyote is a species whose "very existence is threatened". Perhaps you might be interested in knowing a fact your writers have not cared to develop. Today there are more coyotes in more states than there have ever been. They are seen where never observed before. They are more dense in sections of states which border the Western banks of the Mississippi River than in many regions of the Far West. Nebraska, for example, experienced an increase of over 140% between 1972–1973 according to Department of Interior trend data.

The coyote is an extraordinary species, prolific and adaptable, with a remarkable ability to respond rapidly to any relaxtion of control. Sheepmen hve been forced to absorb enormous losses since the ban on toxicants because there are sometimes no adequate alternative control methods. All we ask is the supervised use of toxicants which are known to be environmentally safe until substitutes are available. Researchers, in at least two independent economic studies, have declared predators to be the single most important factor in the rapid decline in sheep raising. We must be able to control this menace or there won't be any of us left.

I found the editorial reference to sheepherders particularly offensive. We are told to hire herders to tend our flocks "as man raised sheep over ages past." What do they think we do, turn the sheep loose in the mountains and let them fend for themselves. Most Western sheepmen use all the herders they can find, and most of them are from Spain and South America because we can't get United States citizens to do the work. Herders are not a sufficient answer to predation—and any observer who has ever bothered to visit the West and observe the problem knows this. Scarce herders, in fact, are quitting in disgust at the suffering of their sheep which they feel is caused by a stupid and callous government.

We are accused of "political bullying". Is that really fair? We are a small industry fighting for our livelihood and being destroyed by a handful of biased bureaucrats and a few well-organized special interest groups. These groups use their plentiful tax exempt dollars to mount political pressure campaigns that make our efforts look paltry in comparison. One of these organizations gives a free subscription of its very slick, full color, magazine to the wives of every member of Congress. They place dishonest articles in the magazines of airlines which carry Congressmen to and from Washington, D.C. when critical votes on predator legislation are imminent. They distribute flatly dishonest TV films to stations all over the nation under the guise of public service commentary. They are the ones who are really "bullying" the American public.

Whatever we are accused of, please remember this. The propriety of using chemical toxicants to control predatory animals will ultimately be decided in court, and neither we, the press, nor the environmentalist pressure groups can "bully" a Federal judge. We will abide by a judicial outcome. Let's hope others can accept it.

I have written the New York Times in the past, oddly enough, to commend the paper on news coverage of the sheepman's plight. But my communciations haven't been published. I ask you to print this one. But in the event you choose not to, I have sent copies of both the editorial and my response to members of the Senate and House of Representatives in the hope that one or more will see fit to publish them in the Congressional Record.

You are invited, Mr. Sulzberger, to come West any time, at wool growers expense, to stay with me or my fellow ranchers and view, firsthand, the facts of the predator issue.

Yours sincerely,

R. K. "BILL" SIDDOWAY,
President, National Wool Growers Association.

REVIEW OF U.S. POLICY TOWARD CUBA

Mr. ROBERT C. BYRD. Mr. President, in March 1973 I called for a review of U.S. policy toward Cuba, and again last week I stated that the time has come for a reexamination of that policy.

Times and situations change. We must not be inflexible in our foreign policies. We are seeking détente with the Soviet Union. We are moving toward a full restoration of normal relations with the People's Republic of China. President Nixon and Secretary Kissinger have done a commendable job in improving U.S. relations with both of these countries.

It is time now, in my judgment, for the United States to make a start toward a resumption of normal diplomatic relations with Cuba. In the context of our efforts to improve relations with other nations—even those whose internal policies we may not approve—there is little logic in perpetuating the breach between the United States and the government of Havana.

Resuming relations with Cuba does not mean that we have to endorse Fidel Castro's policies, any more than our diplomatic relations with the Soviet Union mean that we have to endorse its ideology. Our increasing diplomatic exchanges with the People's Republic of China do

not mean that we endorse the ideology there.

I do not know the reasons for the Nixon administration's apparent reluctance to move toward a rapprochement with Havana, but I feel that this failure to act is not consistent with the administration's other efforts to establish improved world relationships. I am constrained to say that I know of no logical reason not to move now toward a normal relationship with a nation 90 miles off our shores in our own hemisphere.

It is important, in my judgment, that the United States move as rapidly as possible toward strengthening its relationship with all of the nations of this hemisphere. Failing to move toward normalizing relations with Cuba can impede and inhibit the efforts we make toward improving relations throughout South and Central America and the rest of the world.

And so today, Mr. President, I reiterate my appeal for a pragmatic new look at the continuing impasse in our relations with the Government of Cuba; and I suggest once again that the rigidity of our attitude toward this close neighbor, that for so many years was our close friend as well, is inimical to the enlightened self-interest of the United States.

ENDING ECONOMIC CONTROLS

Mr. COOK. Mr. President, the following editorial appeared in this morning's Wall Street Journal. It is a very persuasive argument by C. Jackson Grayson, former Chairman of the Price Commission during phase II, for not extending the Economic Stabilization Act which expires April 30 of this year. Last year I was one of two Senators who voted against extension of controls at that time, and I feel even more strongly now that they must be ended. Inflation has not subsided, unemployment is back up, and we face a very difficult year economically. We must return to a free market.

Mr. Grayson's argument is excellent and I urge my colleagues to read his remarks. I ask unanimous consent that his editorial be printed in the RECORD at the conclusion of my comments.

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

[From the Wall Street Journal, Feb. 6, 1974]

LET'S END CONTROLS—COMPLETELY

(By C. Jackson Grayson, Jr.)

The wage-price control or decontrol debate has shifted from whether we are going to decontrol to (A) how far, (B) when, and (C) how?

A consensus prediction seems to be that (1) gradual decontrol will continue, (2) that some sectors, probably energy, construction, and health will continue under long term controls, (3) that the Stabilization Act will be extended, and (4) that a wage-price control "stand-by" mechanism will be created.

I find a growing attitude of almost "inevitability" that this is the course that we will (or should) follow among Congressmen, businessmen, labor leaders, the press and members of the administration.

I challenge the necessity, wisdom, or inevitability of any or all of these. Before it is too late, I urge instead: (1) end all controls totally by April 30, (2) let the Stabilization Act expire, and (3) do not establish the proposed "stand-by" control mechanism.

Total decontrol sounds frightening to some, particularly politicians fearing voter reaction. "How can I vote for decontrol?" complained one decontrol-minded Congressman. "A vote for decontrol sounds like a vote for inflation."

It is true that if all sectors were decontrolled, there would be some wage and price increases. Some might be large and rapid as the market moved to adjustment levels necessary to ration resources and attract capital and labor.

But the economy-wide increases on total release will not be nearly as large as some fear. Much of the economy has already been released, and forecasts are for a slackening economy.

Who will be sending prices and wages upward? The market. Purchasers (industrial and consumers) will be signalling "more" or "less" of a wage, good, or service. The market, not the controllers, will be allocating resources to society's most efficient uses.

NOT PERFECT, BUT

Those who argue that this market mechanism is imperfect because of market power by business or labor or structural defects, should work to correct such faults rather than continue reliance on a mechanism that is far more dangerous to the market mechanism than such alleged imperfections. This line of argument will tend to keep us in controls forever as a countervailing power to alleged blocks to competition.

Arguments will surely be made, in rebuttal, that price increases will hurt the poor more than the rich. By definition, this is true. The poor have less money. Any price increases hurt them more, controls or not.

But if society wishes to increase economic opportunity for those with lower income (as I think we should), this is best done by means other than controls. In fact, continued controls, in many ways, hurt the poor. They tend to drive low markup items from the shelves, provide those with higher incomes and better education opportunities to get around the system. And they increase unemployment for marginal workers whose productivity is not as great.

Other arguments against total decontrol will be raised. "Now is not the time. Wait a little longer."

In late 1972 it was the fear of large wage settlements in 1973 that postponed decontrol. These did not materialize despite a more flexible Phase 3, and rapidly escalating prices. Shortages (fuel, steel, fiber, paper, etc.) are now being advanced as a reason for continued controls: "Price increases will not increase capacity in the short run and will merely result in higher profits."

Continued controls are not going to help the shortage problem. If anything, they will prolong shortages because of the lack of increased incentive (profits) to invest and expand quickly. Management, labor, and capital will delay action or even flow elsewhere. The result could then reach a point where arguments would be made that the federal government must invest to expand capacity through direct investment (to wit, the proposed federal oil and gas corporation).

While some people would agree with the philosophy of total decontrol, they would stop short of energy decontrol. For the same reasons as given above, I would not.

Yes, prices will increase. (They are going to increase anyway, with controls.) Yes, prices would increase more rapidly with decontrol. But the solution to the shortages would also be faster as price served its function of rationing and as incentives were increased for supply of more energy sources. Again, help for people with lower incomes should be done with mechanisms other than continued wage/price controls.

Similar arguments can be made for also removing controls from other sectors popularly nominated for long term controls—construction, health, food.

Finally, continued selective decontrol, while appealing to those who believe they know how to manipulate the allocation system, is dangerous. It increases the distortions among industries and services of different sizes; but more importantly, it increases the distortion of the flow of capital and labor due to unforeseen effects of substitution, interdependencies, false price signals, and administrative lags among controlled and non-controlled sectors. It was for these reasons that we shied away from industry-by-industry controls altogether in the Price Commission.

Our economic understanding and models are simply not powerful enough to handle such a large and complex economic system better than the marketplace. Partial decontrol (or its converse, partial control), tends to build a false belief in the minds of the public that controllers really "can" manipulate the system more efficiently, and will increase the cry for selective "recontrol" later on. After all, they knew how to selectively decontrol, didn't they?

I also don't believe that the Stabilization Act should be continued past April 30, even if decontrol were complete prior to that date.

If the act sat on the books, there would be tremendous pressure and temptation to reimpose controls in the near future. Even in a stable economy, some prices rise dramatically, some stay stable, some decline. But the headlines go to the increases, and political pressure will be heavy to reimpose controls over this or that sector.

If Congressmen think they will have immediate political problems now from decontrol they should think what they are letting themselves in for over the next year or two as prices fluctuate and successive delegations descend on them. They and the Executive Branch will be continually besieged to put controls back on across the entire economy, or selectively on visible wage settlements and price increases.

I recommend that the act expire now. Then, if the nation wishes to re-embark on the controls road again, the decision would be subject to full public debate, and not decided by administrative decision in the Executive Branch.

PRESSURES AND POLITICS

Finally, I recommend strongly against establishment of the proposed stand-by wage/price agency. If such an agency were created, whether responsible to the Executive or Legislative Branch, it would be subject to continual pressure to reimpose controls, totally or selectively. The monitors would find it almost impossible not to take "action" (direct controls or jawboning) even when price increases represented pure demand shifts. Prices would be determined as much by politics as economics.

Secondly, the "responsibility" for control of inflation would be thought to rest in the hands of this agency instead of at the more fundamental levels of fiscal and monetary policy, increased productivity, structural reform to increase competition, and widespread acceptances of individual responsibility to help control inflation.

Third, such an agency would undoubtedly be staffed by able people, anxious to do a job. The temptation of such a combat-ready group to "fine-tune" the wage/price mechanism would well nigh be irresistible. Parkinson's Law would surely operate. Many bright economists would like nothing better than to get their hands on the throttle of the economy to install their honest beliefs about "necessary" government intervention in the market.

Fourth, its proposed main activity of "jawboning" is not innocuous. To most people, that term means public spirited appeals for restraint and cooperation on wages and

prices. But, if past history is any judge, jawboning will also include threats to pass punitive legislation, to unleash a Justice or FTC investigation, to sell stockpiles to depress markets, to issue or leak derogatory stories to the press, and to issue or deny government contracts. At the personal level, jawboning can include subtle offers or denials of government appointments, or even threats to audit personal tax returns. All have been used. In my opinion, these are all abuses of power and contrary to the American sense of fair play and civil liberties.

Finally, the mere existence of such an agency would encourage price increases and discourage price decreases.

An unfortunate lesson learned from the various phases is that you'd better get wage/price increases while you can. Time and again, the "good guys" got hurt by exercising restraint. Many businessmen have told me that they will not reduce prices for fear that a new freeze, a new rule, or a new recontrol will catch them with their prices down. If such an agency were sitting there, symbolically hovering over the marketplace with a sniper's rifle, I think we would not see many price decreases, and would see instantaneous price increases. We would be institutionalizing inflation.

NEW SCENARIO IS POSSIBLE

Many of these points have been made before. Yet I am alarmed at the feeling of inevitability of the events of the next few months—partial decontrol, extension of the act, and creation of a standby mechanism. Businessmen seem resigned to this fact as a way of getting at least partially out. Administration officials apparently believe that this is the course to be followed to get congressional agreement. Many Congressmen believe that they can't completely decontrol because of public backlash.

The scenario does not have to come out that way. We can decontrol, with better longrange consequences for everyone, including the poor.

Why do I, who ran a price control program, argue as strongly as I do? I know price controls intimately and how people work in them. I know the distorting effects and political pressures. Controls do have some value, but for a limited time period and under special circumstances. After that, they should be abandoned.

More importantly, I know from first hand experience that allocations by the marketplace are far superior to any centrally directed system, and are most consistent with personal freedom.

It's easy to get into controls, but as we are now witnessing, hard to get out. It is time to act with courage. Let's get out, and let's get out completely.

"SURGICAL" NUCLEAR WAR—AN EXPENSIVE ILLUSION

Mr. SYMINGTON. Mr. President, I ask unanimous consent that a statement I made yesterday at the time the Senate Armed Services Committee received the testimony of the Secretary of Defense be printed in the RECORD.

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

SYMINGTON QUESTIONS LOGIC OF NUCLEAR COUNTERFORCE STRATEGY

(During the hearings this morning before the Senate Armed Services Committee on the Department of Defense presentation on the Defense Program and the Military Procurement Authorization request, Senator STUART SYMINGTON (D-Mo.) addressed the following statement to Secretary of Defense Schlesinger)

Mr. Secretary: An article by the new head of the Arms Control Agency in the Foreign Affairs quarterly of January 1973 advanced the targeting proposal you now propose.

I thought an article in that same publication the following October nullified the logic of this proposal; but in any case the new strategic doctrine you now advance is a counterforce strategy of directing our strategic missiles against military targets in the Soviet Union, particularly missile silos, through retargeting, and improved accuracy and yield of warheads.

Of particular concern to those who question this doctrine is that it assumes limited, or "surgical," nuclear war is both acceptable and possible.

There would appear nothing new about United States missiles being aimed at military targets in the Soviet Union. All tactical or theater nuclear weapons in NATO are targeted on military targets. General Goodpaster confirmed this in his testimony before my Subcommittee of the Joint Committee on Atomic Energy.

A portion of our Minuteman force has always been aimed at military targets.

Let us note that during the debate on the ABM, the Defense Department argued that the Minuteman force was vulnerable, hence had to be protected with defensive missiles. Now the rationale has switched 180 degrees. Defense officials are saying that neither the United States nor the Soviet Union land based missiles are vulnerable to a first strike, hence the possibility of limited strikes at military targets is more likely; therefore the need now for a counterforce capability.

The accuracy of United States warheads is already excellent, considered better than that of the Soviet Union. At some point, however, they could achieve comparable accuracy. Nevertheless, why should the United States encourage the Soviets to spend billions on better accuracy by announcing that this country now plans to develop a counterforce capability. In my opinion, this plan, which will cost many many more billions, coordinated with the changes made in the original Kissinger SALT I agreement in Moscow, makes it difficult if not impossible to have any success in the SALT II talks.

Your proposed "changes" in doctrine may be real, or just so much jargon for the purpose of another bargaining chip at the SALT II talks. (Shades of the multibillion dollar waste on that recent other bargaining chip, now abandoned, the ABM.)

There has been some talk of eliminating Minutemen on both sides. In the first place, one doubts whether it could be negotiable. Secondly, any such elimination would make our strategic bombers more vulnerable by eliminating the warning time gained by the Soviets firing their land based missiles at our Minutemen sites.

Another source of serious concern, as we review this gigantic increase request in the defense budget is the rapidly shrinking circle of outside scientists and experts who serve as consultants to the Administration on various technical matters. As a result, fewer and fewer outside experts have access to the essential classified material, because it is determined they do not have a need to know.

This development in turn limits the number of people who can intelligently advise Members of Congress, particularly on technical Defense issues. I consider this a very serious development, one that could, as military technology becomes more complex, lead us farther down the road our Constitution was created to block.

PANAMA TREATY OVERDUE

Mr. KENNEDY. Mr. President, I am hopeful that the recent news of progress in negotiations with the Republic of Panama on the future of the Panama Canal will prove a major step toward a mutually acceptable resolution of that matter.

For far too long it not only has embittered our relations with the people of that nation but it also has been a symbolic affront to every nation of Latin America and to every developing nation around the world.

I am hopeful that the visit this week of Secretary of State Kissinger to Panama to sign the statement of principles negotiated previously will mark a firm step forward on a path toward a new treaty.

At the same time, I am conscious of the controversy surrounding every aspect of the status of the canal, of the emotions this issue generates, and of the difficulty in translating principles into treaty provisions.

For if one examines the current statement of principles, they do not appear substantially different from the principles expressed by President Johnson when he sought to move the status of negotiations forward.

However, in the past 6 years the process of moving from the general framework to specific provisions and agreements has been sidetracked more than once.

I share the view of many observers that this matter is long overdue for settlement. There is little doubt in my mind that the era which produced the original treaty has long since passed.

A world in which nations relate to each other on a basis of equality, a world in which the vote of the Republic of Panama in the General Assembly counts the same as a vote of the United States, a world in which great white fleets no longer sail—in that world, the present treaty is an embarrassing anachronism.

Therefore, I am hopeful that the visit of the Secretary of State will be followed by a concerted effort to speed the conclusion of a treaty that respects Panamanian sovereignty, that recognizes the U.S. interest in the effective operation of the canal and that provides all nations continued assurance of freedom of passage—goals I might add which do not dictate the continued presence of the U.S. southern command headquarters in that country.

Mr. President, because of the continuing interest in the status of the Panama Canal, I ask unanimous consent to have printed in the RECORD recent articles and editorials on that subject.

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

[From the Washington Post]

WANTED IN PANAMA: A NEW TREATY

The State Department, properly alert to Latin desires that the United States hand over the American-owned Panama Canal to Panama, responded recently by dispatching Ambassador Ellsworth Bunker to negotiate a new canal treaty. It would replace the grossly unfair arrangement which President Theodore Roosevelt imposed on helpless Panama in 1903—described then by his Secretary of State as "very satisfactory to the U.S. and, we must confess, not so advantageous to Panama." Mr. Bunker and Panama's Foreign Minister now seem to have come up with a preliminary agreement to guide further negotiations on the specific issues of eventual Panamanian sovereignty, defense, construc-

tion of a new and larger canal, and so on. It's fuzzy but it sounds quite good.

Whether it means anything remains to be seen. The State Department's writ has never run far within the U.S. government on the matter of Panama. That State has made a gesture of concern—a gesture which serves the current administration effort to show it hasn't entirely forgotten Latin America—is noteworthy but not conclusive. There is a school of diplomatic thought holding that the best way to assure continued old-style American tenure in Panama is by exactly such gestures: sending senior white-haired envoys, giving the Panamanian government the chance to show its constituents that it's hard at work regaining the national patrimony, staying in negotiations with the expectation or wish to see them succeed. This is a patronizing approach, based on the twin judgment that Panamanians are weak and unstable and that Latin disfavor is an acceptable price to pay for continued control of the canal.

But the real power in this matter is in the Pentagon. It prizes the Zone as a base with which to defend the canal—though no threat to the waterway is now perceived apart from the resentment bred by the American presence. The military further treasures the Zone as a playground for an inordinate number of high-ranking officers who, with little visible work to do, can devote themselves to the Zone's "seven golf courses, six riding clubs, four beaches, fourteen clubs, five bowling alleys, nine craft shops, two roller-skating rinks, six gymnasiums and countless tennis courts," by The Wall Street Journal's recent tally. If the United States retreats "one inch" on its right to control the Zone, a private citizen named Richard Nixon said at the time of anti-American riots in Panama a decade ago, "we will have raised serious doubts about our bases throughout the world." This seems to be the Pentagon's basic view.

Then there is Rep. Daniel J. Flood (D-Pa.), hero of the 40,000-odd American "Zonians" who wish to retain their favored colonial way of life there. An early childhood visit produced an interest that, through his years in Congress, ripened into the passionate conviction that the canal is "the jugular vein of hemispheric defense." He has long been the leading voice holding tight on the Zone. Before Ambassador Bunker went down to Panama, he—wisely—paid a call on Mr. Flood.

Panamanians may believe, as the Archbishop of Panama recently put it, that since his country's location and configuration are its principal natural resources, the 1903 treaty insupportably grants "a monopoly in perpetuity, in favor of another government," over those resources. Mr. Flood, believing that the Caribbean is "mare nostrum" (our sea), regards the treaty as essentially untouchable. The archbishop is right, Mr. Flood is wrong. The quest for a new and fair treaty lies in the play between their views and the forces they represent—Latin nationalism on the one hand, American jingoism on the other.

[From the New York Times, January 6, 1974]

A GATHERING STORM OVER THAT OTHER CANAL

(By Richard Hudson)

The Panama Canal is part of the coastline of the United States. Its protection is just as important in the defense of the Western Hemisphere as is that of the Chesapeake or San Francisco Bays.—Representative Daniel Flood, Pennsylvania Democrat, on the floor of the House of Representatives.

Let the ambassadors of the friendly republics and the members of the foreign press here present answer: What nation of the world can withstand the humiliation of a foreign flag piercing its own heart?—Brig. Gen. Omar Torrijos, Panama's strong man, in a statement in the five official U.N. languages on a huge signboard across the street from the meeting place of the Security Council sessions in Panama City in March, 1973.

These two quotations illustrate the poles of opinion in a conflict that is simmering slowly but which could boil into violence if new negotiations on the Panama Canal now under way do not succeed. To complicate the problem further, the Nixon Administration finds itself becalmed in the middle, with a position that will satisfy neither the alliance represented by Congressman Flood.

Into the imbroglio has stepped—who else?—Ellsworth Bunker. The Panama Canal situation seems made to order for him, since he has long specialized in problems apparently without solutions. At 79, Mr. Bunker has perhaps been directly involved with more intractable international issues than any man alive, having been concerned with strained U.S.-Peron relations as Ambassador to Argentina in 1951, with the Trieste dispute as Ambassador to Italy in 1952–53, with the West New Guinea conflict between the Netherlands and Indonesia as U.N. mediator in 1962, with the U.N. effort to get Nasser to withdraw Egyptian troops from the Yemen in 1963, with the Panamanian riots and rupture of U.S.-Panama relations in 1964 (when he was Ambassador to the Organization of American States), with the messy aftermath of the U.S. invasion of the Dominican Republic in 1965-66, and, of course, with the Vietnam war, having served as Ambassador to South Vietnam from 1967 until last year. The rule seems to be: If it's hopeless, give it to Bunker. The outcome of his involvement usually seems to be a partial success, with the eventual emergence of a solution, or semisolution, that is far from perfect. Now it's Panama's turn—or at least half-turn. For no sooner had Mr. Bunker immersed himself in the Panama Canal question and made a trip to Panama for talks with high officials there than President Nixon named him to head the U.S. team at the current Middle East talks in Geneva. No doubt Mr. Bunker will have to give priority to the Middle East, but since he feels that the Canal negotiations are at a sensitive point, he will press ahead with them at the same time.

The impetus for the current negotiations came 10 years ago this month, when students sought to raise the Panamanian flag over the Canal Zone, American forces killed about two dozens of them and wounded more than 200 others. Panama broke relations with the U.S., and after the patching-up process, in which Mr. Bunker took part, President Johnson named Robert Anderson, an international banker who had been Secretary of the Treasury and Navy under Eisenhower, to head a team of negotiators to draft a replacement for the 1903 treaty under which the U.S. runs the Canal. Mr. Anderson tried until last year, when he resigned to be succeeded by Mr. Bunker.

To understand the present situation it is necessary to go back to that treaty of seven decades ago and see how it came about, for that is still the heart of the argument. The Americans entered the Panamanian picture after the French effort to build the Canal had collapsed. Having started construction in 1881, the French ran into insuperable medical, engineering and financial problems. More than 20,000 workers died, mostly from yellow fever. In one stretch of the Canal, the walls kept caving in as fast as they were dug. Besides the tremendous actual costs of construction, the company building the Canal was rocked by charges of high-level corruption.

Then in 1898 during the Spanish-American War, the battleship Oregon had to sail almost 13,000 miles around Cape Horn to get from the Pacific to the Atlantic; had there been a canal, the ship would have had to travel only 4,600 miles. This prompted Congress to set up a commission to study various canal routes. At first, the commission seemed to favor Nicaragua, where a route would have required less digging than in Panama. But Panama became more attractive when the successor to the original French company put up for sale its Panama rights and property and the trans-isthmus Panama Railroad, which had been operating since 1855, at a bargain-basement price of $40-million.

In 1903, when Panama was still part of Colombia, Secretary of State John Hay signed a treaty with Colombia under which the U.S. would pay Colombia $10-million plus $250,000 a year for use of the canal zone. But the Colombian Legislature turned down the treaty: not enough money.

Some curious events followed shortly. On Nov. 3, 1903, Panama revolted and proclaimed its independence. Colombian troops set out to put down the revolt but found their way blocked by U.S. Marines dispatched to the scene by Teddy Roosevelt. Three days later, Washington recognized the Republic of Panama, and less than two weeks after that, the U.S. and the new nation of Panama had signed the Hay-Bunau-Varilla Treaty authorizing the U.S. to construct the canal. Later, Roosevelt bragged that he "took" Panama.

Philippe J. Bunau-Varilla, who negotiated the treaty on behalf of Panama, was a wordly Frenchman with a waxed mustache, who by 1903 owned most of the shares of the company holding the Panama Canal rights. Like Teddy Roosevelt, Bunau-Varilla as well as many Panamanians had a special interest in wanting Panama to secede from Colombia. To the Panamanians, secession was an opportunity to develop their own resource, their strategic geographic location; Banau-Varilla wanted to get his $40-million sale price.

It seems odd that, once independent, Panama chose not one of its own people but Bunau-Varilla to be its negotiator with Washington on the canal treaty. But presumably they were impressed by his smooth manner and good connections in Washington as well as his own preference to have the canal built in Panama instead of Nicaragua. They also believed he would produce a treaty along the lines of the earlier one Hay had signed with Colombia.

That's not what happened, and 70 years afterward Panamanians still call Bunau-Varilla a traitor, the prime cause of their present problem. On Nov. 15, 1903 Hay transmitted to Bunau-Varilla a draft treaty that indeed was similar to the earlier one with Colombia but in some ways it was tougher on Panama Two days later Bunau-Varilla sent a counterdraft to Hay that was even more disadvantageous to Panama. The reason, apparently, was that he wanted the treaty to be appealing enough to win U.S. Senate ratification without difficulty. Hay, happily surprised, invited Bunau-Varilla to his home the next day and the two men signed the French promoter's counterdraft. When a few hours later a three-man Panamanian advisory committee arrived on the scene, Bunau-Varilla presented the treaty to them as a *fait accompli*.

In Panama, there was talk of turning down the treaty. However, a letter arrived from Bunau-Varilla, stating: "If the Government is thinking about not adopting this little resolution, I do not want to be responsible for the calamities that could follow." Meanwhile Colombia suggested that if it could get back its lost territory of Panama, it would be content with the old treaty after all. Then Bunau-Varilla intimated that if Panama refused to ratify the treaty he had negotiated, the U.S. Marines would not be there if Colombia marched to regain its loss. Subsequently the Panamanians learned that two Colombian gunboats were headed their way. Weighing their unhappy options, they de-

cided to approve the treaty, and it was officially ratified in February, 1904. Thus the Panamanians maintain that the treaty was imposed on them, and they have been compaining about it ever since.

There were two basic changes made by Bunau-Varilla from the earlier treaty with Colombia and both are central to the U.S.-Panama confrontation today. First, the Panama treaty provides that "Panama grants to the United States in perpetuity" rights in a 10-mile-wide, ocean-to-ocean strip of land through which the Canal was dug. The Colombia treaty had provided for an American departure in a century—by 2003. Although the Panamanians are asking for a U.S. departure by 1994, it is clear that they would now cheerfully accept 2003—so that problem would not exist today if Bunau-Varilla hadn't changed the date.

The other seriously disputed point in Bunau-Varilla's treaty is a provision by which Panama gives to the U.S. powers in the Canal Zone "which the United States would possess if it were the sovereign of the territory." And the U.S. does indeed exercise full, effective sovereignty over the 500-square-mile zone.

Thus, although there are many other points at issue, the primary questions are who is sovereign and for how long?

In building the Canal, the Americans profited from the mistakes of the French in three ways: first, they decided against a sea-level route and constructed a lock system instead, with an elevated lake in the middle; then they found ways to wipe out the mosquitoes that transmit malaria and yellow fever; and last, they used Government instead of private financing.

What they produced remains a romantic marvel, essentially unchanged from the day the first official transit was made on Aug. 14, 1914. It works this way: a ship comes in at one end—Atlantic or Pacific—is hoisted through three locks, travels across the man-made lake 85 feet above sea level and then is lowered through three locks to the level of the other ocean. The locks are fed by water from the lake, which in turn is replenished by the heavy tropical rainfall. An oddity of the canal is that, because of the S shape of the isthmus, a ship going from the Atlantic to the Pacific actually moves east instead of west while in the Canal.

Should the United States relinguish control of the Canal as Panama demands?

Economically, the Canal is still important even though the big new supertankers can't go through it. The number of transits runs more than 14,000 a year and the income from tolls is over $100-million. Seventy per cent of the Canal's traffic either originates or terminates at a U.S. port, yet this represents only 14 per cent of total U.S. foreign trade—and foreign trade in turn makes up less than 10 per cent of the American G.N.P. Only 2 per cent of our coast-to-coast trade moves through the Canal; the rest goes by truck, rail or air.

As for Panama, the question of whether American operation of the Canal is in its interest has been vehemently debated. New York's Representative John M. Murphy, one of the small but dedicated band of Congressmen against any negotiations at all with Panama, puts in this way:

"One hundred sixty million dollars goes into Panama's economy annually as a result of U.S. Canal operations. One-third of Panama's gross national product, 45 per cent of its foreign exchange earnings and one-third of its national employment are a result of the U.S. presence."

The Panamanians see the matter altogether differently. One reason, although they are reluctant to talk about it, is that if they had full control over the Canal, they would probably jack up the tolls. A descriptive pamphlet put out by the Panama Canal Company states: "A ship which would otherwise have to sail around the Horn can easily save 10 times the amount of her toll by using the Canal." With toll income running $100-million a year, one can imagine the effect on the small Panamanian economy were it to have the revenue resulting from a doubling or tripling of the tolls.

Amazingly, the tolls have never been raised since the Canal opened 70 years ago, although just last month the Panama Canal Company asked President Nixon for permission to raise the basic transit rate by 20 per cent. Income has steadily risen over the years, however, because more and bigger ships have been using the Canal. (Tolls are based on tonnage.) This revenue has paid not only for the Canal's operation but has financed the Canal Zone government and provided savings for U.S. military installations there—one of the better deals for the American taxpayer.

The Panamanians argue that the net effect of all this is that one of the weakest countries of the world is giving a large subsidy to the strongest. The United Nations Economic Commission for Latin America, in a 200-page study, "The Economy of Panama and the Canal Zone," gave its estimate that if the tolls had been slightly more than tripled, this "would provide additional income calculated at $1,845,000,000 during the nineteen-sixties and would result in a hypothetical reduction in traffic of barely 14 per cent." It concluded: "To sum up, the Canal Company's rate policy amounts to an implied and substantial subsidy of international traffic, a sizable proportion of which accrues to the United States economy, since it is the major user of its services."

Another question that is basically economic is whether, in order to accommodate more and bigger ships, a third set of locks or a completely new sea-level canal should be built. A study made under Robert Anderson's supervision and presented to President Nixon in 1970 reported that a sea-level canal would be feasible and suggested a site 10 miles west of the existing Canal. It advised against the use of nuclear explosions in the excavation and said the job would require about 15 years and $3-billion. The transit capacity of the present Canal, it estimated, would be reached about the end of this century.

The Panama Canal buffs in Congress led by Pennsylvania's Representative Flood oppose the sea-level canal on the grounds that it would be too expensive and would require negotiations with Panama. They also argue that it would be ecologically dangerous because differing forms of marine life exist on opposite sides of the isthmus; these could easily swim through a sea-level canal from one ocean to another, and in such an intermingling, some species might attack and wipe out others. Particularly exotic is the fear of a deadly poisonous sea snake which is native to the Pacific and which could cause havoc in the tourist industry if it migrated to the Caribbean and Atlantic resort areas.

Congressman Flood and his colleagues advocate what is called the Terminal Lake-Third Locks plan. This would move the site of one of the locks at the Pacific end of the present canal and create a third and wider channel.

Militarily, the Panama Canal and the Canal Zone have a variety of uses for the United States, all of which, the Panamanians say, are quite dispensable. To get the military viewpoint on Panama, this writer asked for and received briefings both in the Canal Zone and in the Pentagon. In both places a feeling of defensiveness seemed evident in the response to the questions: "Is the Panama Canal vital to the security of the United States? Or is it only a convenience?" No one would say flat out that it is vital. One major general put it this way: "Vital. Of tremendous importance. These are subjective terms."

The primary mission of the U.S. Southern Command headquartered in Panama is the defense of the Panama Canal, according to U.S. military spokesmen. (Panamanians joke that the U.S. military is there only to defend the Canal against the Panamanians.) Other responsibilities are to oversee U.S. military-assistance groups currently stationed in Latin American countries, carry out combined military exercises with Latin American forces, represent the U.S. military in Latin America, and engage in disaster relief. All told there are now 13 major U.S. military installations in the Canal Zone, at which are based some 10,000 members of the U.S. Army, Navy, Air Force and Marines and about 6,000 Department of Defense civilians.

The most controversial military installation in the Canal Zone is the School of the Americas, where Latin Americans get training in counterinsurgency warfare. Although most of the courses are on mundane subjects like office procedures and vehicle maintenance, two are devoted to operations against urban guerrillas and one to tactics for use against rural guerrillas. There are also Special Forces ("Green Berets") in the Canal Zone, although a military spokesman there insisted that they are employed only in training programs. At the request of Latin American Governments, he said, the Special Forces are sent to various countries, but they do not act as advisers to, or participate in, specific operations. "The Special Forces did not take part in zapping Che," he said, referring to the manhunt in Bolivia that led to the death of guerrilla leader Che Guevara. The inference seemed clear that those who had zapped Che had profited from Green Beret training.

The Pentagon makes no secret of its preoccupation with counterinsurgency warfare. A paper provided to this writer and dealing with the mission of the United States Southern Command states: "While not discounting the possibility of general war, inter-American defense planners consider the most urgent military need of Latin American countries to be internal security. The armed forces of each Latin American country should be able to cope with Communist-supported insurgency and guerrilla infiltration with our assistance but without our direct participation. In recent years most of the military efforts have been toward this end. Successes in meeting the threat of guerrilla bands in such countries as Bolivia, Colombia, Guatemala, Peru and Venezuela illustrate that these efforts are bearing fruit."

The results of the policy of giving U.S. support to Latin American military establishments are sometimes bizarre. The Peruvian military used American tanks to oust a Government friendly to the U.S. and replace it with the present regime, which has nationalized American companies. On the other hand, in Chile the U.S. cut off economic aid to the recently deposed Allende Government while continuing aid uninterrupted to the military—so presumably the generals have some good friends now at the highest levels there. In fact, some high officers in the Panama Canal Zone were recently quoted in The New York Times to the effect that the military, because of its common background with those who are now running so many Latin American Governments, may be able to exert more influence on these Governments than civilian diplomats. The ultimate irony may come if Panama's boss, Brig. Gen. Omar Torrijos, who himself is a graduate of the School of the Americas, achieves his aim of eliminating the headquarters for the entire U.S. military operation in Latin America.

On the strategic level, the military spokesmen did not dispute that the Panama Canal would be irrelevant in a nuclear war, since one well-placed warhead would put the waterway out of commission for the duration. One colonel, however, did raise this novel

theory: that the real winner in a nuclear war would the nation that could recover fastest, and that the Panama Canal, if not knocked out, could be of importance in the reconstruction phase.

On the conventional side, the military is caught in a dilemma of logic. Having argued that a two-ocean navy is necessary because the Canal is so vulnerable in time of war, it is now difficult to sustain the case that the Canal is vital to U.S. security. Aircraft carriers can't, and don't need to, pass through the Canal, since the U.S. has a two-ocean fleet with carriers in both the Atlantic and Pacific.

The Panamanian position is that the U.S. Southern Command should be folded down completely, with the Canal area neutralized and "not to be used for military activities unrelated to the strict protection of the Canal." The Panamanian armed forces would assume responsibility for security of the Canal, and "in case of international conflagration or a real threat of aggression to the permanent neutrality of the Canal . . . both countries shall agree, without delay, to take the necessary measures. . . ."

Politically, the Panama Canal issue centers around national pride—for both parties. The U.S., as a great power, can look out from its heartland at a kind of protective arc for its soft underbelly, an arc running from Panama to Guantanamo in Cuba and Puerto Rico—even though this vision seems based on pre-World War II geopolitics. The national honor of Panama, on the other hand, is offended by a 10-mile-wide belt across the country over which a foreign power is sovereign.

Time, it would seem, is on Panama's side. The way the wind is blowing was evident at the U.N. Security Council meeting in Panama City last March. Taking advantage of its term of membership on the Council and its turn at the presidency, Panama invited the Council to an on-the-spot discussion of the Canal issue. The meeting was long and bitter, with many delegates developing the theme that U.S. control of the Canal was an anachronism. Finally came the vote on a resolution that called on the parties to "conclude a new, just treaty concerning the present Panama Canal which would fulfill Panama's legitimate aspirations and guarantee respect for Panama's effective sovereignty over all its territory." Australia, Austria, China, France, Guinea, India, Indonesia, Kenya, Peru, Sudan, the U.S.S.R. and Yugoslavia all joined Panama voting in favor, while Britain abstained and the U.S. cast its third veto in U.N. history.

Panama could have put a similar resolution on the agenda of the U.N. General Assembly last fall and undoubtedly would have seen it pass by a heavy majority. But having turned the propaganda screws on the U.S. early in 1973, it has now changed its tactics in the hope that the new negotiations with Mr. Bunker will produce an acceptable result. When Henry Kissinger came to the United Nations immediately after assuming his new post as Secretary of State, he, Mr. Bunker and other U.S. concerned officials met with a Panamanian group headed by Foreign Minister Juan Antonio Tack, and by all accounts it was very cordial. Noting that negotiations has already been under way for nearly a decade, Mr. Kissinger quipped that "Ambassador Bunker is interested in job security" and got a good laugh. On the serious side, he praised Mr. Bunker lavishly and called for early progress toward an agreement. He seemed to give Mr. Bunker wide leeway with the problem, yet he also told Mr. Tack to feel free to approach him personally at any time.

Mr. Bunker, now sworn in as Ambassador at large and settled into a handsome wood-paneled office on the seventh floor of the State Department, says of his new assignment. "It's difficult and complicated, but I am hopeful." So far he has formed no definite opinions and says he is "learning, getting the views of the Pentagon, the State Department, Congress and also views of interests other than the Government, such as labor." He plans to spend some time in Panama (he has made two trips there since late November)—but not too much. "My wife and I have lived apart for six years, and we are not about to do it again," he said in a recent interview with this writer.

He was referring to the time he was in Saigon and his career-diplomat wife, Carol C. Laise, was Ambassador to Nepal. Recently she assumed the post of Assistant Secretary of State for Public Affairs, so both are in Washington. Mr. Bunker has made a deal with Mr. Tack that negotiations on the Canal will alternate between Washington and Panama, thus keeping the disruption of the Bunker home life to a minimum. But now, wearing his Middle East hat as well as his Panama hat, he may find it difficult to keep his resolve.

Mr. Bunker is conducting the Panama negotiations "quietly and secretly," as he always has done. "Once the parties take public positions, they can't recede," he says. "There must be private give and take." In the present case, he is going to need plenty of give and take, for he is in the middle and there is a lot of distance around him on all sides. The Panama Canalists in Congress and probably the Pentagon don't think he should be negotiating at all; to them the 1903 treaty is fine and the hell with the Panamanians. The Administration, so embattled at this point that it may not even remember where Panama is, has up to now taken a position that the U.S. is willing to give Panama the Canal in 50 years, although the period would be 85 years if the U.S. were to build a third lock and 90 years if a new sea-level canal were constructed. The Panamanians want the U.S. out in 20 years.

So the tall, patrician, white-haired gentleman has his work cut out for him. If he fails, Panama's strongman Omar Torrijos and the 1½ million Panamanians, virtually all of whom share his passion to take title to the Canal, may cause trouble. As it stands today, his well-trained, 8,000-man National Guard might well be able to storm the 2,400 U.S. ground troops there and capture the Canal, although they probably couldn't hang on to it when the U.S. Marines started landing. And the Panamanians understand this. Nevertheless, Torrijos is talking tough. As Mr. Bunker was en route by jet to Panama on Nov. 26, the Government-controlled evening newspaper in Panama ran a long headline: "If the negotiation fails, we will be left with no other recourse but the battle." The Panamanians are determined to reclaim the Canal, and there will surely be some kind of explosion—big or small, sooner or later—if they don't.

RIGHTS OF PASSAGE

The Law of the Sea Conference, which was formally opened at the recently concluded session of the U.N. General Assembly, and which will begin a 10-week session in Caracas, Venezuela, in June, is charged with the task of creating an international regime to govern ocean space beyond the limits of national jurisdiction. Among the many complex problems it faces is the question of transit rights through international waterways. The big maritime nations are advocating "free transit" to allow them to move shipping through waterways without restriction; the nations which front on the waterways are calling for "innocent passage," under which they themselves would judge which passages are innocent. But so far there has been no discussion of transit rights through man-made international waterways, the two most important of which are the Panama and Suez Canals.

Why shouldn't an ocean regime guarantee free transit through all international waterways, natural and man-made? In our shrinking globe, certainly the enlightened course is to guarantee the openness of transportation routes, not to clog them with layers of separate national restrictons. Legitimate concerns of coastal states, such as the danger of oil spills or nuclear accidents, could surely be dealt with better at the global level than piecemeal by more than 100 nations. In the case of the Panama and Suez Canals, the internationalization of transit rights could be helpful in solving stubborn diplomatic problems.

In Panama, internationalization of transit rights through the Canal could provide a face-saving, mutually beneficial solution for both sides. Panama would regain effective sovereignty over the Canal, perhaps sooner than it expects, paying only the price of having an ocean-regime presence in the Canal area. The U.S. would gain new assurance that the Canal would not be closed to its shipping.

On the Suez Canal, the situation is perhaps too indefinite to be specific. Nevertheless, it is not difficult to imagine that the involvement of the international ocean regime in guaranteeing free passage through the canal could be a stabilizing element in the over-all Middle East situation.—R.H.

[From the New York Times, Jan. 8, 1974]

PROCEDURAL ACCORD SEEN NEAR IN PANAMA

WASHINGTON, January 7.—The United States is fairly close to agreement with the Government of Panama on procedures for negotiating a new treaty regulating the Panama Canal, an Administration official said today.

Agreement on procedures was discussed yesterday and today in Panama by Foreign Minister Juan Antonio Tack and the United States Ambassador at Large, Ellsworth Bunker. When agreement on the ground rules is reached, negotiations will begin on a new pact to replace the 1903 treaty under which the United States holds sovereignty over the Panama Canal Zone, the official said.

The official, responding to Panamanian reports that agreement was near, said the procedural steps could be completed in the next six weeks.

Secretary of State Kissinger may visit Panama next month, the official said. But he added that negotiations on the actual treaty would still take a long time after that.

[From the Washington Star-News, Dec. 26, 1973]

PANAMA CANAL SEEKS 20 PERCENT RATE INCREASE

The Panama Canal Co.'s board of directors proposed an increase of about 20% in canal tolls.

If approved by President Nixon, the higher rates would go into effect not earlier than six months from now and would be the first increase since the canal opened in 1914.

The company, which is a corporate agency of the U.S. government, said the toll increase is necessary to cover "rising operating costs."

In fiscal 1973, which ended June 30, the canal had a deficit of $1.3 million. Federal law requires that the canal be self-supporting.

Under the proposal, the toll for a ship carrying cargo or passengers would increase to $1.08 a "Panama Canal ton" from the current 90 cents a ton. A Panama Canal ton is

equivalent to 100 cubic feet of revenue-producing cargo space below deck.

Tolls for empty cargo ships would increase to 86 cents a Panama ton from the present 72 cents.

[From the New York Times, Dec. 22, 1973]

PANAMA CANAL SEEKING FIRST RISE IN TOLLS

(By H. J. Maidenberg)

The Panama Canal Company is seeking the first increase in tolls since the waterway was opened in 1914, it was announced yesterday.

Directors of the company, an autonomous Federal agency, have asked President Nixon to raise the basic transit charge to $1.08 a ton from 90 cents, or 20 per cent.

As defined by the canal company, a ton of freight is equivalent to 100 cubic feet of revenue-producing cargo space below deck. The company is also requesting that the toll for empty freighters and tankers be increased to 86 cents a ton from the present 72 cents.

Transit charges for naval and other vessels would also be increased, unless the existing tolls are governed by intergovernmental agreements.

If approved by the President, who has the sole right to change the toll schedules, the new rates would become effective in six months.

According to officials of the Panama Canal, interviewed recently in the company's headquarters, the toll increases are being sought for three major reasons.

First, Federal law requires the operating company to be self-supporting, and the agency had a deficit of $1.3-million in the last fiscal year ended June 30.

Secondly, increasing operating costs and expenses during the present modernization program are expected to exceed appropriations from revenues.

Finally, the officials noted that the canal which links the Atlantic and Pacific Oceans across the Isthmus of Panama, is not receiving its share of expanding marine freight.

The huge modern supertankers and ore carriers do not use the canal because they are too wide to transit the 110-foot-wide locks of the north-south waterway. And many of the newer smaller ships employing fewer crewmen find it profitable to round Cape Horn rather than pay the tolls.

In recent years the volume of cargo passing through the canal has held at about 125 million tons a year, and revenues have been put at roughtly $105-million.

Nevertheless, shipping men expect that the toll increase, which they consider certain, will add to the cost of commodities imported from the west coast of South America, ranging from metals to bananas.

Equally important, the first increase in Panama Canal tolls is also expected to put pressure on marine freight rates generally, as well as encourage Panama to press her demands for sovereignty over the 50-mile long and 10-mile wide Canal Zone, which bisects that country of 1.5 million.

Indeed, some shipping men here believe the requested increase in tolls reflects the higher rents paid and proposed by Washington to Panama recently as part of the Government's efforts to reach an agreement with that nation over the future of the world's major functioning canal.

NEW HOPE ON PANAMA

The United States and Panama have reached preliminary agreement on basic principles for a treaty to replace the outdated pact of 1903, which gave Washington control over the Panama Canal Zone "in perpetuity." But the early demise of three related treaty drafts, agreed to by the two Governments in 1967 after three years of negotiation, ought to restrain any excessive optimism about a new pact.

Preliminary points of agreement provide for eventual transfer of sovereignty over the Canal Zone to Panama at a date to be negotiated. The United States would continue to provide the Canal's defense, and the two Governments would jointly consider building a new sea-level canal or expanding the present waterway to accommodate the huge new oil tankers.

Similar provisions were included in the 1967 treaty drafts, negotiated under guidelines agreed to by Presidents Lyndon Johnson and Marco A. Robles. Under attack by Panamanian nationalists, Mr. Robles backed away from the treaties, which became casualties of Panama's 1968 Presidential election and the Army coup that followed it. In any case Mr. Johnson would have encountered strong opposition to ratification from Senators unwilling to contemplate even gradual transfer of the Canal Zone.

The forces that sidetracked the 1967 treaties in Panama and threatened them in the United States are still active. Some even doubt that Panama's strongman, General Omar Torrijos, really wants a new Canal treaty because it would deprive him of an issue he has exploited constantly by way of retaining his popularity.

Reasonable Americans will agree that control "in perpetuity" of an area that bisects another country is a relic of an era long gone. They will welcome a treaty that redresses this injustice while protecting American interests and insuring the continued freedom of passage through a vital communications link.

HOUSING NEEDS

Mr. TAFT. Mr. President, I recently came across an editorial by Peter Fosco, editor of the monthly magazine of the Laborers' International Union of North America, which expresses eloquently the need for Congress to take definitive action in the housing field. As a member of the committee which has spent months of markups on new housing legislation already, I agree wholeheartedly with this sentiment. Particularly in view of the mortgage money crunch and the paucity of subsidized housing assistance programs in the past year, it is essential that Congress continue to make progress on this legislation rather than allowing it to become bogged down in committee or on the floor.

I also note with interest the comments in the editorial concerning the efforts of the AFL–CIO in the housing field. I hope that many private groups will realize that they as well as the Government can play a useful and important role in our efforts to provide decent housing for all Americans.

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:

OUR NATION'S HOUSING NEEDS

One of our International Union's major goals in Congress this year will be legislation to step up the production and availability of housing for low and moderate income families.

As the cover story in this issue points out, our country is not only far from its stated objective of "a decent home . . . for every American family," it is slipping even further behind on the timetable needed to achieve it.

Any American worker who has shopped around recently for better housing has suffered a shock. He has discovered that he is priced right out of the market.

Soaring interest rates, land and material costs have sent the price of housing up to the point where four out of five families cannot afford a decent home, according to the Department of Housing and Urban Development. The median price of a new home nationally today is over $32,000 and rising.

There are still about 11 million Americans living in substandard housing. Our nation not only needs to build and rehabilitate this number of housing units immediately, and make them available to the poor, we need to provide an estimated 120,000 additional units each year for the elderly alone.

Making matters worse is the fact that HUD's two subsidized housing programs for the poor were frozen a year ago. Money already appropriated by Congress for these programs was impounded, and remains so even though a U.S. District Court judge ruled that this action was illegal.

HUD's stated reason was that the programs were "inequitable and wasteful," despite the fact that approximately 2 million poor families have obtained decent housing under these programs during the past five years. Moreover, HUD offered no alternative to the programs, but proposed to study the problem, and after months of "study" has proposed still another study. At this point it plans to bring forth a new program sometime in 1975.

We believe that while there may indeed be more efficient ways to meet the housing needs of the low and moderate income families, it is vital that we proceed without letup with the programs at hand until better programs are developed and fully funded.

Our International Union has long been committed to pushing for the development of housing that the average American worker can afford. We have encouraged the investment of millions of dollars in union-negotiated pension monies in the AFL–CIO Mortgage Investment Trust, where funds are used effectively toward that end. We have helped promote the development of prefabricated homebuilding, which has a potential to manufacture needed housing units more cheaply and quickly.

This year we will press our efforts in Congress to achieve a comprehensive housing strategy, capable of reaching the target of "a decent home . . . for every American family."

CONVERSATION WITH A SOVIET JEW

Mr. TUNNEY. Mr. President, 2 weeks ago, while I was in Los Angeles, I had the opportunity to make a telephone call to Dr. Alexander Luntz in Moscow. Dr. Luntz is one of thousands of Soviet Jews who are, in his own words, imprisoned in their own country because they desire to emigrate to Israel. America must not overlook or forget this tragic situation. It is clear that continued publicity in the United States has an effect on the Soviet Government, and has been influential in prodding the government to allowing as many Jews to emigrate as it has over the past 2 years. However, thousands more are still not allowed to leave, in violation of simple human rights embodied in

United Nations resolutions and espoused by the Soviet Government itself.

Dr. Alexander Luntz is a Soviet scientist, holding a Ph. D. He was the director of a scientific institute in Moscow, where he worked on medical cybernetics problems. Fourteen months ago, he applied for a visa to emigrate to Israel with his wife and 16-year-old son. On the very day he applied for the visa, he was fired from the directorship which he held. His wife, a geologist, also lost her job. Dr. Luntz has been working since that time as a teacher of arithmetic—imagine that for a Ph. D. former director of a major research institute.

My conversation with Dr. Luntz was greatly uplifting, and should serve to remind us all of the courage of men and women who refuse to be broken by a tyrannical regime, who will endure great suffering in order to achieve what they believe is just and right. I will continue to use all my efforts to see that Dr. Luntz and all others in Russia who wish to emigrate to Israel may do so freely. Mr. President, I ask unanimous consent to print in the RECORD a transcript of my conversation with Dr. Alexander Luntz.

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

TELEPHONE CONVERSATION BETWEEN HON. SENATOR JOHN V. TUNNEY AND DR. LUNTZ

Senator TUNNEY. Hello, this is John Tunney.

Dr. LUNTZ. Hi, how are you? It's a privilege to speak with you.

Senator TUNNEY. Well, I am delighted to have the opportunity to speak to you and I understand that you are having great difficulties getting a visa to emigrate to Israel. Hello . . .

Dr. LUNTZ. Yes, yes I am here.

Senator TUNNEY. Well, I want you to know you have all kinds of moral support in this country. I certainly am very much in support of the Jackson Amendment which makes it impossible to give any special treatment to the Soviet Union, most-favored-nation clause treatment if they will not allow their citizens to emigrate to countries that they want too and live up to the Declaration to Human Rights under the U.N. Charter. I think that the majority of the United States Congress feels the same way that I do and we will not give any special trade or economic consideration to the Soviet Union, unless they eliminate what we consider to be an inhuman wall that prevents people from going to the country of their choice and emigrating freely. I am certainly going to speak to people in the Senate and I'll mention the fact on the floor of the Senate that I had the opportunity to speak to you in Moscow and I just wish you the very, very best of luck and I am so sorry that your having the kind of problems that you are, it's inhuman.

Dr. LUNTZ. Thank you. You see Senator, myself and all my friends are all very grateful to you and your colleagues for your support. It's very important for us. That is our only hope to be free and to be able to go to Israel.

Senator TUNNEY. Yes.

Dr. LUNTZ. I want to tell you that all of us are being held hostage here.

Senator TUNNEY. Right.

Dr. LUNTZ. There are many Jews in the USSR that want to leave for Israel, but they are afraid to make visa application because they know they will lose their jobs. So they closely watch what the authorities will do with us, and if they will let us go to Israel.

Senator TUNNEY. Yes.

Dr. LUNTZ. We will not cease our struggle for our basic human rights, and to emigrate to Israel. It will be our position and also the position of the prisoners. To be prisoners in the USSR means not prisoners in the usual sense. They are prisoners only because they want to leave for Israel.

Senator TUNNEY. Yes.

Dr. LUNTZ. Everyone who has the courage to request an exit visa immediately loses his position (job). He ceases to be a human being. We need the help of all good people. Your support is very important.

Senator TUNNEY. Well, it is something which is felt from the heart and I don't know if you know it but Solzhenitsyn's book is receiving great acclaim in the Western world. We are very deeply concerned about it. When I was in Israel last, I had the opportunity to meet with many of the Jews who came from the Soviet Union and had a chance to talk with them about the conditions in the Soviet Union. So I am very familiar with the situation that you are facing and the only thing that I can say, is that I pray to God that you are going to find within the next few months that the Soviet Union authorities will change their position and allow you to emigrate. It's in God's hands and I just say a prayer for you.

Dr. LUNTZ. Once more thank you for your support and for your good work. I am grateful to your colleagues in the Congress for their support. We ask for nothing more than for human freedom. What you are doing in the United States is very important and will help bring about the freedom of many people.

Senator TUNNEY. Well, I appreciate your saying that and I hope that the fact that we are continuing to make a point of the importance of the Soviet Union eliminating this inhuman emigration policy will have positive effects in your case, and we will do what we can on the Senate floor to publicize your case and I hope that the Soviet Union will relent and will let you leave and go to Israel.

Dr. LUNTZ. Thank you, thank you for all.

Senator TUNNEY. Wonderful, okay and Dr. Luntz, I hope that I will have the opportunity to see you someday in the United States or in Israel.

Dr. LUNTZ. Thank you, good-bye, very nice to talk to you.

DEFENSE SPENDING

Mr. GOLDWATER. Mr. President, every year, after the defense budget has been released by the President and discussed by the Pentagon, the enemies of the military in the Congress and the media begin their determined assault on defense spending. They depend invariably on a series of myths which have no resemblance to the true facts. These myths have been brilliantly exposed by Michael Yarymovych who is the Air Force's chief scientist. I ask unanimous consent that this article which appeared first in the New York Times and later in Air Force magazine be printed at this point in my remarks.

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

THE MYTHS OF DEFENSE SPENDING

(By Michael I. Yarymovych)

Many people believe that the military spends a disproportionate share of our national wealth. In addition, they believe that the military continually raises the specter of the threats to our national security just to obtain more money and to perpetuate themselves. This simply is not true.

On the other hand, we do recognize the very pressing needs that we have at home. National priorities have been reordered, and this reordering has had a tremendous effect on spending for national defense. But somehow, none of this has altered the public feeling about military spending.

No matter what yardstick one uses, be it percent of the federal budget or percent of the Gross National Product, defense spending is at its lowest point in real terms—people and hardware—since the Korean War. Let us not forget that this defense spending has prevented a nuclear war for twenty-eight years and has enabled the United States and the Soviet Union to agree on some strategic arms limitations without fear of catastrophic surprise.

In the past ten years, total federal spending has doubled, and, within that spending, aid to education has increased five times, public assistance has tripled, Social Security has tripled, and health care has increased from less than one-half billion dollars to over $18 billion—a more than fortyfold increase. In the same period, defense spending increased by only fifty-eight percent in current-year dollars.

Myth: The peace dividend has been stolen.

Reality: The Defense Department spent $51 billion in pre-Vietnam 1964 and is forecasting $79 billion for Fiscal 1974. This represents a $28 billion increase during a time manpower was reduced by eleven percent. Although the Vietnam War was phased down from its 1968 peak, major pay increases plus general price inflation have occurred. The all-volunteer force was one of the stimuli for the pay raises. Of the $28 billion increase since 1964, pay raises have been about $22 billion and price increases about $6 billion. These two items, pay and inflation, account for the entire increase in the defense budget during the past decade.

Myth: The national defense budget continues to grow.

Reality: In 1973, spending was the lowest, in real terms, since Fiscal 1951. None of the real growth in the economy over the past twenty-two years is currently allocated to national defense.

Since the Southeast Asia wartime peak, defense manpower (military, civil service, and defense-related industry) fell by thirty-five percent or 2,800,000. Purchases from industry fell by forty percent or $22 billion in constant prices.

Myth: In recent years, many additional billions of dollars have been poured into weapons systems and facilities.

Reality: Over the past nine years, funds for procurement, research and development, and military construction have increased by only four percent or $900 million in terms of real buying power, these funds have decreased by twenty-four percent in the same period.

Myth: The defense budget dominates public spending.

Reality: In 1973, defense accounted for about twenty percent of all public spending, about twenty-one percent of all public employment, and just over six percent of the Gross National Product; the lowest shares in more than twenty years during which time about one-half of all taxes went for defense.

Myth: Defense squanders billions in weapons system "cost overruns."

Reality: Alleged "cost overruns" of tens of billions are arrived at by comparing current estimates of all-time (concept to completion of production) costs to very early "planning estimates." Only about half the money referred to in "cost overrun" figures

has ever been requested of Congress, much less appropriated or spent.

Myth: Defense is placing an inordinate drain on the nation's research and development resources.

Reality: Defense-related research and development is smaller in real terms in 1973 than in 1958 or any year since.

Unfortunately, there are those who do not view our national security needs as having the same urgency in light of the current East-West relationship. Under these circumstances, we have a genuine problem in ensuring that today's military research and development accomplishes its primary objective, superior deterrent defenses for the long haul.

IN HONOR OF SENATOR GRUENING

Mr. McGOVERN. Mr. President, I would like to note for the RECORD that a very distinguished former colleague, Senator Ernest Gruening, is my guest at the Senate today.

There are two reasons why this is a timely visit.

One is that today is Senator Gruening's birthday—his 87th. And whether we have agreed or disagreed with the views he has expressed so forcefully, I think we all applaud the service he has performed so brilliantly in those years, both in the Senate and in a remarkable life before that. I am sure we all envy the vigor and the insight he still brings to bear on public questions. I, for one, treasure both his friendship and his advice.

The other reason I am pleased Senator Gruening is here today is that several of us are today posting a letter to the Nobel Committee, recommending that he be awarded the Nobel Peace Prize.

As we state in our letter, Senator Gruening has been an "indefatigable champion of peace" for decades. His leadership spans many issues and several generations, back as far as when he was a journalist writing against the gunboat diplomacy of the 1920's. His courage and foresight on two questions in particular, on Vietnam and on population control, make him uniquely qualified for consideration by the Nobel Committee.

I ask unanimous consent that there be printed in the RECORD a copy of the letter we are sending to the Nobel Committee, a review of Senator Gruening's book, "Many Battles," which recently appeared in the Washington Post and a biographical sketch which appears in the most recent issue of Current Biography.

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

NOBEL PEACE PRIZE COMMITTEE,
Nobel Institute,
Olso, Norway.

DEAR MEMBERS OF THE COMMITTEE: This letter supports a cable you have already received, placing the name of our former colleague, United States Senator Ernest Gruening, in nomination for the Nobel Peace Prize.

Senator Gruening's leadership in the quest for peace spans many issues and several generations. It goes back as far as the magazine and newspaper editorials he wrote as a journalist against the "gunboat diplomacy" of the 1920s, and against the interventions in Haiti, the Dominican Republic, and Nicaragua. It is as current as the efforts he continues now, in his eighty-seventh year, against steps which would heighten the danger of more serious confrontations in Indochina. For all of those years he has truly been an indefatigable champion of peace.

But his most remarkable and farsighted contributions have been addressed to two issues which still remain at the forefront of the international agenda. One is the continuing war in Indochina. The other is the ominous growth in world population.

On the first, it may be appropriate to recognize those who participated in negotiations to end direct American involvement in Indochina. But the conflict has not ended, and the risk of a wider war remains.

Yet there is another and still graver risk. It is that in our relief over the end of American involvement, we may see obscured not only for Americans but for much of humankind the urgent lessons to be learned from this sad experience—that small lands as well as large have a right to settle their own affairs; that a policy of unilateral intervention can only degrade the international agencies created to resolve disputes; that even powerful nations confront the tides of nationalism at their peril. And for that reason alone, we contend that to advance the purposes of the Nobel Peace Prize, it is prudent to honor not only those who continued but then finally ended a grave mistake, but also one American who was the most consistent, the most tireless, and among the earliest voices urging against that mistake before it was made.

Senator Gruening's courage and foresight are demonstrated on the public record. He argued against American intervention in the Vietnamese civil war in October of 1963, when the question was still whether U.S. advisers should be assigned to assist the government then in power in Saigon. He followed in March of 1964 with a more comprehensive address in the United States Senate entitled "The United States Should Get Out of Vietnam." When the war took a sharp turn toward escalation in August of 1964, he was one of only two members of the Senate who voted against the Gulf of Tonkin resolution.

But there is an even more significant contribution which cannot be as readily traced. Senator Gruening coupled his words of warning with ceaseless efforts both in the Congress and around the country to win a reevaluation and a reversal of U.S. policy. He authored a book, *Vietnam Folly*, which still stands as an outstanding documentation of the case against the American involvement and escalation in Indochina. He pleaded that case tirelessly with his colleagues in the Congress, not only in formal debates on the floor but in conversations in the cloakrooms and offices.

Finally he took that case to the nation, speaking everywhere an audience could be found. In 1963, at the age of seventy-six, he launched a personal crusade against the war. And years later his indomitable spirit still persists, and his crusade still goes on.

Anyone who has observed America over the past decade must be convinced that this is how and why we finally came to end our involvement in Indochina. Those who presided over the process of negotiation and withdrawal had earlier been among the most aggressive supporters of escalation. Withdrawal finally came not so much because they decided to reverse their policy; it came because Senator Gruening and ultimately millions of others worked to reverse American politics. At last a new course became a political necessity.

We may admire those who had the patience, the energy, and the wisdom to finally negotiate the settlement, when settlement was the demand of the American people. But in good conscience, the name "peacemaker" fits Senator Gruening best. How much harder was his task. For he embraced the cause of peace when it was a lonely cause. He challenged his own party. He challenged the authority which made the war. In 1968 public divisions over the war in Vietnam cost him his seat in the Senate. But it did not cost the country his vision and leadership. And if any one person is responsible more than any other for ending the tragic role of the United States in Vietnam, it is this wise and valiant public citizen.

For that alone, we submit that this nomination should have the most careful consideration of the Committee. But Senator Gruening has taken an early, leading role in another area of overriding worldwide concern.

The United Nations has proclaimed 1974 World Population Year, demonstrating what has now become a pervasive recognition of the importance of this issue to peace and stability in the world. Few knowledgeable discussions of the prospects for peace now fail to account for the need to limit population growth to husband our planet's scarce resources and to assure that their use will ultimately serve to close the perilous gap between rich and poor nations.

Senator Gruening saw this in the first decade of the century. He contended then that population control was an essential step toward higher health standards and the elimination of poverty, and eventually toward a more civilized and peaceful world. As a journalist, he wrote his controversial views on the subject into his newspaper editorials. He participated in a conference on birth control sponsored by crusader Margaret Sanger in 1921, at a time when advocacy of such a cause was not only unpopular but dangerous. As Director of the United States Division of Territories and Island Possessions under President Roosevelt in the 1930s, he helped establish material health clinics in Puerto Rico, a step credited with significant social and economic progress in that land.

When he came to the Congress, Senator Gruening at first found attitudes on population control issues which did not differ greatly from the hostility of the 1920s. Again he became the patient but persistent educator. In 1963 he cosponsored legislation calling for the creation of a Presidential Committee on Population to research and expose the problem. He sponsored his own, more ambitious bill to support the publication and distribution, both in the United States and abroad, of information on population control. Then, as chairman of the Subcommittee on Foreign Aid Expenditures, he held no less than thirty-two hearings over the course of three years.

The effort was productive. The Family Planning Service and Population Research Act was passed. An Office of Population Affairs was created in the Department of Health, Education and Welfare. A sum of $175 million was appropriated to foster birth control programs abroad. In contrast to the cautious climate of just ten years ago, such programs have become widely accepted and supported as indispensable national and international programs.

The challenge remains. But again, what progress has been made and what international leadership the United States has supplied stands largely as a monument to the foresight and good works of one man, Senator Ernest Gruening.

This, then, is the statesman we recommend to the Committee. He is a man of energy, of integrity, and of absolute dedication to justice and to the cause of peace. He fights tirelessly for what he believes—and we have

learned that what he believes is usually right.

Senator Gruening's example is an inspiration to the best in all of us. The Committee's decision to honor him would be an inspiration to the best ideals advanced since 1901 by the Nobel Prize—for "peace congresses," for the "abolishment or reduction of standing armies," and, above all, for "the fraternity of nations."

Sincerely yours,

GEORGE MCGOVERN,
U.S. Senator.
MARK HATFIELD,
U.S. Senator.
FRANK CHURCH,
U.S. Senator.

[From the Washington Post, Jan. 29, 1974]

THE UPLIFTING STORY OF AN AUTHENTIC HERO

(Reviewed by Richard J. Barnet)

("Many Battles": The Autobiography of Ernest Gruening. By Ernest Gruening. (Liveright. 564 pp. $12.95).)

Heroes are in short supply in America. Richard Nixon continues to make the "most admired Americans" list. The public, despairing of finding men of character for their leaders, settles for a pantheon of famous names. (Last year Spiro Agnew was a prominent member.) So far as I am aware, Ernest Gruening never made the list. Yet his extraordinary career, which he has chronicled in Many Battles," reveals him to be one of the authentic men of character in public life.

Trained as a physician, Gruening became editor of The Nation, a New Deal administrator for Puerto Rico, territorial governor of Alaska and finally senator. He (and Wayne Morse) will be remembered by students of American history long after most of his colleagues of the Senate establishment are forgotten for one simple act of courage, prescience, and decency; his refusal to give President Johnson a blank check to make war at the time of the Gulf of Tonkin resolution of 1965. His struggle to forestall the American involvement in Indochina and then to extricate us from it, is but one of the many battles around which his autobiography is woven. As the book ends, the 86-year-old ex-senator is still fighting, this time for the impeachment of Richard Nixon for "subversion of our free society."

In a superficial sense this is a depressing book. So many of the battles are far from won. The campaign of the 1920s to end gunboat diplomacy in the Dominican Republic culminated in the massive military occupation of 1965 and the "low-profile" intervention of today. The war in Indochina is not ended. The United States appears to support Thieu's efforts to escape the elections prescribed by the Paris Accords. Thus the dreary history of the late 1950s seems about to be repeated and with it the risk of renewed American military involvement. Gruening's campaign against military-aid programs as instruments to dominate and distort the society of small countries appears to have led nowhere.

Yet this is an uplifting book. An old-fashioned patriotism permeates its pages. Gruening obviously draws his extraordinary energy from a deep love of country and a faith in "the great experiment begun so daringly and so hopefully two centuries ago." His is the rhetoric of restoration, not revolution. The country must take bold steps, whether it be disengaging from a destructive war or impeaching a destructive President, to become again what it once was.

"Many Battles" offers a glimpse of a rare spirit in recent American politics, a man who cares deeply about justice and is reckless in committing his energies to promote it. To President Kennedy's maxim, "There is no sense in raising hell and not being successful," he answers, "The greatest battles are often fought by men who are defeated time and again, and keep on fighting." You come away from this book with a clearer appreciation of the tradition in which the current political battles against militarism, racism and subversion in high places are being fought, and a realization that these battles are but part of a continuing struggle to create a decent society.

Gruening's account of his own life is written in a direct, no-nonsense style. It is a political autobiography with little emphasis on personal feelings. (In this sense it is less revealing than Richard Nixon's "Six Crises".) But a pungent personality emerges from its pages. In an age when politicians shed parties and inconvenient commitments along with yesterday's socks, Gruening's steadfastness and consistency infighting for his beliefs makes refreshing reading. His dedication to a few basic principles—self-government, non-interference in the affairs of other nations and peoples for example—have remained operative for more than 60 years.

This is a book about a man who has sought and exercised political power all his life and, like his hero, Estes Kefauver, has been able to compromise on policies without compromising himself. He appears as a man who relishes using power but is not obsessed by it as an end in itself. (Here again a comparison of "Many Battles" with "Six Crises" is instructive.) If we knew some of the complex reasons why Ernest Gruening never became a "most admired American" and Richard Nixon did, we might understand more about our present predicament as a nation.

[From Current Biography, 1966]

GRUENING, ERNEST HENRY

(Feb. 6, 1887– United States Senator from Alaska *Address:* b. Senate Office Building, Washington, D.C. 20510; h. P.O. Box 1001, Juneau, Alaska 99801; 7926 W. Beach Dr., Washington, D.C. 20012)

(NOTE.—The biography supersedes the article that appeared in *Current Biography* in 1946.)

The junior United States Senator from Alaska is Ernest Gruening, a liberal Democrat who took his Senate seat in 1959, when the northernmost State was admitted to the Union, and who won re-election in 1962. Originally a physician, Gruening came to politics through journalism. From 1911 to 1934 he edited various publications, including the *Nation* and the New York *Evening Post*. He was director of the Division of Territories and Island Possessions in the United States Department of the Interior from 1934 to 1939 and Governor of Alaska from 1939 to 1953. As Governor, Gruening succeeded in establishing, despite an initially hostile legislature, a state measure protecting native Indians from discrimination, a tax system that enabled Alaska to retain some of the wealth taken from the state by absentee business interests, and other progressive programs. As a Senator, he has been able to enlist federal help in the building of roads and other public projects necessary to Alaska's economic development. Beyond the immediate concerns of his constituency, his Senate record has generally coincided with that of the liberal Democratic establishment, with some notable exceptions. On the issue of Vietnam, for example, he has been one of the most vociferous of the Senate "doves" critical of Johnson administration policy.

Ernest Henry Gruening was born in New York City on February 6, 1887 to Emil Gruening, a German-born eye and ear surgeon, and Phebe (Fridenberg) Gruening. After attending local schools in New York and Hotchkiss School in Lakeville, Connecticut, Gruening entered Harvard University with the intention of becoming a physician. He took his B.A. degree in 1907 and went on, as planned to Harvard Medical School. During his last year in medical school, however, he worked as a reporter for the Boston *American*, and by the time he received his M.D. degree in 1912 he had decided to remain in journalism. He joined the Boston *Evening Herald* in 1913 as a reporter and later worked on rewrite and copy desk editing for that publication. From 1914 to 1916 he was managing editor of the Boston *Traveler*, which had been consolidated with the Boston *Evening Herald*.

When the United States entered World War I in 1917, Gruening went to Washington, D.C. to help organize the War Trade Board's bureau of imports. Later in the war he became a candidate for a commission in the field artillery at Camp Zachary Taylor in Louisville, Kentucky. After the war he returned to journalism, serving successively as managing editor of the New York *Tribune* (1918–19), and general manager of *La Prensa* (1919–20), the Spanish-language daily published in New York City.

The chief reason for Gruening's transience in newspaper jobs before and after World War I was his unwillingness to conform to dictated editorial policies that offended him. In 1920 he left the field of large daily newspapers to become managing editor (1920–23) of the *Nation*, the weekly journal of opinion, and to write for *Forum*, *Century*, *Current History*, and other periodicals. In 1924 he directed publicity for the Presidential campaign of Robert La Follette, the Progressive party candidate.

A major subject of Gruening's magazine articles in the 1920's was Latin America, where he traveled extensively. Although he dissociated himself from the position of extreme radicals on the subject, he crusaded against United States military intervention and financial exploitation in Central and South America. He called for withdrawal of American Marines from Nicaragua, and in 1922 he visited Haiti and Santo Domingo with Senator Medill McCormick, who headed a Senate investigation of United States military occupation of these two countries—an investigation that Gruening had helped to instigate. The Latin American country he knew best, by study and travel, was Mexico, and he expressed his views on that country's history and condition in *Mexico and Its Heritage* (Century, 1928). Arthur Ruhl in the New York *Herald Tribune's Books* (September 23, 1928) called the work "the most vigorous, useful, and comprehensive picture yet made of the complex present-day conditions below the Rio Grande."

Gruening founded the Portland (Maine) *Evening News* in 1927 and served as its editor until 1932, when he became a contributing editor. As editor, Gruening campaigned against the efforts of the power companies owned by Samuel Insull to reverse a long-established Maine policy to export Maine's power, which succesive Republican and Democratic administrations had retained in Maine in the hope of attracting industries. He carried his campaign to the national level in *The Public Pays* (Vanguard Press, 1931), a study of American public utilities in general. When the book was updated as a paperback by Vanguard thirty-three years later, Senator Lee Metcalf of Montana reviewed the book for the August 1964 issue of the *Progressive*. He called it "an able, well-documented demonstration of the way private power . . . seeks to discredit public power projects . . . Senator Gruening recaptures the spirit and purpose of private power propaganda in the twenties . . . and warns that little has changed."

In 1933, after resuming editorship of the

Nation, Gruening was sent by President Franklin D. Roosevelt as the adviser to the United States delegation at the seventh Pan American Conference at Montevideo, Uruguay, where the "Good Neighbor" policy long sought by Gruening was officialy formulated. In 1934 he served briefly as editor of the New York *Evening Post* before accepting direction of the Division of Territories and Island Possessions in the United States Department of the Interior. In that position he had jurisdiction over Alaska, Puerto Rico, Hawaii, the Virgin Islands, the Philippines, and the Pacific islands of Howland, Baker, Enderbury, and Jarvis, as well as the United States Antarctic Service, for which he organized the first government expedition to Antarctica. Concurrently he was the Federal emergency relief administrator (1935–36) and reconstruction administrator (1935–37) for Puerto Rico.

In the course of his Federal duties Gruening visited Alaska for the first time in 1936, and the beauty of that American territory gave him what he has called a "profound thrill." In 1939 he was appointed territorial Governor of Alaska. Although his New Deal attitudes, and particularly his attempt to impose personal and net income taxes at first abraded the rugged individuals who dominated the Alaskan legislature, he soon won the general respect of Alaskans for his executive ability.

When Gruening became Governor, Alaska's natural resources, outside of fishing and some mining, were relatively undeveloped. During World War II the territory became an important source of timber and various other raw materials. Because of Alaska's strategic location in the war, the Alaska ("Alcan") highway connecting the territory with the United States, long under consideration, was finally built in 1942. Gruening had proposed the study that led to the building of the highway, and was one of five members of the Alaska International Highway Commission who recommended its construction, though not over the route where it was finally built. After the war thousands of military veterans and wartime civilian workers remained to swell Alaska's population. Some military installations in the territory were kept in operation, and, as the Cold War between the United States and the Soviet Union intensified, new air bases were built. In the early 1950's pulp mills and plywood factories were established and petroleum and gas resources began to be tapped.

From the beginning of his term as Governor, Gruening strove for Alaskan statehood. The intensity of his striving was evident in the anticipatory nature of the title of his book *The State of Alaska* (Random House, 1954). The book, a history of Alaska from the time of its discovery in 1741, was well received by reviewers, who generally praised it both for its scholarship and its readability. In 1956, three years after he left the governorship, the voters of Alaska, in a gambit calculated to prod the United States Congress into action on the statehood issue, elected Gruening "Senator." With that nominal title, Gruening went to Washington as a lobbyist. The effectiveness of his lobbying became manifest in 1958, when Congress voted to admit Alaska into the Union as the forthy-ninth state.

In a primary election held August 26, 1958, Gruening received fewer votes than his colleagues on the Democratic ticket but overcame this in the general election. His tally had been 6,000 less than that of the highest scoring Republican, Mike Stepovich, and political observers gave him little chance of winning the Senatorial election. In the voting three months later, however, Alaskan voters chose Gruening over Stepovich, 26,045 to 23,464.

On January 7, 1959 Gruening took his seat in the United States Senate, where he was assigned to the committees on Government Operations, Interior and Insular Affairs, and Public Works and quickly established a liberal voting record. In 1959 and 1960 he opposed the Eisenhower Administration's legislative program in 57 percent of his relevant votes. In choices between larger or smaller federal roles in social and economic affairs, he opted for a larger role in 97 percent of his votes. He lined up with other Northern Democrats against the conservative coalition (a majority of Southern Democrats siding with a majority of all voting Republicans) in 78 percent of the instances where such a coalition was decipherable. His party unity score—that is, his voting as a Democrat against Republicans—was 82 percent. In 1961, his vote supporting Kennedy administration legislation was 65 percent; favoring a larger federal role, 80 percent; opposing the conservative coalition, 51 percent; and following party lines, 72 percent. In September 1961 he introduced legislation proposing the establishment of a $2,500,000 international arrivals center in Anchorage, Alaska. The center, as proposed by Gruening, would include exhibits reflecting all the varied regions of the United States and stores offering merchandise duty-free. He argued that such a center would give a comprehensive picture of the United States to the 150,000 international air travelers who touch down at Anchorage each year while their planes are refueled.

On November 7, 1962 Gruening won election to a second term as Senator, defeating Ted Stevens. In the first session of the Eighty-first Congress he co-sponsored with Senator Joseph S. Clark of Pennsylvania a resolution calling for an expanded federal program of research into methods of birth control (August 1963), and he persuaded the Senate leadership to accept a foreign aid amendment that in effect compels the President to notify Congress in advance of any future military aid commitments to Latin American countries.

On March 10, 1964 Gruening, who is known for his gentleness and tact, surprised his Senate colleagues with a major speech denouncing United States military intervention in the Vietnamese war. He deplored the waste of American lives and resources "in seeking vainly in this remote jungle to shore up self-serving corrupt dynasts or their self-imposed successors, and a people that has conclusively demonstrated that it has no will to save itself" (New York Times, March 21, 1964). "I consider the life of one American worth more than this putrid mess," he continued. "I consider every additional life that is sacrificed in this forlorn venture a tragedy. Some day—not distant—if this sacrificing continues, it will be denounced as a crime."

With Senator Wayne Morse of Oregon, Gruening continued to agitate for withdrawal of United States forces from Vietnam during the Eighty-ninth Congress. In a debate in New York City with William P. Bundy, Assistant Secretary of State for Far Eastern Affairs, in April 1965 he contended that the American presence in Vietnam violated both the 1954 Geneva agreement on Indochina and the United Nations Charter. "We've never quite leveled with the American people," he said on that occasion, as quoted in the New York Times (April 23, 1965). In an address eight months later in New York he challenged President Johnson's assertion that his administration was keeping a solemn pledge made by the Eisenhower administration and recognized by the Kennedy administration. He quoted from correspondence between Eisenhower and the late Premier Ngo Dinh Diem of South Vietnam to show that Eisenhower had offered only limited economic assistance and that this offer was contingent upon "assurances as to standards of performance" and "needed reforms." "One of the partial myths on which we base our actions is that the whole trouble stems from aggression from Hanoi," Gruening said, and against that argument he quoted President Kennedy as describing the conflict in Vietnam as a "civil war." "We asked ourselves in," Gruening asserted, and he called for a "return to the rule of law" (New York Times, December 11, 1965). In Senate voting on March 10 and March 22, 1965, Morse and Gruening were the only two Senators who voted against Vietnam appropriations bills. Later in 1966 he tempered somewhat his position on Vietnam.

Gruening has sponsored a major power project, Rampart Canyon Dam and Reservoir Project, to be built on the Yukon River in the Yukon Flats of northeastern Alaska at a cost of more than $1.3 billion. With an installed capacity of 5,000,000 kilowatts supplying power at the low cost of two mills/kw. hour, it would flood 11,000 square miles, a land mass greater than that covered by the entire state of New Jersey, to create the world's largest man-made reservoir. Proponents of the project, who include Alaskan real estate operators and other businessmen, argue that it would attract new industry to Alaska by providing cheap hydroelectric power. Opponents, who include conservationists, sportsmen, and many settlers, contend that the dam is unnecessary and point out that it would wipe out enormous fish and wildlife resources and dispossess 2,000 Athabascan Indians living on the proposed site. The Corps of Engineers completed its engineering studies in 1965, and in mid-1966 were awaiting the needed supplementary reports from the Interior Department.

At the beginning of the second session of the Eighty-ninth Congress in 1966, Gruening sponsored legislation to create two new sub-Cabinet posts concerned with population problems. One, in the Department of Health, Education, and Welfare, would deal with birth control in the United States. The other, in the Department of State, would be concerned with world population problems. In May 1966 Gruening, speaking as chairman of the Senate Government Operations subcommittee on foreign aid expenditures, charged that the United States military services, and especially the Army, were wasting millions of dollars annually by prematurely disposing of equipment overseas as surplus instead of repairing it.

Ernest Gruening and Dorothy E. Smith were married on November 19, 1914. They have a son, Huntington Sanders Gruening. Two other sons, Ernest, Jr., and Peter Brown, are deceased. Gruening is a member of the Council on Foreign Relations, the American Academy of Political and Social Science, and Phi Beta Kappa. His clubs are the Harvard in New York and the Cosmos in Washington. He is a Rotarian. Honorary degrees have been bestowed on Gruening by the University of Alberta (1950), the University of Alaska (1955), and Brandeis University (1958).

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SENATE MINORITY LEADER HONORED

Mr. BROOKE. Mr. President, on Saturday, January 26, 1974, here in Wash-

ington, our minority leader, Senator HUGH SCOTT, was honored in a Night of Honors Salute to the Honorable HUGH SCOTT. I was pleased to serve as honorary chairman of this event in which tributes were paid to HUGH SCOTT for his unstinting efforts to insure the rights of all Americans. In a speech at the salute, Clarence Mitchell, director of the Washington Bureau of the National Association for the Advancement of Colored People, summed up Senator SCOTT's record of devotion to the 14th amendment's grand promise of "equal treatment under the law." I would like to share Mr. Mitchell's tribute with my colleagues and I ask unanimous consent that his remarks be printed in the RECORD.

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

If a country is to avoid apathy and moral decay its people must cherish their assets as well as condemn their wrongs and liabilities. One of the valuable assets in a democracy is the faithful and effective public servant who seeks to improve the lot of all of his fellow citizens. Tonight we meet to pay our respect to that kind of public servant who has risen to one of the most powerful positions in our nation. Yet, he has retained the concern for the well being and progress of the people in all walks of life that many of us saw in him as a member of the House more than thirty years ago.

Senator Hugh Scott, the distinguished minority leader, was from the beginning of his service in Congress, and remains to this day, a defender of human rights that rest on foundations built by the founders of the country and strengthened by Abraham Lincoln. In the many years that I have been privileged to know him and to seek his help on some of the great issues of our times, I have never been denied an audience with him. I have never left a meeting with him without getting accurate information on his position and the reassurance of his continuing commitment to equal rights for all.

Our honoree need not ever recite his record among those who are students of the long and increasingly successful struggle that black Americans have waged to achieve their full citizenship rights and to be in a position to accept their full responsibilities.

Many believe that the right to vote is the cornerstone of freedom. In the twentieth century there are few men or women who can rival Senator Scott for devotion and effectiveness in safeguarding this right for black Americans under Federal law.

On February 21, 1956, the then Representative Scott joined with the late Adam Clayton Powell, Jr., Democrat of New York, in making an announcement that a bi-partisan group of congressmen had decided to do "everything possible" to bring voting rights legislation to the House floor. Voting rights legislation did get to the floor and passed the House that year. However, it did not pass the Senate that year, but Senator Scott took the lead in making certain that the platform adopted by the Republican Party in 1956 contained a commitment to support this civil rights objective. As we know, the bill was bottled up in the House Rules Committee in 1957. Mr. Scott was one of the majority of 8 to 4 that pried the bill loose.

That measure, which was piloted through Congress by a superb team of Democrats and Republicans not only took a step forward on voting rights, but also created what is now the civil rights division of the Department of Justice and the Civil Rights Commission. If anyone needs an illustration of his fidelity to the right to vote, that person need only look at the record of the passage of the great Voting Rights Acts of 1965, and the extension of key provisions of that act in 1970. Working across party lines with another great humanitarian, Senator Philip Hart (D–Mich.), Mr. Scott helped to rally his colleagues to pass the extension and also to have included provisions permitting eighteen year olds to vote.

When the Monumental Civil Rights Bill of 1964 was passed he was one of the captains of Senate teams working to protect this legislation against crippling amendments. Again, as with voting rights, he has a proud record of support for two provisions of the 1964 act that faced the greatest danger of being dropped and have later been proved to be of great value in our society. Title VI of the Act forbids discrimination in activities or programs supported by Federal funds and Title VII established the Equal Employment Opportunity Commission.

The record shows that as far back as 1955 Senator Scott voted for Federal aid to education, including a provision forbidding expenditures for segregated schools. He previously voted against segregation in the armed forces, against segregation in the national guard and against segregation in veterans hospitals.

On the issue of fair employment, on June 2, 1944, he appeared before the House Labor Committee to testify in support of fair employment legislation with enforcement powers. World War II had emphasized the great inequalities in Employment that afflicted blacks and other minorities. Addressing himself to this, Mr. Scott said:

"I am in favor of setting up the fair employment practice commission as a permanent agency. . . . So that ultimately the Negro citizens of this country will be as well represented up and down the various economic strata as any other group of Americans."

Not only did he work to keep title VII in the 1964 act, but he has remained a true, effective and successful advocate of fair housing. On July 29, 1955, Mr. Scott voted to support an anti-segregation amendment to a pending housing bill. Two decades later, when President Lyndon B. Johnson challenged the Congress to rally to his standard and support a national fair housing law there were many who thought this was an impossible task. But in spite of the odds against them, some were determined to accept the challenge. They weighed all of the possibilities, they were fully conscious of the risks of failure. Senator Scott was among the first to announce his intention to make the effort. He and his colleagues, took their stand against tremendous odds, they fought the fight and when victory came first in the Senate on March 11, 1968, in the form of a 71 to 20 vote for passage of the bill, one could sense that this effort had aroused the noblest sentiments throughout our land. It was a proud moment that placed our honoree in the select circle of men and women who keep the torch of freedom ever bright.

In addition to these landmark contributions of the senior Senator from the State of Pennsylvania, the record is studded with his votes for such things as minimum wage and anti-poverty bills. He has worked for decent housing for the poor as well as for the middle class, he has sought to end restrictive and discriminatory immigration policies. It is safe to say that we can find his mark and support for most of the great laws passed from the 77th Congress when he was a new addition to the 93rd where he is an admired and constructive leader.

In these times we faced many tests. One that we have faced and must continue to meet is the question of pupil transportation to public schools. This is a matter that tests whether we are a nation that respects law as interpreted by our highest court. This is a matter that tests whether those who were in favor of giving blacks their rights in Alabama and Mississippi also favor giving them their rights in Ohio and Pennsylvania. Senator Scott has met that test by supporting Supreme Court decisions and opposing unconstitutional proposals to prevent black children from riding on buses bound for the places of learning.

Some have favored statehood for Alaska and Hawaii, but not home rule in the District of Columbia. Senator Scott was for statehood of these distant parts of our country and he was for the rights of the people of the District of Columbia to have home rule, too.

Some would sweep away all of the social and economic reforms that have been won during the last half century in our nation. They would turn the United States into a country of fearful, narrow minded penny pinching naysayers sneaking back into the shadows of callous indifference. But Senator Scott has remained as he has always been in his years in Washington. He continues to support the principle that in a bountiful America sensible ways can be found for all of our people to share in that bounty.

Those of us who cherish his friendship, who value his contributions as a public servant and who know that he will be ever true to the trust imposed in him have gathered here tonight. I am sure I express your sentiments when I say Hugh Scott, may you be blessed with long life, may you have good health and may you ever be mindful that we thank you for your good deeds.

DEFENSE SPENDING

Mr. GOLDWATER. Mr. President, we can expect beginning immediately a barrage against defense spending, so to prepare my colleagues in order that they can separate the truth from the untruth, I ask unanimous consent to print in the RECORD some "Facts to Paste in Your Hat." This compilation did not come from any wildeyed foundation or outside study group, it came from the Senate Appropriations Committee whose chairman is recognized as one of the most brilliant men in this body. The summation which was prepared by the committee was published in Air Force magazine.

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

FACTS TO PASTE IN YOUR HAT

The Senate Appropriations Committee has summarized some truths about defense spending and its relation to other government costs. Main points are:

In Fiscal 1964, defense absorbed 42.8 percent of federal outlays. The figure for Fiscal 1974 is 29.4 percent.

Over the past decade, government costs have gone up 127 percent. Defense costs have gone up fifty-seven percent. As a percentage of total outlays, they have gone down thirteen percent.

If we separate the costs of defense from the costs of the rest of government, the fifty-seven percent increase in defense compares with a 176 percent increase in costs for all other activity.

Twenty years ago, defense spending was double that of all other federal agencies. Today, the other agencies spend more than twice what the Pentagon spends.

Twenty years ago, defense spending was double that of all state and local governments combined. Today, the situation is reversed.

Twenty years ago, about forty-nine cents out of every tax dollar—federal, state, and local—went for defense. Today, the figure is nineteen cents.

Twenty years ago, total defense manpower was nearly equal to all other public employment—federal, state, and local—combined. Today, such other public employment exceeds defense manpower by nearly four to one.

Defense spending, for the first time in American history, is today below prewar levels in terms of what the dollar will buy. That is true either after or during a war.

The committee conclusion:

1. The defense budget does not dominate public spending.

2. The defense budget is not the primary cause of the high cost of government.

3. The defense budget has not deprived human resources programs of needed funds.

NEWS COVERAGE OF CORPORATION EARNINGS

Mr. COOK. Mr. President, I have not been one of those who has continually attacked the media of this country for its coverage of the news. However, two items appearing in yesterday's Washington Post amused me so much that I cannot resist bringing them to the attention of my colleagues.

On the first page of the business section was an article reporting the 1973 earnings of the American Telephone & Telegraph Co. In large headlines were the words "A.T. & T. profits up 16 percent, 'not enough.'" The phrase "not enough" was from a statement by Mr. John D. deButts, chairman of the board, who explained that those higher earnings would not be sufficient to meet 1974 capital requirements of $10 billion for new plants and equipment.

On the following page was a similar report for the New York Times. The headline which was at least five times smaller than the one for the A.T. & T. story, read "Dividend Up at the Times." The headline did not mention that the Times' 1973 earnings were 29.4 percent higher than 1972. In 1973, net earnings were $17,610,000, up from $13,602,000 in 1972.

I find it highly ironic that the Post would give so much space and emphasis to a 16 percent increase in earnings for tightly regulated A.T. & T. and such little emphasis to the unregulated New York Times, the country's best known newspaper.

Since the Washington Post is the Nation's most profitable newspaper, I await with great eagerness its coverage of its 1973 earnings.

I ask unanimous consent that the texts of the two articles be included in the RECORD.

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

EARNINGS REPORTS: A.T. & T. PROFITS UP 16 PERCENT, "NOT ENOUGH"

American Telephone & Telegraph Co. yesterday reported 1973 earnings of $2.046 billion ($4.98 per share of common stock), up a healthy 16.4 per cent from the $2.532 ($4.34) earned in 1972.

Taking into account a one-time profit of $47 million realized from the sale of AT&T's Communications Satellite Corp. stock, final net income for the giant utility came to $2.993 billion ($5.06) for 1973.

The earnings jump was attributed to a 9 per cent increase in telephone use, control of costs and telephone rate increases handed down by regulatory agencies.

"While 1973's results are good, they're not good enough in the context of inflation and the amount of capital required to provide . . . service," AT&T chairman John D. deButts said.

"Our aim is to improve on the 8.30 per cent return on total investment we achieved last year," he added.

DeButts said AT&T would have to spend $10 billion in new plant and equipment in 1974, requiring $4 billion external capital which will be raised primarily through debt issues. He said the company will probably not make any new common stock offerings this year.

Total Bell System revenues were $23.527 billion in 1973, up 12.5 per cent over the 1972 figure of $20.904 billion. Operating costs were up 11.0 per cent to $15.000 billion from $13.518 billion a year earlier.

DIVIDEND UP AT THE TIMES

The New York Times has declared a dividend of $1.56 a share for 1973 compared to $1.17 for the previous year. The net profits were $17,610,000, up from 1972's $13,602,000.

The fourth quarter net was $3,674,000 or 33 cents a share against 1972's $5,141,000 or 44 cents a share in the same period.

The 1973 figures reflect a provision for a Canadian non-resident withholding tax of $1,386,000, equivalent to 12 cents a share, on a dividend of $9,240,000 payable by Spruce Falls Power & Paper Co. Ltd., a company in which the Times owns a 49.5 per cent equity interest.

MULTILATERAL DISARMAMENT

Mr. GOLDWATER. Mr. President, already some of my distinguished colleagues are calling for multilateral disarmament aimed, not just at the Soviets, but with all of the armed nations in the world. I will say, at the outset, no one in this body would be more inclined to welcome such an approach than I. But I must say I see no indication at all that the Soviets or Red Chinese are easing up in their race for strategic superiority over the United States—a position the Soviets have already achieved in almost every phase of military preparedness. Unilateral disarmament is an impossibility in this dangerous world and I hope my colleagues understand that when we discuss disarmament, we should talk only about multilateral. Let us hope and pray that some day our potential enemies will join us in such an endeavor.

In order for the Members of the Senate to understand what we are doing and what the rest of the world is doing in aircraft, I ask unanimous consent to print in the RECORD a continuation of the breakdown I offered earlier in the session from Jane's "All The World's Aircraft." This particular piece is a supplement.

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

JANE'S ALL THE WORLD'S AIRCRAFT SUPPLEMENT

NOTE. Illustrations are omitted in RECORD.

Antonov: Oleg Konst Antinovich Antonov; Design Bureau Headquarters: Kiev, Ukraine, USSR.

ANTONOV AN-30

Described as the first specialised aerial survey aeroplane produced in the Soviet Union, the An-30 is evolved from the An-24 twin-turboprop transport, to which it is generally similar. The major modifications are made to the nose, which is now extensively glazed to give the navigator a wide field of vision, and to the flight deck, which is raised to improve the pilots' view and increase the size of the navigator's compartment. There are fewer windows in the main cabin, the central part of which houses specialised survey equipment.

For the primary task of air photography for map-making, the An-30 is equipped with four large survey cameras. These are mounted in the cabin above apertures which are each covered by a door. The crew photographer uncovers the apertures, as required, by remote control from his desk in the aircraft. A fifth window is provided for an exposure meter.

Details of the An-30 published in the Far East suggest that one of the survey cameras can be stabilised, in gimbal mountings, to ensure precise photographic coverage of the desired area in turbulent conditions.

The pre-programmed flight path of the aircraft over the area to be photographed is fed into an'on-board computer which controls the speed, altitude, and direction of flight throughout the mission. If required the cameras can be replaced by other kinds of survey equipment, such as those used for mineral prospecting or for microwave radiometer survey, which measures the heat emission of land and ocean to obtain data on ocean surface characteristics, sea and lake ice, snow cover, flooding, seasonal vegetation changes, and soil types.

Speed, range, and field performance of the An-30 are identical with those of the An-24, as detailed in the current edition of *Jane's*.

Mikoyan: Artem I. Mikoyan Design Bureau; USSR

MIKOYAN MIG–25 (E–266)

NATO Code Name: "Foxbat"

Details of new speed and height records established by test pilot Alexander Fedotov in a standard production MiG–25 (described as an E–266 in official Soviet statements) were given in the annual "Aerospace Survey" article in the January 1974 issue of AIR FORCE Magazine. Three further records, in the time-to-height category, have been claimed by Pyotr Ostapenko and Boris Orlov, flying similar aircraft.

The only record so far confirmed is Fedotov's speed of 1,405.72 knots (1,618.73 mph; 2,605.1 km/h), set up in April 1973 during a tightly banked turn which began at a height of 52,500 ft (16,000 m) and ended at 65,600 ft (20,000 m). Fedotov has since claimed a world absolute height record of 118,897 ft (36,240 m), and a climb to 115,486 ft (35,200 m) carrying a 2,000 kg payload and qualifying also for the record with 1,000 kg.

In the time-to-height record attempts, Ostapenko claims to have reached 30,000 m (98,425 ft) in 4 min 3.5 sec, and 25,000 m (82,021 ft) in 3 min 12.4 sec. Orlov's claim is for a climb to 20,000 m (65,617 ft) in 2 min 49.8 sec. Rate of climb of the aircraft is said to have reached 320 m/sec (627 knots; 722 mph; 1,162 km/h; or 63,000 ft/min) during periods of Orlov's flight.

Boeing: Boeing Aerospace Company; Head Office: P.O. Box 3999, Seattle, Washington 98124, USA.

BOEING AWACS

USAF designations: EC–137D and E–3A

The E–3A AWACS (Airborne Warning and Control System) aircraft being developed for USAF service in the late 1970s will be equipped with extensive sensing, communications, display, and navigational devices.

In concept, an AWACS offers the potential of long-range high- or low-level surveillance of all air vehicles, manned or unmanned, in all weathers and above all kinds of terrain. Its data shortage and processing capability would provide real-time assessment of enemy action, and also of the status and position

of friendly resources. By centralising the co-ordination of complex, diverse, and simultaneous air operations, such an aircraft would be able to command and control the total air effort: strike, air superiority, support, airlift, reconnaissance, and interdiction.

The primary use of such an aircraft, as deployed by Aerospace Defense Command, will be as a survivable early-warning airborne command and control centre for identification, surveillance, and tracking of airborne enemy forces and for the command and control of NORAD (North American Air Defense) forces. Similar aircraft, operated by Tactical Air Command, will be used as airborne command and control centres for quick-reaction deployment and tactical operations.

Boeing's Aerospace Group was one of two competitors for the AWACS system (the other being McDonnell Douglas), and was awarded an initial contract as prime contractor and systems integrator for the programme on 23 July 1970. Boeing's submission was based on the airframe of the Model 707-320B commercial jet transport. In Phase 1 of the development programme, two of these aircraft, with the prototype designation EC-137D, were modified initially for comparative trials with prototype downward-looking radars designed, respectively, by Hughes Aircraft Company and Westinghouse Electric Corporation.

The first flight by one of these aircraft was made on 9 February 1972. After more than five months of radar test flights, during which each radar accumulated over 290 hours of airborne operating time, Boeing completed its evaluation, and the Westinghouse radar was selected on 5 October 1972. Following successful completion of the radar competition, additional data processing equipment and two tracking displays were installed in the Westinghouse-equipment test aircraft, and a new series of flight tests was conducted to demonstrate the ability of the radar and data processor to detect and maintain continuous tracking of airborne targets. In addition, the capability of the system to maintain several simultaneous tracks was evaluated. These tests also proved successful, and were completed by 6 November 1972.

On 26 January 1973, the USAF announced that, following satisfactory completion of Phase 1, approval had been given for full-scale development of the AWACS aircraft under Phase 2 of the programme. To reduce costs, two major changes were made from the original Phase 2 proposal. The previously planned power plant of eight General Electric TF34-GE-2 turbofan engines were superseded by four Pratt & Whitney TF33-P-7 turbofans, each of 21,000 lb (9,525 kg) st; and only four test aircraft were ordered instead of the six originally envisaged.

Phase 2 of the development programme involves systems integration demonstration, and initial operational test and evaluation. Additional subsystems are being installed in one of the two existing EC-137-D test aircraft, so that it can demonstrate full AWACS capability. At a later date the USAF plans to use three of the fully-configured E-3A AWACS prototypes, together with the other one of the original EC-137D test prototypes, for a development/operational test and evaluation programme. Following successful demonstration of the full AWACS system, a production (Phase 3) decision is scheduled for December 1974. If production is approved, it is intended that the four development/operational test aircraft shall be refurbished and will enter the operational inventory. Phase 3, if approved, will also cover the manufacture of production aircraft, of which 42 were due to be built under plans announced in 1970.

In addition to meeting military requirements, AWACS aircraft could be used in many civil applications. A large-scale emergency, such as posed by earthquake or flood, needs rapid air delivery of relief materials and produces immediately an air traffic control problem. The highly mobile AWACS would be able to cope with such a situation quickly. They could be used also for air traffic control operations over the busy North Atlantic traffic lanes that lack mid-ocean control, improving route efficiency and safety margins. Such aircraft might prove invaluable for tracking tornadoes and marshaling relief forces in their wake.

The existing Boeing 707-320 requires relatively minor adaptation to accommodate the AWAC system. External changes include the rotodome assembly, which is mounted on two large struts rooted into the fuselage structure aft of the wing, new engine pylon fairings, specially located windows, doors, and hatches, and provisions for in-flight refueling. Essential antennae will be installed within the wings, fin, tailplane, and fuselage, and internal changes require floor reinforcement, provision of crew compartments, and revised cooling and wiring systems.

TYPE: Airborne early-warning and command post aircraft.

WING, FUSELAGE, TAIL UNIT, AND LANDING GEAR: Basically as Boeing 707-320B, with strengthened fuselage structure and installation of rotodome.

POWER PLANT: Prototypes retained their existing power plants during Phase 1. Pre-production and production aircraft will be powered by four Pratt & Whitney TF33-P-7 turbofan engines, redesignated TF33-PW-100/100A in their AWACS-modified configuration. Each rated at 21,000 lb (9,525 kg) st, they are mounted in pods beneath the wings.

ACCOMMODATION: Basic operational crew of 17 includes a flight crew complement of four plus thirteen AWACS specialists, though this latter number can vary for tactical and defense missions. Aft of flight deck on the System Integration Demonstration aircraft are the crew's rest area; test analyst/communications console; computer operator's console; communications equipment; data processing functional group; multi-purpose consoles; test director and test conductor stations; radar control consoles; radar receiver and signal processor with radar transmitter, radar specialist's station, display engineer's station and seating for observers in the same area; communications equipment; navigation and identification equipment flight test instrumentation; instrumentation engineer's seating and observers' seating.

ELECTRONICS AND EQUIPMENT: Prominent above the fuselage is the elliptical cross-section rotodome which is 30 ft (9.14 m) in diameter and 6 ft (1.83 m) in depth. It comprises four essential elements: a strut-mounted turntable, supporting the rotary joint assembly to which are attached slip-rings for electrical and waveguide continuity between rotodome and fuselage; a structural centre section of aluminium skin and stiffener construction, which supports the surveillance radar and IFF/TADIL C antennae, radomes, auxiliary equipment for radar operation and environmental control of the rotodome interior; liquid cooling of the radar antenna; and two radomes constructed of multi-layer glassfibre sandwich material, one for the surveillance radar and one for the IFF/TADIL C array. For surveillance operations the rotodome is hydraulically driven at 6 rpm, but during non-operational flights it is rotated at only ¼ rpm, to keep the bearings lubricated. The Westinghouse radar operates in the S band; by use of pulse Doppler technology, with a high pulse repetition frequency, this radar features long range and accuracy in addition to a normal downlook capability. Its antenna, spanning about 24 ft (7.32 m), and 5 ft (1.52 m) deep, scans mechanically in azimuth, and electronically from ground level up into the stratosphere. Heart of the data processing is an IBM 4 Pi CC-1 high-speed computer, the entire group consisting of arithmetic control units, input/output units, main storage units, peripheral control units, mass memory drums, magnetic tape transports, punched tape reader, line printer, and an operator's control panel. Processing speed is in the order of 740,000 operations/sec; input/output data rate has a maximum of 710,000 words/sec; main memory size is 114,688 words (expandable to 180,224), and mass memory size 802,816 words (expandable to 1,204,224). An interface adapter unit developed by Boeing is the key integrating element interconnecting functional data between AWACS avionics subsystems, data processing group, radar, communications, navigation/guidance, display, azimuth, and identification. Data display and control is provided by Hazeltine Corporation multi-purpose consoles (MPC) and auxiliary display units (ADU); in present configuration each AWACS aircraft carries nine MPC's and two ADUs. Navigation/guidance relies upon three principal sources of information: dual Delco Carousel IV inertial navigation sets; Northrop ARN-99 Omega navigation; and a Ryan APM-200 Doppler velocity sensor. Communications equipment, supplied by Collins Radio, Electronic Communications Inc, and Hughes Aircraft, provides HF, VHF, and UHF communication channels by means of which information can be transmitted or received in clear or secure mode, in voice or digital form. Identification is based on an AN/APX-103 interrogator set being developed by Cutler-Hammer's AIL Division. It is the first airborne IFF interrogator set to offer complete AIMS Mk X SIF air traffic control and Mk XII military identification friend or foe (IFF) in a single integrated system. Simultaneous Mk X and Mk II multi-target and multi-mode operations will allow the operator to obtain instantaneously the range, azimuth and elevation, code identification, and IFF status of all targets within radar range.

SYSTEMS: A liquid cooling system provides protection for the radar transmitter. An air-cycle pack system and a closed-loop ram-cooled environmental control system ensure a suitable environment for crew and avionics equipment. Electrical power generation has a 600kVA capability. External sockets allow intake of power when the aircraft is on the ground; but the AiResearch auxiliary power unit has adequate capacity to allow operation from bases without suitable power generation facilities. Two separate and independent hydraulic systems power flight-essential and mission-essential equipment, but either system has the capability of satisfying the requirements of both equipment groups in an emergency.

BELL: Bell Helicopter Company; Head Office: PO Box 482, Fort Worth, Texas 76101, USA

BELL MODEL 206L LONG RANGER

First announced on 25 September 1973, Bell's Long Ranger is intended to satisfy a requirement for a turbine-powered general-purpose light helicopter in a size and performance range between the five-seat JetRanger II and 15-seat Model 205A-1.

Developed from the JetRanger II, it has a fuselage which is 2 ft 1 in (0.64 m) longer, an Allison 250-C20B engine with a take-off rating of 420 shp and continuous rating of 370 shp, new rotor, and uprated transmission system. It is the first production helicopter to incorporate Bell's new Noda-Matic cabin suspension system. An increase of 22 US gallons (83.3 litres) in fuel capacity will extend range by over 39 nm (45 miles; 72 km) at maximum take-off weight. To be certificated at a maximum T-O weight of 3,000 lb (1,769 kg), and with a useful load of 2,039 lb (925 kg), this represents increases of 700

lb (318 kg) and 367 lb (166 kg), respectively, by comparison with the JetRanger II.

The company's latest developments in transmission technology provide a power rating increase of more than one-third over the present light-turbine transmission, while adding only 8 lb (3.6 kg) to component weight.

The Noda-Matic transmission suspension system not only gives a substanial reduction in rotor-induced vibration particularly noticeable in high-speed cruise and maneuvering conditions, but also, through the use of elastometrics, isolates structure-borne noise from the cabin environment. This results in a standard of comfort comparable with that of turboprop-powered fixed-wing aircraft.

With a cabin volume of 83 cu ft (2.35 m³), compared with the 49 cu ft (1.39 m³) of the JetRanger II, utility is enhanced by innovations that will allow maximum use of this area. For example, the port forward passenger seat has a folding back to allow loading of a container measuring 8 x 3 ft x 1 ft (2.44 m x 0.91 m x 0.30 m), making possible the carriage of such items as survey equipment, skis, and long components that cannot be accommodated in any other light helicopter. Double doors on the port side of the cabin provide an opening 5 ft O in (1.52 m) in width, for easy straight-in loading of litter patients or utility cargo; in an ambulance or rescue role two litter patients plus two ambulatory patients/attendants may be carried. With a crew of two, the standard cabin layout accommodates five passengers in two canted aft-facing seats and three forward-facing seats. An optional executive cabin layout has four individual pasenger seats.

Detail improvements include a re-desigend instrument panel, pedestal and glare shield, to give the pilot improved visibility over the nose and through the lower forward windows.

A prototype of the Model 206L is flying, and initial deliveries of production aircraft are scheduled to be made in early 1975. Optional kits to be made available will include emergency flotation gear, a 2,000 lb (907 kg) cargo hook, and an engine bleed air environmental control unit.

Preliminary specifications for the Model 206L Long Ranger is as follows:

DIMENSION, EXTERNAL:

Diameter of main rotor, 37 ft 0 in (11.28m)

WEIGHTS:

Weight empty, standard configuration 1,861 lb (834 kg)

Max T–O weight, 3,900 lb (1,769 kg)

PERFORMANCE (ISA at max T–O weight):

Max level speed at S/L, 125 knots (144 mph; 232 km/h)

Cruising speed at S/L, 118 knots (136 mph; 219 km/h)

Service ceiling at max cruise power, 12,700 ft (3,870 m)

Hovering ceiling in ground effect, 8,200 ft (2,500 m)

Hovering ceiling out of ground effect, 2,000 ft (610 m)

Max range at S/L, 339 nm (390 miles; 628 km)

Max range at 5,000 ft (1,525 m), 373 nm (430 miles; 692 km)

McDonnell Douglas: McDonnell Douglas Corporation, Douglas Aircraft Company; Head Office: 3855 Lakewood Boulevard, Long Beach, California 90801, U.S.A.

M'DONNELL DOUGLAS C–9B: SKYTRAIN II

The U.S. Navy's C–9Z Skytrain II is a special convertible passenger-cargo version of the DC–9 Series 30 commercial transport, named after the long-enduring Navy R4D Skytrain, a DC–3 variant of which 624 were procured by that service.

The contract for five (increased subsequently to eight) C–9Bs, was signed by Naval Air Systems Command on 24 April 1972, and the first of these aircraft made its initial flight on 7 February 1973, two months ahead of schedule. The first two aircraft were delivered on 8 May 1973, to Fleet Tactical Support Squadron 1 (VR–1) at NAS Norfolk, Virginia, and 30 (VR–30) at NAS Alameda, California. All eight were delivered during 1973.

A compromise between the DC–9 Series 30 and 40, the C-9B has the overall dimensions of the former, and the 14,500 lb. (6,575 kg) st Pratt & Whitney JT8D–9 turbofan engines of the latter, as well as the optional 11 ft 4 in (3.45 m) by 6 ft 9 in (2.06 m) cargo door, which is situated at the port forward end of the cabin. This allows loading of standard military pallets measuring 7 ft 4 in (2.24 m) by 9 ft 0 in (2.74 m), and in an all-cargo configuration eight of these can be accommodated, representing a total cargo load of 32,444 lb (14,716 kg). When loading, each pallet is first elevated to door sill height, and then rolled forward on to a ball transfer system before being positioned finally by means of roller tracks.

Normal flight crew consists of pilot, co-pilot, crew chief, and two cabin attendants, and standard accommodation is for 90 passengers on five-abreast seating at 38 in (97 cm) pitch, or up to 107 passengers at 34 in (86 cm) pitch. In a typical passenger-cargo configuration, three pallets are carried in the forward area, with 45 passengers in the rear section. A galley and toilet are located at each end of the cabin. In all-cargo or mixed passenger-cargo configuration, a cargo barrier net can be erected at the forward end of the cabin; in the latter configuration a smoke barrier curtain is placed between the cargo section and the passengers.

Normal passenger access is by means of forward port and aft ventral doors, each with hydraulically-operated airstairs to make the C–9B independent of ground facilities. The ventral door allows passengers to board while cargo is being loaded in the forward area. Two Type III emergency exits, each 3 ft 0 in (0.91 m) by 1 ft 8 in (0.51 m), are positioned on each side of the fuselage to permit over-wing escape, and four 25-man life rafts are carried in stowage racks. To complete the C–9B's independence of ground facilities, an auxiliary power unit provides both electrical and hydraulic services when the aircraft is on the ground. An environmental control system maintains a sea level cabin altitude to a height of 18,500 ft (5,640 m) and an 8,000 ft (2,440 m) cabin altitude to 35,000 ft (10,670 m).

A maximum fuel capacity of 5,929 US gallons (22,443 litres) provides a ferry range of 2,953 nm (3,400 miles; 5,472 km), the standard wing fuel tanks being supplemented by a 1,250 US gallon (4,372 litre) tank in the forward underfloor freight hold, and a 1,000 US gallon (3,785 litre) tank in the aft hold.

Advanced nav/com equipment is installed, including Omega and inertial navigation systems, and FAA certification has been received for both manual and automatic approaches under Category II weather conditions.

DIMENSIONS, EXTERNAL: As for DC–9 Series 30

DIMENSIONS, INTERNAL: Cabin: Length, 68 ft 0 in (20.73 m); Width, 10 ft 0 in (3.05); Volume (cargo) 4,200 cu ft (118.9 m³).

Baggage holds (underfloor):

Forward, 298 cu ft (8.44 m³); Aft, 135 cu ft (3.82 m³).

WEIGHTS:

Operating weight, empty: passenger configuration, 65,283 lb (29,612 kg); cargo configuration 59,706 lb (27,082 kg).

Max ramp weight, 111,000 lb (50,350 kg). Max T–O weight, 110,000 lb. (49,900 kg).

Max landing weight, 99,000 lb (44,906 kg).

PERFORMANCE (at max T–O weight unless otherwise specified:

Max cruising speed, 500 knots (576 mph; 927 km/h).

Long-range cruising speed, 438 knots (504 mph; 811 km/h).

Military critical field length, 6,400 ft (1,951 m).

Landing distance, at max landing weight, 2,500 ft (762b).

Range, long-range cruising speed at 30,000 ft. (9,145 m) with 10,000 lb, (4,535 kg) payload, 2538 nm (2,923 miles; 4,704 km).

GRUMMAN AMERICAN

Grumman American Aviation Corporation; Head Office: 318 Bishop Road, Cleveland, Ohio 44143, USA.

Following upon Grumman Corporation's acquisition of the assets of the former American Aviation Corporation, a new subsidiary of the parent company, known as Grumman American Aviation Corporation, is continuing to build and market the AA–1 Trainer, Tr2, and AA–5 Traveler. Details of the 1974 models of these aircraft follow:

GRUMMAN AMERICAN AA–1B TRAINER

Designed originally as a specialized trainer version of the American Aviation AA–1 American Yankee, the prototype AA–1A Trainer first flew on 25 March 1970; FAA certification in the Normal and Utility categories was granted on 14 January 1971. The 1974 model, which has the designation AA–1B, introduces new bucket seats. Flight instruments and other accessories are repositioned, and cabin noise is reduced by using new front and rear canopy seals and bonded windscreen/canopy bars. A durable polyurethane two-tone exterior finish and white vinyl interior trim are standard.

Three versions of the Trainer are available, differing in installed equipment, any item of which may be added as optional to the Standard Trainer.

Standard Trainer. As described below.

Basic Trainer. As Standard Trainer, plus sensitive altimeter, electric clock, dual controls, Narco Escort 110 nav/com radio with M–700 microphone, headset, and antenna, de-luxe propeller spinner, tinted windows, turn co-ordinator and rate of climb indicators.

Advanced Trainer. As Basic Trainer, plus vacuum system, de-luxe interior, landing light, omni-flash beacon, outside air temperature gauge, heated pitot, true airspeed indicator, turn and bank indicator, and tow-bar.

Type: Two-seat trainer/utility monoplane.

Wings: Cantilever low-wing monoplane. Wing section NACA 64$_2$415 (modified). Dihedral 5°. Incidence 1° 25'. No sweep. Alclad aluminium skin and ribs, attached to main spar by adhesive bonding. Tube-type circular-section main spar serves as integral fuel tank. Plain allerons of bonded construction, with honeycomb ribs and Alclad aluminium skin. Electrically-actuated plain trailing-edge flaps of bonded construction, with honeycomb ribs and aluminium skin. Ground-adjustable trim tab on each aileron.

Fuselage: Aluminum honeycomb cabin section and aluminium semi-monocoque rear fuselage structure, utilising adhesive bonding. The use of honeycomb eliminates false floors, resulting in greater usable space relative to cross-sectional area.

Tail Unit: Cantilever adhesive-bonded aluminium structure. Movable surfaces built up of honeycomb ribs bonded to sheet aluminium. All three fixed surfaces interchangeable. Combined trim and anti-servo tab in starboard elevator. Ground-adjustable trim tab on rudder.

Landing Gear: Non-retractable tricycle type. Nose gear of E6150 tubular steel, with large free-swivelling fork. Main legs are cantilever leaf springs of laminated glass-fibre.

Main-wheel tyres size 17 x 6.00-6 standard. Wheel fairings optional. Single-disc hydraulic brakes. Parking brake.

POWER PLANT: One 108 hp Lycoming O-235-C2C four-cylinder horizontally-opposed air-cooled engine, driving a McCauley two-blade fixed-pitch metal propeller with spinner. Optional cruise propeller, for improved cruise performance, and de-luxe spinner available. Two integral fuel tanks in wing spar, with total capacity of 24 US gallons (91 litres), of which 22 US gallons (83 litres) are usable. Refueling points at wingtips. Oil capacity 1.5 US gallons (5.7 litres).

ACCOMMODATION: Two individual seats side by side in enclosed cabin, under large transparent sliding canopy. Aircraft certificated for open-canopy flight. Optional seat for child. Cabin heated and ventilated, with windscreen defroster for pilot's side. Centre console, between seats, accommodates trim wheel and electric flap operating switch. Space for 100 lb (45 kg) baggage aft of seats.

SYSTEMS: Hydraulic system for brakes only. Electrical system includes 60A engine-driven alternator and 12V 25Ah battery. Vacuum system optional.

ELECTRONICS AND EQUIPMENT: Standard equipment of Standard Trainer includes baggage straps, cabin air ventilators, canopy lock, chart holders, coat hook, glove compartment, dual seat belts and shoulder harness, aileron and elevator lock, flap position indicator, cabin dome, instrument and navigation lights, audible stall warning indicator, wing and tail tie-down rings. Optional equipment, additional to that shown in model listings, includes flight hour recorder, external power socket, canopy cover, canopy sun curtain, child's seat, cabin fire extinguisher, landing light, oil filler access door, cruise propeller, strobe lights, whitewall tyres, wheel fairings, wing-levelling system, winterisation kit, and an extensive range of avionics to customers' requirements.

DIMENSIONS, EXTERNAL:
Wing span, 24 ft 6 in (7.47 m)
Wing chord (constant), 4 ft 1¼ in (1.25 m)
Wing aspect ratio, 5.975
Length overall, 19 ft 3 in (5.86 m)
Height overall, 7 ft 7¼ in (2.32 m)
Tailplane span, 7 ft 8¼ in (2.34 m)
Wheel track, 8 ft 3 in (2.45 m)
Wheelbase, 4 fit 4½ in (1.33 m)
Propeller diameter, 5 ft 11 in (1.80 m)
DIMENSIONS, INTERNAL:
Cabin: Length, 4 ft 6 in (1.37 m)
Max width, 3 ft 5 in (1.04 m)
Max height 3 ft 9¼ in (1.15 m)
Floor area, 16.7 sq ft (1.55 m²)
AREAS:
Wings, gross, 100.92 sq ft (9.38 m²)
Ailerons (total), 5.20 sq ft (0.48 m²)
Trailing-edge flaps (total), 5.44 sq ft (0.50 m²)
Fin, 4.76 sq ft (0.44 m²)
Rudder, including tab, 3.61 sq ft (0.34 m²)
Tailplane 9.52 sq ft (0.88 m²)
Elevators, including tab 7.22 sq ft (0.67 m²)
WEIGHTS AND LOADINGS:
Weight empty, 980 lb (445 kg)
Max T-O and landing weight 1,560 lb (708 kg)
Max wing loading, 15.4 lb/sq ft (75.1 kg/m²)
Max power loading 14.4 lb/hp (6.5 kg/hp)
PERFORMANCE (at max T-O weight, with 53 in pitch propeller):
Max level speed at S/L, 120 knots (138 mph; 222 km/h)
Max cruising speed, 75% power at 3,000 ft (915 m), 108 knots (124 mph; 200 km/h)
Stalling speed, flaps down, 52 knots (60 mph; 96.5 km/h)
Stalling speed, flaps up, 54 knots (62 mph; 100 km/h)
Max rate of climb at S/L, 705 ft (215 m)/min
Service ceiling, 12,750 ft (3,886 m)
T-O run, 890 ft (271 m)
T-O to 50 ft (15 m), 1,590 ft (485 m)
Landing from 50 ft (15 m), 1,100 ft (335 m)
Landing run, 410 ft (125 m)
Range, 75% power at 3,000 ft (915 m), with 45 min reserve, 298 nm (343 miles; 552 km)
Range, 75% power at 3,000 ft (915 m), with no reserve, 378 nm (435 miles; 700 km)

GRUMMAN AMERICAN TR2

Generally similar to the Grumman American Trainer, the Tr2 is intended to satisfy a dual requirement: as an advanced trainer or as a sports aircraft with de-luxe equipment.

It is generally similar to the Advanced Trainer version of the AA-1B, but has in addition the following equipment as standard: carpeted floor to cabin and baggage area, de-luxe vinyl/fabric interior, and polyurethane external trim in five combinations; Narco Com 10A/Nav 10 radio in lieu of Escort 110, with M-700 microphone, headset, loudspeaker, and antenna. The 57 in pitch McCauley cruise propeller is standard on the Tr2, the climb propeller as fitted to the AA-1B being available optionally. A three-tone exterior finish is also standard on this model.

WEIGHTS:
Weight empty, 1,035 lb (469 kg)
Max T-O and landing weight, 1,560 lb (708 kg)
PERFORMANCE (at max T-O weight, with 57 in pitch propeller):
Max level speed at S/L, 125 knots (144 mph; 232 km/h)
Max cruising speed, 75% power at 8,000 ft (2,440 m), 115.5 knots (133 mph; 214 km/h)
Stalling speed, flaps down, 52 knots (60 mph; 96.5 km/h)
Stalling speed, flaps up, 54 knots (62 mph; 100 km/h)
Max rate of climb at S/L, 660 ft (201 m)/min
Service ceiling, 11,550 ft (3,520 m)
T-O run, 890 ft (271 m)
T-O to 50 ft (15 m), 1,590 ft (485 m)
Landing from 50 ft (15 m), 1,100 ft (335 m)
Landing run, 410 ft (125 m)
Range, 75% power at 8,000 ft (2,550 m), with 45 min reserve, 315 nm (363 miles; 584 km)
Range, 75% power at 8,000 ft (2,440 m), with no reserve, 402 nm (463 miles; 745 km)

GRUMMAN AMERICAN AA-5 TRAVELER

This is an enlarged version of the AA-1B, with increased wing span, a more powerful engine, and an extended fuselage to provide accommodation for a pilot and three passengers. The first flight of the original AA-5 was made on 21 August 1970, and FAA certification was awarded on 12 November 1971.

The 1974 model of the AA-5 introduces the improvements detailed for the AA-1B. In addition, the occupants' visibility is improved as the result of a 1 ft 0 in (0.30 m) extension in the aft side windows; there is an enlarged baggage compartment with hat rack, an external access door to the baggage compartment on the port side of the fuselage, and a newly styled dorsal fin.

Two versions of the AA-5 are available as follows:

AA-5 Traveler. Standard version, as described below.

AA-5 Traveler Deluxe. As standard version, plus the following additional equipment: sensitive altimeter, omni-flash beacon, dual controls, vacuum system, landing light, outside air temperature gauge, heated pitot, tinted windows, turn co-ordinator and rate of climb indicators, and two-bar

The general description of the AA-1B applies also to the AA-5, except as detailed below:

TYPE: Four-seat cabin monoplane.

WINGS: Generally as for AA-1B, except that wing span and chord are increased.

FUSELAGE: As for AA-1B, except length increased.

TAIL UNIT: As for AA-1B, except general dimensions increased, and the addition of dorsal and ventral fins, and spin fillets on inboard leading-edges of tailplane. Combined trim and anti-servo tab in port and starboard elevators.

LANDING GEAR: As for AA-1B.

POWER PLANT: One 150 hp Lycoming O-320-E2G four-cylinder horizontally-opposed air-cooled engine, driving a McCauley fixed-pitch two-blade metal propeller with spinner. Two integral fuel tanks in wing spars, with a total capacity of 38 US gallons (144 litres) dorsal and ventral fins, and spin fillets on of which 37 US gallons (140 litres) are usable. Refueling point in upper surface of each wing. Oil capacity 2 US gallons (7.5 litres).

ACCOMMODATION: Pilot and three passengers in enclosed cabin, on four individual bucket seats, in pairs, with baggage area aft of rear seats. Maximum baggage load 120 lb (54.4 kg).

SYSTEMS: As for AA-1B.

ELECTRONICS AND EQUIPMENT: AA-5 Traveler as for Tr2, plus armrests and two headrests. Optional equipment for both versions includes emergency locator transmitter, flight hour recorder, true airspeed indicator, turn and bank indicator, external power socket, canopy cover, dual defrosters, cabin fire extinguisher, rear seat ventilation, access steps, strobe lights, whitewall tyres, quick oil drain valve, wheel fairings, wing levelling system, and winterisation kit. The additional items of equipment detailed for the AA-5 Traveler Deluxe are also available optionally for the AA-5 Traveler.

DIMENSIONS, EXTERNAL:
Wing span, 31 ft 6 in (9.60 m)
Wing chord (constant), 4 ft 5¼ in (1.35 m)
Wing aspect ratio, 7.10
Length overall, 22 ft 0 in (6.71 m)
Height overall, 8 ft 0 in (2.44 m)
Tailplane span, 8 ft 8½ in (2.65 m)
Wheel track, 8 ft 3 in (2.51 m)
Wheelbase, 5 ft 4½ in (1.64 m)
Propeller diameter, 6 ft 1 in (1.85 m)
DIMENSIONS, INTERNAL:
Cabin: Length, 6 ft 6 in (1.98 m)
Max width, 3 ft 5 in (1.04 m)
Max height, 4 ft 0¼ in (1.23 m)
Floor area, 23.5 sq ft (2.18m²)
AREAS:
Wings, gross, 140.12 sq ft (13.02m²)
Ailerons (total), 7.74 sq ft (0.72 m²)
Trailing-edge flaps (total), 16.26 sq ft (1.51 m²)
Rudder, 3.61 sq ft (0.34 m²)
Tailplane, 9.50 sq ft (0.88 m²)
Elevators, including tabs, 10.68 sq ft (0.99 m²)
WEIGHTS AND LOADINGS:
Weight empty, 1,200 lb (544 kg)
Max T-O weight, 2,200 lb (998 kg)
Max wing loading, 15.7 lb/sq ft (76.6 kg/m²)
Max power loading, 14.7 lb/hp (6.67 kg/hp)
PERFORMANCE (at max T-O weight):
Max level speed at S/L, 130 knots (150 mph; 241 km/h)
Max cruising speed, 75% power at 9,000 ft (2,745 m), 122 knots (140 mph; 225 km/h)
Stalling speed, flaps down, 50.5 knots (58 mph; 9.35 km/h)
Stalling speed, flaps up, 54 knots (62 mph; 100 km/h)
Max rate of climb at S/L, 660 ft (201 m)/min
Service ceiling, 12,650 ft (3,855 m)
T-O run, 880 ft (268 m)
T-O to 50 ft (15 m), 1,600 ft (488 m)
Landing from 50 ft (15 m), 1,100 ft (335 m)
Landing run, 380 ft (116 m)
Range, 75% power at 9,000 ft (2,745 m), with 45 min reserve, 430 nm (495 miles; 797 km)
Range, 75% power at 9,000 ft (2,745 m), with no reserve, 521 nm (600 miles; 966 km)

INDOCHINA AID FOR WAR

Mr. McGOVERN. Mr. President, much as we may find the task distasteful, I am convinced that the Congress must this year undertake a painstaking reexamination of the administration's policy in Indochina.

Most Americans probably believe that we decided last year to end our involvement and to let the people of Vietnam, Laos, and Cambodia settle their own affairs. That may be what we wanted to do. But it is not what we did.

Our troops are out, and, as of August 15, 1973, the U.S. bombardment of Cambodia was ended, under the explicit direction of the Congress. An amendment to the foreign aid bill, which was adopted after the war powers bill and thus takes precedence, specifically prohibits any further military activity by American forces in, over, or from off the shores of Indochina, regardless of the source of the funds.

But the war continues, and so does our involvement. Despite the Paris agreement, and despite the President's repeated claims that there is peace in Vietnam, more than 50,000 people were killed last year in that country. That is almost as many as the total number of Americans killed throughout all the years of our direct involvement in the fighting. If this is peace, then it is a bloody peace indeed. And while the pace of battle has ebbed and flowed, the same is true of Cambodia.

Further, the fighting is still fueled by American policy. Although Vietnamese and Cambodian surrogates are doing the fighting and the dying, American weapons are still doing the killing. Even our economic aid, far from rebuilding those ravaged countries, is instead serving to prevent a settlement and to continue the conflict.

The Paris agreement, which was resisted to the end by General Thieu's government, contemplated real accommodation between the warring factions of Vietnamese, on issues ranging from political prisoner release to national elections. I do not pretend to know how the North Vietnamese and the provisional revolutionary government respond in specific practice to that spirit. Publicly, at least, they embrace it. But we do know how the Thieu government reacts. There have been no accommodations. Instead, Saigon still pursues a total military victory, still outlaws and suppresses middle-ground elements that seek to honor the Paris agreement, and still demands—and receives—billions of dollars in American aid to underwrite that enterprise. Under the circumstances, I think it is clear that both our military aid and our economic aid are working contrary to what most of us perceive American policy to be.

What this suggests to me is that our policy yet contains a fundamental and very dangerous flaw. We still fail to recognize that there is no identity of interests and objectives between the people of the United States and the regime of General Thieu.

Our objective is to end the fighting, yet Mr. Thieu needs the fighting in order to maintain his power and in order to keep money and material flowing through the pipeline from Washington. We want to end this drain on our resources. Mr. Thieu wants to keep it going as long as he can. And in the face of those differences, it is incredible to think that the content of our policy is being dictated not by our own needs, but by demands from the presidential palace in Saigon, even to the point of periodic suggestions that we may send our bombers back over North Vietnam once again.

We are not breaking free from the grip of General Thieu. On the contrary, we are broadening and tightening the ties. We remain securely fastened in Vietnam. And in the past few days President Nixon has offered his fealty to yet another wobbly regime in Indochina, declaring his determination to "stand side by side" with Lon Nol's government in Cambodia.

But we have no commitment to either government. In the case of Cambodia, a commitment is explicitly ruled out. Section 7(b) of the Foreign Assistance Act of 1971 states flatly that any aid to Cambodia "shall not be construed as a commitment by the United States to Cambodia for its defense."

That is the law. The President has no authority to announce unilaterally that we are bound to underwrite Lon Nol's defense against a Cambodian insurgency.

So I believe the Congress has an obligation to face up to these issues. There are two very urgent reasons why we must do so this year.

One reason is the enormous economic cost—some $2.3 billion in Vietnam and Cambodia in fiscal 1974, and a probable sharp increase to at least $2.7 billion in fiscal 1975.

Contrast that generosity with the vote in the House of Representatives a few weeks ago against a $1.5 billion 4-year program for multilateral aid to the rest of the world. That vote killed a program that would have applied on an annual basis, for all countries that need aid, about one-sixth as much as we are squandering in Vietnam and Cambodia this year.

At a time when we are pleading poverty to so many people in desperate need, how can we possibly justify pouring all of this money into futile and destructive wars in Southeast Asia? When our food reserves have fallen so low that Food for Peace commitments are being curtailed in South Asia, Africa, and elsewhere in the face of famine, how can we possibly justify bigger food programs in Vietnam and Cambodia, especially when they are administered in ways that not only consume precious commodities but also serve as a back-door method of paying the troops and financing the war?

Over the next year or two we can project even more serious food emergencies around the world. The fertilizer shortage raises doubts about the projected growth in our own food output. It has the same effect elsewhere, and the problem is worsened by that fact that we have been urging the use of higher yield food grain seeds. With fertilizer those seeds produce much larger yields than ordinary varieties. But without it they produce much less. So what was a crisis this year in a few countries could be a calamity for millions of people one or two years hence.

And when our people are lined up waiting to buy high-priced gasoline, why do we continue to foot the bill for oil to power the needless war maneuvers now ravaging Southeast Asia?

If we cannot find enough fuel for our own needs, then I do not think we should be promoting steps to squander it on wars in Indochina. And if we do not have the food and funds to save lives in Bangladesh, in India, or in the Sahel, then I do not think we have the billions of dollars or the thousands of tons of wheat and rice that are demanded to underwrite the war plans of Asian dictators.

We must also examine these issues from the standpoint of the men who are still listed as missing in action in Indochina.

Within a few months after the Paris agreement was signed, some 580 American prisoners of war had come home. But although the Paris agreement spoke specifically to this point, there has still been no accounting for at least three times that many men listed as missing in action. Their fate remains unknown.

Last week the Foreign Relations Committee held hearings on this issue. I do not necessarily fault the administration witnesses who appeared, but I have to say that I was left after those hearings with more doubts than I had before. Mr. Frank Sieverts of the State Department and Dr. Roger Shields of the Defense Department told us as much as they knew, and they identified fully with the impatience reflected by members of the committee. But the question which remains unanswered is whether the conduct of our own government has made it less likely that the North Vietnamese will carry out their end of the bargain.

Obviously the North Vietnamese have not cooperated. Search teams from the Joint Casualty Resolution Center have not been permitted to examine areas under Communist control.

On the other hand, the North Vietnamese claim that there was linkage between their obligations to assist in accounting for our missing, and the Thieu government's obligation to release military prisoners and to move, in good faith, to resolve the issue of political prisoners. On that score Saigon has made little progress. It appears to me that the most decisive step on political prisoners has been a wholesale effort to reclassify them so that the provisions of the agreement would not apply.

The other side has also claimed that the search teams have included intelligence personnel, with the mission not so much of accounting for the missing as of gaining military information.

I would like to discount that claim as simple propaganda. But it is not all that easy to do. I have received independent allegations on this score from a source I have reason to trust, and they tend to confirm the charge. The relevant documents have been made available to the administration. It is my urgent hope that they can demonstrate that these allegations are without foundation. It

would be outrageous behavior to subvert the fate of these men in order to carry out clandestine intelligence operations for General Thieu.

We must also be concerned about the situation on reconnaissance flights.

Press reports last April quoted administration officials as acknowledging that such flights are barred under the Paris agreement. That certainly seems logical. Article 2 of the agreement says we will end all military activity "by ground, air and naval forces, wherever they may be based." In the context of a continuing war, it seems clear to me that it would be a violation of the agreement for us to conduct any reconnaissance operations, especially if the information were to be fed to the South Vietnamese.

But the New York Times reported in April, at the time when minesweeping operations were suspended, that reconnaissance flights were also being made. The article quoted State and Defense Department officials that their purpose was—

> Chiefly psychological—to tell Hanoi that the United States was taking preparatory steps for renewed bombing in case it felt Hanoi's violations of the ceasefire had reached an unacceptable level.

At the same time, State Department spokesman Charles Bray was justifying the suspension of the minesweeping by citing what he called a "well known principle of international law," to the effect that—

> A material breach of an international agreement by one party entitles the other party to suspend operation of the agreement in whole or in part.

But if that is a valid principle of international law, what is to stop the North Vietnamese from turning it against us, to justify their refusal to comply with the provisions of the agreement on accounting for the missing?

As recently as November 26 of last year, United Press International was quoting embassy spokesmen in Saigon as admitting that American SR–71 planes with American pilots were still flying reconnaissance missions. By then, however, the earlier position seemed to have been reversed. The spokesmen denied that this constituted a violation of the Paris agreement.

But whichever of the two administration positions is right, I wonder if these flights are worth the cost of handing the North Vietnamese an excuse for failing to comply with the agreement. Is this reconnaissance information so vital that in order to get it, we are willing to imperil the hopes of the American families who still await word on their missing men? I think not.

On the basis of these and other developments, I think the Congress must review the administration policy with unremitting care before we approve, in either the aid budget or the military budget, any further funds for Indochina.

I believe we will find justification for several decisions.

First, the Vietnamese and Cambodians both have large arsenals. I think we could now terminate any further military aid.

Second, it should be possible to calculate the difference between the amount of economic aid that will prevent the collapse and begin the reconstruction of the South Vietnamese economy, and the amount of aid that will serve to underwrite an aggressive war effort by the Thieu government. Economic aid should be sharply limited and specifically earmarked, to assure that we will stop financing General Thieu's ambitions for war or his plans for political repression, in violation of the Paris agreement.

Third, and finally, I believe we must write into law some concrete guarantees against any U.S. action, including intelligence gathering operations, which could lend even the slightest legitimacy to claims that the North Vietnamese obligation to account for the missing is voided. Obviously we must continue the diplomatic pressure for fulfillment of that obligation. But we must be able to press those efforts with hands that are absolutely clean. There is no reason why we cannot amend existing restrictions on U.S. involvement to accomplish that purpose.

I intend to press these questions when the Foreign Relations Committee begins consideration of legislation that is relevant to our policy in Indochina. Considering the scope and the urgency of the issue, it may even be useful to hold oversight hearings in advance of the time that we examine the aid requests.

But in any case, these are questions we simply cannot avoid.

The goal of peace in Indochina may always remain beyond our grasp, for it is probably beyond our power to create.

But we should certainly be able to accomplish the remainder of the minimal goal which has always been within our power and our right, to assure that all prisoners are returned and the fate of all missing is fully disclosed.

Above all, we should certainly be able to stop being the bankroller of and the cause for a war which has nothing to do with our national interest. And that, I believe, must be taken as a primary responsibility of the Congress in 1974.

Mr. President, I have referred to a number of press reports in the course of my remarks. There have also been a number of useful articles in recent weeks commenting on current conditions in Indochina, on the American role there, and on the congressional responsibility to scrutinize the entire matter. I ask unanimous consent that these materials be printed at this point in the RECORD.

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

[From the New York Times, Feb. 3, 1974]

NIXON PROMISES MAXIMUM POSSIBLE IN AID TO CAMBODIA

(By Bernard Gwertzman)

WASHINGTON, Feb. 2—President Nixon has personally assured President Lon Nol of Cambodia that the United States will continue to provide "maximum possible assistance" to his Government.

In a letter to Lon Nol sent on Monday and made available today, Mr. Nixon said that because the Communist-led insurgent forces had rejected all offers by the Cambodian Government to negotiate, Cambodia "has but one choice in the critical period which lies ahead, to persevere in strengthening its defense efforts and to buttress the solidarity of all Khmer nationalists."

[After a lull of four days, insurgent troops resumed their shelling of Phnom Penh and its environs, killing 15 civilians and wounding 71. Page 19.]

VOICES CONFIDENCE

Mr. Nixon wrote: "I am confident that under your vigorous leadership and that of your Government, the republic will succeed in these endeavors and will convince its enemies to seek a peaceful solution to the conflict."

"The United States remains fully determined to provide maximum possible assistance to your heroic self-defense and will continue to stand side by side with the republic in the future as in the past," he said.

State Department officials said that about half of the Cambodian insurgents were now around Phnom Penh in a force of between 15,000 and 20,000 men. This concentration has thinned out insurgent forces in other parts of Cambodia, the officials said, and has led to some victories by Government forces in those areas.

CAPITAL WELL SUPPLIED

The latest intelligence estimate in Washington is that barring an internal collapse of Lon Nol's administration, the Government forces should be able to withstand the insurgent encirclement and the frequent shelling and rocketing of the capital.

The officials said that Government forces had been able to keep the Mekong River open for traffic to Phnom Penh and that the city was receiving regular supplies of oil, food and other commodities.

Moreover, with the end of American combat assistance last August, the Cambodian forces were reported to have shown some improvement, although the United States still does not believe the army is performing as well as it should.

Mr. Nixon was reported to be taking a personal interest in Cambodia—the only country in Indochina officially without a ceasefire agreement. He has conducted a regular correspondence with Lon Nol and has continued to pledge his personal support to him despite some sharply negative evaluations of Lon Nol's leadership in the intelligence community.

The President said in his latest letter that "the continuing warfare in Cambodia results solely, I believe, from the unreasoning intransigence of the North Vietnamese and Khmer Communist supporters."

YOUR MAGNANIMOUS EFFORTS

Mr. Nixon said that if the insurgents and Hanoi had accepted Phnom Penh's repeated offers to negotiate, "peace would now prevail in your country."

"Regrettably they have chosen to reject your magnanimous efforts for peace and to pursue the illusion of total victory," he said.

The insurgents are believed by American intelligence experts to have leadership problems.

Prince Norodom Sihanouk, the former Cambodian chief of state who lives in exile in China, is the titular leader of the insurgents, but actual control is believed to be in the hands of Cambodian Communists, the so-called Khmer Rouges, and of Hanoi, which supplies the military support and some logistic personnel to the insurgents.

Prince Sihanouk, in a cablegram sent to a Swedish newsman yesterday, said that he continued to reject any compromise settlement, and he predicted that the Lon Nol Government "will crumple this year, or next year, or at the least, 1976."

UNCERTAIN COMBAT PROSPECTS

State department officials said that by extending the predicted date of his "victory" to 1976, Prince Sihanouk was in effect under-

scoring the uncertain prospects of the fighting.

The hope in Washington is that if the Phnom Penh Government can survive the current insurgent drive, the rebels will accept negotiations rather than continue in a military stalemate.

Current American military aid to Cambodia will rise to $325-million for the fiscal year ending June 30, State department officials said. This includes a special $200-million appropriation recently approved by Congress. Food grants amount to $170-million, and other economic aid totals $75-million.

Under Congressional limitations, there are no more than 200 Americans in Cambodia, about 100 civilians and 100 militarymen, but no combat advisers.

[From the Washington Post, Feb. 4, 1974]

NIXON SENT FIRM PLEDGE TO CAMBODIA

The White House confirmed yesterday that President Nixon has sent a personal letter to Cambodia President Lon Nol pledging that the United States would stand side by side with his government which is now facing a renewed insurgent effort to capture Phnom Penh.

Deputy press secretary Gerald L. Warren, asked about a New York Times article reporting the contents of the letter, said, "There is such a letter, but we are following the custom of not releasing it here."

According to The Times, Mr. Nixon said in the Jan. 28 letter, "The United States remains fully determined to provide maximum possible assistance to your heroic self defense and will continue to stand side by side with the republic in the future as in the past."

[From the Washington Post, Feb. 4, 1974]

WHAT ARE WE UNDERWRITING IN VIETNAM?

In the first year after the signing of the celebrated Vietnam cease-fire agreement of January 1973, there was good reason for Congress and most of the rest of us to hail America's disengagement from combat, to cheer the return of the POWs, to accept routinely the high cost of continuing military and economic aid to the Thieu government, and more or less to turn a blind eye to the fact that there was in fact no cease-fire and no perceptible progress toward a permanent peace. Soothingly, we were told that you couldn't expect the shooting to stop overnight, but that the foundations of a "structure for peace" were in place, and that the business of building upon this structure to produce elections and a division of territory and a sharing of political power was only a matter of time. With a year's experience, however, it is now clear that it hasn't worked out that way. (Well over 50,000 Vietnamese have reportedly been killed in combat during this "cease-fire" so far.) Worse, there is precious little prospect that it will. So it is not only appropriate but urgent for the Congress and the public to force their attention back to Vietnam. And the new budget, with its provision for continuing heavy military and economic aid for the Saigon government, offers a powerful argument as well as an opportunity for doing so.

In his State of the Union address, the President spoke witheringly of those who would abandon the South Vietnamese by abruptly shutting off all our aid—as if the issue was as simple as that. Of course, it is not. Most people, we suspect, are fully aware of this country's obligation to continue helping Saigon defend itself against flagrant violations of the cease-fire by the North Vietnamese; larger American policy interests over at least a decade and a half, after all, had a lot to do with creating Saigon's heavy dependence on our continuing patronage. But the real issue is much more complex, for it has to do with who is really responsible for the breakdown of the cease-fire. It has also to do with whether our aid, in conjunction with our diplomacy, is working to improve the chances of real peace in Indochina, or whether it is in fact working toward perpetuation of a vicious, costly war by discouraging the kinds of concessions on both sides that might bring about a genuine settlement.

We do not profess to have the answers—and that is just the point. Nobody in Washington seems to have the answers—or even particularly to care. For the past year, the general tendency has been to blame both sides for the myriad violations if not to ignore them; to cancel off these violations against each other; and to conclude somewhat cynically that this is the natural or inevitable or *Vietnamese* way of resolving conflicts. There is, moreover, the formidable difficulty of finding the facts. With their supreme interests at stake, both Vietnamese sides have had powerful incentives to highlight their own observances of the agreement and to hide their own violations. Field conditions limit the capacity of objective observers, such as journalists, to judge for themselves.

All this gives no reason, however, to avoid trying to get at the facts. For it should be understood that avoiding the question of which side is chiefly responsible for the collapse of the agreement is answering the question to the benefit of President Thieu. Time and again, administration figures have drawn public attention to the alleged violations of Hanoi and the Provisional Revolutionary Government (Vietcong). The imminence of a big Communist offensive has been built up as a special bugaboo, while the open threats of some sort of pre-emptive strike by the South, as well as the plain evidence of provocations by the Saigon government, have been presented to us as no more than legitimate acts of self-defense. To this have been added regular and wholly unrealistic suggestions of American re-entry into the war, including the possibility of renewed bombing of the North.

We have been down this road before and we should know by now where it leads—to blind and unquestioning support of a Saigon government lulled into a false sense of security by our aid, with no real capability to defend itself, by itself, and with no incentive to yield up anything for the sake of a compromise settlement. From this, one can safely project an open-ended conflict between the two Vietnams. True, it is largely *their* war now, which is a lot better than it being largely our war, as it was for seven agonizing years. But we are nonetheless subsidizing a substantial part of it. Thus, it seems only reasonable for the two sets of armed services and foreign relations committees in both houses of Congress to conduct a searching inquiry into the administration's current Vietnam policy. For this country has a moral as well as a political commitment to the objective of a cease-fire and an ultimate Vietnamese settlement which the administration so proudly proclaimed to be very nearly accomplished facts a year ago. And the American public has a right to know whether, and how, this objective is being served by our continuing aid to South Vietnam. We would not argue that the answer turns entirely on what this country does or doesn't do for President Thieu. Part of the answer obviously must come from Hanoi. Part of it also depends on the efficacy and validity of that larger "structure for peace," reaching from Moscow and Peking to Washington, of which the President had made so much. But a big part of the answer, nonetheless, depends upon Saigon. So we think that before Congress approves more billions for President Thieu, it ought to try to find out whether the easy availability of this subsidy may not be prolonging an intensified Vietnam war by consolidating a militant, recalcitrant and repressive regime in Saigon. For there is at least some reason to believe that a more selective and judicious application—or denial—of this money could make it work to far better effect as an integral part of a wider diplomatic effort to bring about something more nearly resembling a Vietnam peace.

[From the New York Times, Jan. 28, 1974]

ONE YEAR AFTER THE PARIS ACCORD

(By Frances FitzGerald)

CAMBRIDGE, MASS.—A year ago yesterday the United States signed the Paris Agreement on Ending the War and Restoring Peace in Vietnam. Since then the number of combat deaths in Vietnam has reached far above 50,000, or to about the level it reached in 1966, an "average" year in the war. Only the circumstances of these deaths has changed.

Whereas a year ago Vietnamese were dying in military operations, they are dying today in cease-fire violations. According to Richard M. Nixon they are dying not to win the war but to win the peace in South Vietnam. From these facts many might draw the conclusion that the peace agreement accomplished nothing, that it changed nothing in the history of the Vietnam war. They would be wrong.

Last Christmas was the first in twelve years that the United States was not bombing Indochina or maintaining American ground troops in Vietnam. Furthermore, the other events in Vietnam this last year did not duplicate those of the year before. They were repetitions of events much further back in history.

Take any recent news reports—President Nguyen Van Thieu declares he will not hold a national election as the peace accord specifies, tracts given to South Vietnamese peasants revert to former landlords, military-intelligence analysts fear foe will cut country in half. You will not find a similar report since 1956 or 1964. It is just that there is a certain symmetry to the war, a symmetry that extends beyond the period of American troop engagement to the beginning of the American intervention in Vietnam.

The United States has been actively engaged in a war against Communism in Indochina since 1950. As the history books for American children unborn at the time now show, the policy has been perfectly consistent; only the means have changed. In 1950–54 the Eisenhower Administration paid up to 80 per cent of the French colonial war. After the French defeat, the Administration created and financed a regime in South Vietnam that would contravene the Geneva Accords by refusing to hold national elections and by building an army to compete with that in the North.

When the southern guerrillas came near to defeating this regime on their own, the United States introduced counterinsurgency teams and helicopter squadrons; in 1964, just after Congressional passage of the Tonkin Gulf resolution, the United States began to bomb North Vietnam and a few months later to send regular American forces in to the South. Four years later, in the wake of the Tet offensive, Lyndon B. Johnson ended the troop build-up; he did not, however, change the policy of pursuing the war in Vietnam.

For Mr. Johnson, and later Mr. Nixon, the means became known as Vietnamization—the slow withdrawal of American troops combined with a further build-up of the Saigon Government's Army and the increased use of American firepower. The period of American withdrawal ended with the peace agreement; it toook four and a half years to accomplish, or slightly longer than the build-up, and in the first three years of the Nixon Administration it cost the lives of 20,000 Americans and some half a million Vietnamese.

Since then the Nixon Administration has been carrying on the war in the traditional way, by proxy. Last year it spent $3 billion

in support of a military regime that resists any form of political settlement as specified in the peace accords.

The history books for children recount most of this story, but they do not answer the question of why the United States pursued this policy for so long. As the intelligence documents in the Pentagon Papers show, neither Dwight D. Eisenhower, John F. Kennedy nor Mr. Johnson could have had any confidence of winning the war with the measures they were using.

In 1967, for example, Robert S. McNamara, then Secretary of Defense, questioned the value of sending a token American force to Vietnam, warning, "We would be almost certain to get increasingly mired down in an inconclusive struggle." A few months later the Kennedy Administration sent just such a token force and publicly predicted success for it, suggesting that no further measures would be necessary.

In his analysis of the Pentagon Papers, in an essay called "The Quagmire Myth and the Stalemate Machine," Daniel Ellsberg addresses the question of why three Administrations concealed their most realistic estimates and continued to step up the war on that basis. His answer, to put it briefly, is that even though all three Presidents strongly suspected that the war could not be won, they also strongly suspected they could not politically survive the "loss" of Saigon or a land war in Asia during their Administrations. Their solution, therefore, was to maintain the stalemate as cheaply as possible while hoping for a miracle. And if the miracle did not occur, they could pass the problem on to their successors. Mr. Johnson's misfortune was that he occupied the White House at a time when the guerrilla war had reached such a peak that he could not maintain the Government in Saigon without committing American troops. Mr. Nixon, by contrast, came to the Presidency after the crisis had passed.

The Ellsberg theory is, I think, sound. But today we have no need of theory in order to predict the future course of the war under a Nixon Presidency. Mr. Nixon has already made that course perfectly clear by his actions in Indochina over the last six years. Elected at the height of the peace movement and over Vice President Hubert H. Humphrey whose administration had been discredited by the war, Mr. Nixon had the option of disavowing the Johnson war policy and making peace in Vietnam. He did not do so. Instead, he chose to maintain the stalemate at a price far higher than any other President had paid.

Militarily the cost included the invasion of Cambodia and the beginning of a destructive, long-term war in that country, the invasion of Laos, the secret bombing of North Vietnam and Cambodia, the mining of North Vietnamese harbors and inland waterways and the terror bombing of Hanoi in Christmas, 1972. But these actions were only the most spectacular of his military measures. Equally important was the sustained bombing of three countries, the destruction of two or three national economies, the uprooting of several million Indochinese and the building of an army that, statistically speaking, drafts all able-bodied South Vietnamese men for the duration of the war.

These measures, taken before the cease-fire, have had an important impact on the military situation in Vietnam, but they have not meant victory for the United States. In the Paris agreement the United States had to accept what it refused to acknowledge in the Geneva Accords of 1954: the principle of unity and territorial integrity of all of Vietnam and the presence of North Vietnamese troops in the South.

Mr. Nixon's measures have not insured a stable situation—a permanent stalemate, as it were—because the Saigon Government, while larger than before, remains what it always was: a parasite that lives on what one Frenchman called la densité de la pourriture (the density of corruption). President Thieu's control over South Vietnamese (even in the absence of the Northern troops) rests on his ability to maintain American aid at a level at which he can keep the majority of the population in the army, the jails, the cities and the refugee camps. While American military and Central Intelligence Agency analysts predict a North Vietnamese offensive and propose more military aid for Saigon, President Thieu is actively trying to realize that prediction and that aid by calling for an invasion of North Vietnamese and Provisional Revolutionary Government base areas in the South.

What Mr. Nixon has done is to create a stalemate that may last until the end of his term and whose preservation may well require the renewal of American bombing in the South. What he has done is to bring the United States full circle to the same moment of decision in which the Tonkin Gulf resolution was passed in 1964.

One difference is that now the war is a decade older, and three countries have been partly destroyed. The other difference is that because the American public will not permit the reintroduction of American ground troops, Mr. Nixon and his advisers know precisely what the final outcome will be. They support the war in perfect cynicism. After the visit to Peking they have no ideological pretext, much less a justification for that support. Over the last six years about a million Indochinese have died for the prestige of two men. A lot more will die if the American public continues to pay the war no more attention than it did in 1964.

[From the Washington Post, Feb. 4, 1974]

FOOD FOR PEACE, OR FOOD FOR WAR?

(By Jack Anderson)

The Food for Peace program, established to feed the hungry of the world, has been perverted into a Food for War program in Southeast Asia.

This sinister change has been manipulated quietly by the National Security Council. Of the $1 billion worth of food that is shipped abroad for the needy, the council has insisted that almost half should go to bolster the military strength of Cambodia and South Vietnam, according to classified documents.

Elsewhere, the food is sold through regular commercial channels to alleviate shortages and prevent hunger. The United States foots the bill, treating it as a low-interest loan to be repaid over a long period.

But in Cambodia, President Nixon gave the Lon Nol regime special permission to use up to 80 per cent of the proceeds from the sale of American food for "common defense" and "internal security." In South Vietnam, the Thieu regime is permitted to spend a full 100 per cent of the food proceeds on military buildups.

Classified documents show that the President started off this fiscal year with a reasonable request for $30 million to finance Food for Peace shipments to Cambodia. But bit by bit, the White House requests ballooned to $173 million and are likely to go higher.

Even more food aid has been earmarked for South Vietnam, although the jump in the request has been less drastic.

While most food aid to the two embattled countries has been in rice, the documents show that 175,000 metric tons of wheat will be supplied by next July. Yet the wheat shortage at home has pushed up the price of bread to 50 cents a loaf and has forced the United States to import wheat at exorbitant prices.

For years, the Food for Peace program, along with the Peace Corps, has won friends for the United States among the world's poor. We have seen burlap bags of grain and boxes of cereal, with big "USA" markings, going into impoverished villages.

But in the besieged Cambodian capital of Phnom Penh, one of our informants witnessed a different scene, not far from a camp where hundreds of refugees complained of food shortages. He counted 50 trucks filled with bags of U.S. rice lined up outside a military warehouse. Instead of feeding the starving refugees, it was going for army rations.

[From the New York Times, Apr. 21, 1973]

U.S. PLANES RENEW RECONNAISSANCE OF NORTH VIETNAM

(By Bernard Gwertzman)

WASHINGTON, April 20—The United States has resumed military reconnaissance flights over North Vietnam, despite the ban on such activity in the Vietnam cease-fire agreement, officials of the State and Defense Departments said today.

This development, following the decision yesterday to suspend American minesweeping of North Vietnamese waters, was described by senior officials as a policy decision to violate portions of the Paris agreement, if necessary, to put pressure on the North Vietnamese to halt what Washington regards as the more serious violations of the accord.

Charles W. Bray 3d, the State Department spokesman, virtually acknowledged that policy when he justified American actions on the basis of "a well-known principle of international law," as reflected in a 1969 convention on the law of treaties. The convention provided that "a material breach of an international agreement by one party entitles the other party to suspend operation of the agreement in whole or in part."

"MESSAGE," SECRETARY SAYS

Previously, the Administration contended that although North Vietnam was violating the agreement, the United States was scrupulously abiding by it. But President Nixon warned on several occasions that the United States would make appropriate responses if Hanoi's alleged violations did not cease.

Secretary of Defense Elliot L. Richardson said in an interview that the Administration was seeking by its latest actions, "to send a message" to Hanoi through means other than diplomatic protests.

He said that Hanoi should interpret the moves as "signals of possible retaliatory action." He also said that Administration officials had in the past not foreclosed the possibility that the United States might "invoke more extreme measures."

The Secretary added that he could not foresee "what fork in the road" might be taken by either side. He said the latest actions followed weeks of fruitless efforts through diplomatic means to get Hanoi to stop its alleged violations.

Mr. Bray, in his regular news conference, specifically called on North Vietnam to show "strict compliance" with article 20 of the cease-fire agreement. This calls on the signatories "to refrain from using the territory of Cambodia and the territory of Laos to encroach on the sovereignty and security of one another and of other countries." It also calls for foreign countries to end "all military activities in Cambodia and Laos," but without setting a deadline.

Mr. Bray said, in effect, that if Hanoi used its influence to halt the fighting in Cambodia and stopped using infiltration routes through Laos into South Vietnam, it "would find a prompt and quite positive response on our part."

"It is simply not possible," he said, "and it is certainly not in the spirit of the agreement, much less the letter, for the North Vietnamese to decide that they wish to observe some paragraphs of the agreement and protocols and not others."

The first word of American reconnaissance flights over North Vietnam came in a Hanoi radio broadcast.

When the Defense Department spokesman, Jerry W. Friedheim, was asked if the report was true, he said, "No comment." Previously, he had consistently denied that American aircraft were flying over North Vietnam.

Privately, however, officials of the Defense and State Departments said the flights were taking place. It was understood that these included both pilotless aircraft equipped with automatic cameras and regular piloted craft.

The officials stressed that the purpose of the flights at this point was chiefly psychological—to tell Hanoi that the United States was taking preparatory steps for renewed bombing in case it felt that Hanoi's violations of the case-fire had reached an unacceptable level.

A State Department official noted that the steps taken so far were easily "turn-offable."

COULD REVERSE TREND

He said that the mine sweepers could quickly return to North Vietnamese waters, and the reconnaissance flights could be stopped immediately, if Hanoi began to meet some of Washington's demands.

Article 2 of the cease-fire agreement calls on the United States to "stop all its military activities against the territory of the Democratic Republic of Vietnam by ground, air and naval forces, wherever they may be based." It also obliges the United States to remove, deactivate or destroy all the mines in North Vietnamese waters.

The agreement does not specifically refer to reconnaissance flights, but administration officials have acknowledged that such flights are barred.

Mr. Bray was asked why the United States did not take its complaint back to the international conference on Vietnam, which endorsed the agreement on March 2.

FAVOR DIRECT COMMUNICATION

"We still consider that the more effective way of dealing with North Vietnamese violations of the agreement is by way of direct communication with them," he said. But a State Department official said the United States would send a detailed note of complaints about Hanoi's alleged violations to the other parties of the international conference.

Mr. Richardson, expressing frustration with what he said was the failure of Hanoi to respond so far to repeated diplomatic protests, said that on the basis of experience it seemed that the North Vietnamese sometimes understood the situation better if the message came by means other than words.

He acknowledged that efforts had been made to communicate with Hanoi directly and through Peking and Moscow. The Russians and Chinese, he said have expressed the view that it is time to stop hostilities in Indochina, but it is not known whether they are exerting any pressure on Hanoi.

The Administration has not denied that South Vietnam has committed violations of the cease-fire accord. But both State and Defense department officials have asserted that Saigon's transgressions are not of a level with Hanoi's.

Mr. Bray, in a lengthy exposition of American policy, said that "the Paris agreement was negotiated and signed as a whole."

"It was intended to provide the framework within which tranquility and, hopefully, political stability would be restored to Indochina," he added. "That was the spirit in which the United States entered into this interrelated series of undertakings."

"Now," he said, "I should like to repeat again that it is simply not possible, and it is certainly not in the spirit of the agreement, much less the letter, for the North Vietnamese to decide that it wishes to observe some paragraphs of the agreement and protocol, but not the others."

Mr. Bray said that "strict compliance with Article 20 of the agreement, which, as you will recall, has reference to Laos, Cambodia and South Vietnam, would have a dramatic effect on the American view of Hanoi's intentions to carry out the obligations it willingly entered into in Paris."

[From the New York Times, Aug. 15, 1973]

SUPPORT PLEDGED: AMERICAN PLANES WILL REMAIN ON STATION IN GUAM AND THAILAND

(By Bernard Gwertzman)

WASHINGTON, Wednesday, Aug. 15.—American bombing in Cambodia officially ended last midnight with the Nixon Administration still pledging to do everything possible within the law to support the Government of President Lon Nol.

The cessation of all bombing activities, voted by Congress on June 30, and accepted by President Nixon with "grave personal reservations," marks the official end to America's dozen years of combat activity in Southeast Asia. Some 46,000 American lives have been lost—most of them in South Vietnam — since the first American casualties in 1961.

The Vietnam cease-fire agreement, signed on Jan. 27 in Paris, ended the American combat role in North and South Vietnam, and the Laotian agreement a month later ended the American role there.

FIGHTING GOES ON

The Cambodian fighting, however, has not stopped, and it is unclear what the effect the end of American bombing will have on the Cambodian belligerents.

But even as B–52 strategic bombers and F–4 fighter-bombers carried out their last missions, the Pentagon stressed that American planes would remain on station in Thailand and in Guam, prepared to resume their raids if Congress authorized them—something viewed as unlikely unless North Vietnam launched a vast invasion of South Vietnam.

Although the end to American bombing was a historic landmark in the long, controversial Indochina war, the Administration chose virtually to ignore it. Neither the White House, nor the Pentagon nor the State Department volunteered any statement on the occasion.

BERRIGANS ARRESTED

On the final day of United States bombing, 60 persons, including the antiwar activists Daniel J. Berrigan and his brother Jerome were arrested as they knelt and prayed at the White House in a protest against the raids.

At the Defense Department, officials said the end of the bombing was being treated routinely.

The Pentagon, in answer to questions, supplied statistics on the latest Cambodian phase of the bombing, between Jan. 28, the day following the Vietnam cease-fire agreement, and Aug. 11, the last day for which figures were available. During that period, 35,410 sorties, or flights, were carried out, costing a total of $422.8-million.

There were no firm answers to a question being widely posed: What will happen to the Lon Nol Government without American air support?

Several officials at the Defense Department and the State Department said that they were hesitant to make any predictions.

They said that there were conflicting reports from the field about the military situation around Phnom Penh, the Cambodian capital, and there were different assessments about the possibility that some kind of cease-fire would be worked out by the Lon Nol Government and the insurgents opposing it.

FEAR OF COLLAPSE

The prevailing sentiment, however, was that the Phnom Penh Government would do well if it could avoid a complete military collapse.

An Administration official said that it was impossible to talk about negotiations until the new military situation in Cambodia became clear.

He said that the bombing had been an important lever in the Administration's effort to persuade China and North Vietnam to prod the Cambodia insurgents into accepting a cease-fire. By forcing the end to the bombing, he said, Congress took away any incentive to negotiate.

A senior State Department official said recently that it "probably doesn't matter" what happens in Phnom Penh from a strategic point of view. But, he said, South Vietnam and Thailand may become gravely concerned about a Communist Government in Cambodia, and this could lead to a further disintegration of the Vietnam cease-fire agreement if Saigon feels so threatened that it sends forces into Cambodia.

INTERVENTION HELD UNLIKELY

For the moment, State Department officials said, it was unlikely that Saigon would intervene in Cambodia. South Vietnam was aware, they said, that Congress might respond by cutting off its economic aid.

Gerald L. Warren, the deputy White House press secretary, in answer to questions, repeated the standard Administration pledge that it "will do everything within the law to support the Government of Cambodia." He also said again that no combat activity would be undertaken without "proper authority" from Congress.

The law permits the United States to keep sending military and economic aid to Cambodia, but for this aid to be used, the Cambodian Government must keep its transportation arteries open. In coming weeks, some officials said, the insurgents will probably make a determined effort to cut off the major population areas from supplies.

COMBAT ACTIVITY BARRED

The Congress on June 30, in attaching a rider to a crucial appropriations measure to keep the Government going, ruled out all combat activity in Indochina after Aug. 15.

Mr. Nixon, in a letter to Congressional leaders on Aug. 3, said the Administration would obey the law, but added:

"I cannot do so, however, without stating my grave personal reservations concerning the dangerous potential consequences of this measure. I would be remiss in my Constitutional responsibilities if I did not warn of the hazards that lie in the path chosen by Congress."

He said that the Aug. 15 cutoff had undermined negotiating efforts to get a settlement in Cambodia, and he warned that "this abandonment of a friend" could have a profound impact in other countries such as Thailand, "which have relied on the constancy and determination of the United States."

SOME FLIGHTS ALLOWED

The bombing ban will not bar unarmed reconnaissance flights over Cambodia and Laos, the Pentagon said, but the planes involved will be prohibited from calling for armed support if fired upon.

Pentagon officials said that up to 400 fighter-bombers and 175 B–52s would remain on call in Thailand, Guam and aboard carriers. These will probably be withdrawn gradually to the United States, officials said.

Since Jan. 28, the Pentagon said, 27,626 fighter-bomber sorties were carried out in Cambodia, at a cost of $182.3-million. A total of 7,784 B–52 sorties were flown, it said, costing $240.5-million. Nine aircraft were lost, with six men killed and four missing.

[From the Washington Star-News, Nov. 26, 1973]

VIET CONG ACCUSE

SAIGON.—The Viet Cong yesterday accused the U.S.-Air Force of conducting reconnais-

sance flights over its territory in northernmost Quant Tri province and in the Central Highlands. They demanded an end to what they called a "brazen violation" of the Paris cease-fire agreement on Vietnam.

At the same time, the Viet Cong accused the government of President Nguyen Van Thieu of killing "dozens" of civilians in Katum in the biggest illegal bombing raids on Communist-held territory since January.

A U.S. Embassy spokesman here admitted the reconnaissance flights over South Vietnam by SR71 planes, but he denied they were a violation of the cease-fire agreement. He said the planes weren't armed.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from New York will state it.

Mr. JAVITS. What is the pending business?

EXECUTIVE SESSION—GENOCIDE CONVENTION

The PRESIDENT pro tempore. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now go into executive session to resume consideration of Executive O, 81st Congress, 1st session, which the clerk will state.

The legislative clerk read as follows:

Executive O, 81st Congress, First Session, the International Convention on the Prevention and Punishment of the Crime of Genocide.

The PRESIDENT pro tempore. Time for debate between 11 and 12 noon will be equally divided and controlled by the Senator from Idaho (Mr. CHURCH) and the Senator from North Carolina (Mr. HELMS).

Who yields time?

Mr. JAVITS. Mr. President, by delegation of Senator CHURCH, I yield myself 30 seconds. As apparently Members are not available for debate except for myself, I shall seek another quorum call and ask unanimous consent that the time taken for the quorum call be divided equally between both sides.

The PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

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

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

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. How much time remains, and how is it divided?

The PRESIDING OFFICER. Each side has 21 minutes remaining.

Mr. JAVITS. I yield myself 5 minutes out of the time reserved for Senator CHURCH.

Mr. President, yesterday, the distinguished Senator from North Carolina (Mr. ERVIN) introduced a very large number of amendments to the treaty—though we are not at the stage yet where those amendments are in order—reservations, and other documents which he could call up in respect of Senate action, and made a very extensive argument respecting the opposition to the treaty.

I have examined these arguments overnight, and I find that they are in essence the same arguments which were made last March 13 in Senator ERVIN's presentation to the Senate, to which I responded on March 29, in the RECORD of that day, at page 10251 and from there on.

The main objections which were made by the Senator from North Carolina (Mr. ERVIN)—and incidentally, these were also contained in his testimony before the Committee on Foreign Relations on March 10, 1971—are as follows:

First, he argues that the treaty is deficient in that it does not embody the real meaning of the term "genocide." He believes that the term contemplates the complete wiping out of a designated group.

We point to the fact that the understanding we have submitted with the treaty makes clear the difference between genocide and the ordinary crimes, homicides, and so forth, and that it requires the intent to destroy a national, ethnic, racial, or religious group by one of the homicidal acts specified in the convention in such manner to affect a substatial part of that group. All of those elements of the definition are very important in the presentation which we make.

Second, the Senator from North Carolina argues that whether or not the provisions of the convention are self-executing, they would immediately supersede all State laws and practices inconsistent with them and thereby deprive the States of the power to prosecute and punish in their courts acts condemned by articles II and III of the convention.

We say the convention is clearly non-self-executing in view of the requirement in article V that the contracting parties enact the necessary implementing legislation.

Furthermore, we require the executive branch to await enactment of the implementing legislation before depositing an instrument of ratification and that, therefore, Congress can in any way it chooses deal with domestic law in respect to the implementing statute to which I refer.

Third, the Senator from North Carolina argues that ratification of the genocide convention would have a drastic effect on our system of our criminal justice because many crimes which are now crimes under State law could, with the addition of an allegation with respect to intent, be made Federal crimes.

To that we reply that the intent requirements for the crime of genocide are set forth in article II of the treaty, and require a definition which makes it a unique crime and, therefore, in no way will supersede the penalty under State law, including homicide.

As a fourth argument the Senator from North Carolina raises a series of objections based on the one hand on the alleged ambiguity of certain terms in the convention, and, on the other hand, on the procedures in the convention for insuring its application. For example, he refers to the meaning of "mental harm."

We have pointed out constantly that "mental harm" is the permanent impairment of mental faculties, and that is dealt with in the understandings we have submitted.

The Senator from North Carolina suggests that under article II(b) of the convention, State or county officials who refuse to give one of the four designated groups a desirable amount of welfare benefits may be prosecuted for genocide.

We claim that is not so under the terms of the treaty and that is expressly included by the words "deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part."

We cannot see any such connotation as deprivation of what we might consider an adequate level of welfare benefits.

The Senator from North Carolina argues that the provision of article III(c), which makes direct and public incitement to commit genocide punishable, might deprive public officials and citizens of the United States of the right of free speech.

We point out that the Supreme Court makes a clear distinction between advocacy and incitement, and that covers this particular situation.

Incitement crosses the bounds between protected and unprotected speech. The provisions of the Genocide Convention, therefore, do not violate the Constitution. Moreover, were there any conflict, the first amendment clearly would control. *Reid* v. *Covert*, 354 U.S. 1 (1957); *Geofroy* v. *Riggs*, 133 U.S. 258 (1890).

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, the Senator from North Carolina raises the question of what is meant by the word "complicity" in article III(e) of the treaty.

We take the position that the term "complicity" is a well-understood word. It is clearly aimed at being an accessory in the crime of genocide as described in the treaty, and not the other genocidal acts listed in article III. When Congress enacts implementing legislation for the Genocide Convention, it will not be necessary to enact a special provision implementing article III(e) because accessoryship in Federal crimes is already outlawed by the United States Code.

The Senator from North Carolina argues that article VI imposes upon Con-

gress an implied commitment to support the creation of an international penal tribunal. We reject that and state that Congress is given complete freedom of action in that regard.

The Senator from North Carolina expresses the fear that article I of the convention would require the United States to go to war to prevent the crime of genocide.

This is contrary to our view. Article I confirms the principle that genocide is a crime under international law in time of peace or in time of war.

The Senator from North Carolina argues that the genocide convention would make American soldiers fighting abroad triable in the courts of our enemies for killing or seriously wounding members of the enemies' military forces.

We reject that completely and point out that it does not qualify in the definition of the treaty with regard to the intent to destroy in whole or in part a national, racial, or religious group, as such. We point out there is nothing to stop charges, and so forth, or prosecutions, which are really persecutions, of prisoners of war today. We have had enormous trouble with regard to that in respect to North Vietnam.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 additional minute.

The Senator also argues that if we ratify the treaty and legislation is passed implementing it, the executive branch would be under the duty of enforcing both the provisions of the convention and the implementing legislation.

That is correct, but that is an argument for rather than against ratifying the treaty because of our commitment that there be no instrument of ratification deposited unless we have passed the implementing legislation. That can take whatever form we give it.

Finally, it is argued that we are going to override, by ratifying this treaty, the Connally reservation, with regard to the reservation of jurisdiction over domestic matters in respect of the international court of justice.

Of course, we have had that out very completely and we pointed out that the basis of the court's jurisdiction would not be such to have any compulsion on the United States, as the court has no means of enforcement, and furthermore we reserve in the reservation which the Senator from Idaho, the Senator from Wisconsin, and I submitted, every element of domestic protection for the American individual with regard to extradition and constitutional rights, and so forth, which he would have by invocation of the Connally amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 additional minute.

Mr. President, for all those reasons we believe that the objections made by the Senator from North Carolina do not stand up in the face of the treaty, the understandings and the reservations which we have submitted—sort of a triple lock on the situation we have described; and that the Senate should, notwithstanding these objections, which we do not feel are well founded, for the reasons stated, should ratify the treaty.

Mr. ALLEN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, first, on behalf of the Senator from North Carolina, I ask unanimous consent that Mr. William Pursley, Jr., of the staff of the Committee on the Judiciary, be granted the privilege of the floor while the cloture motion is under discussion and during the ensuing quorum call and vote on the cloture motion.

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

Mr. ALLEN. Mr. President, on yesterday the Senate refused to stop debate on the matter of ratification of the Genocide Convention, and at about 12:15 another vote will take place on the same issue. Mr. President, I hope that the Senate will vote again not to bring debate on this issue to a close.

This question has been before the U.S. Senate since 1949, when the convention was sent to the Senate by President Truman. The convention had been adopted by the General Assembly of the United Nations on December 9, 1948, and I believe had been signed on behalf of the United States on December 11, 1948. Of course, that signature would not have any effect or authority or create any binding obligation until the convention or treaty had been ratified by a two-thirds vote of the Senate.

Mr. President, I suppose it was a historic occasion when a vote was actually taken here by the Senate with respect to any aspect of this convention, because it had never proceeded that far before. The matter was rereferred by President Nixon to the Senate in 1970, but it had lain dormant from 1950 to 1970, and there have been no intervening acts, it would seem to the Senator from Alabama, that would make desirable now what the U.S. Senate did not regard as being desirable in 1950—that is, the ratification of this convention.

Mr. President, in 1946 the United Nations had passed a resolution which was the start of the thought of a genocide convention. The 1946 resolution succinctly pointed out that genocide is a denial of the right of existence of entire human groups, as homicide is the denial of the right to live of individual human beings; a denial of the right of existence of entire human groups. Yet the convention submitted by the United Nations changes all that. And how does it define a genocide? I read from the convention itself:

Genocide means any of the following acts committed with intent to destroy—

Here are the significant words—

in whole or in part, a national, ethnical, racial or religious group . . .

An intent to destroy in whole or in part. Well, one person is a part of a group. One person could be a part of a national, ethnical, racial, or religious group.

We all decry the wiping out of entire groups of people. Certainly, we all favor the humanitarian impulses that initiated the Genocide Convention. We all oppose programs that would wipe out large numbers of individuals of a special ethnical, racial, national, or religious group. We all would decry the actions of Hitler and the Nazis. We would all decry the wiping out of the Biafran people in Africa just a short time ago, or the wiping out of tens of thousands of the Bangladesh more recently.

But, Mr. President, has anything been done under the Genocide Convention about those offenses? What about China? It is estimated that they wiped out some 20 million Chinese of a group in opposition to the leadership of that nation during the cultural revolution.

Some 78 nations have ratified the convention. What have they done under the convention? I asked that question on the floor yesterday. Has a single act of genocide been punished, or has there been a trial with respect to a single act of genocide? They said they did not know. They did not know of any instance. Perhaps there had been, but they did not know of any. What good has the convention done to the 78 nations that have adopted the convention? Not a bit.

Well, they say that though the convention obviously contemplates the creation of a criminal court, a penal division, somewhat, of the International Court of Justice, these 78 nations have not done that.

By the way, the convention went into effect as soon as 20 nations signed it and deposited it in accordance with the terms of the treaty. So it is in effect. No action has been taken under it. No court has been created.

I tell you, Mr. President, that just as soon as the United States adopts the convention we will see very quickly, in my judgment, an effort made to set up such an international court.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. ALLEN. Mr. President, I yield myself an additional 3 minutes.

What are they waiting on? Why do they not set up the court? They would find it is not the great panacea that they say it would be.

I ask the question: How would you extradite a national of the nation of Russia over to this country to answer to a charge of genocide?

They said that we would just have to trust them. Well, I am not willing to trust them. I believe that they are waiting for the United States to act on this convention before setting up a court so that we can pay for the court and can furnish the defendants in the criminal trials.

They say that we do not have to become bound by the court if we do not want to. Well, what is the use of our bothering if we are not going to be bound by the court?

Mr. President, this is just an opening wedge. This has to be done before they go ahead with the court. As soon as this convention is ratified, we can expect this international court that would be set up to try citizens of the United States.

Mr. President, we have a bunch of reservations that we have added to this convention. So have a lot of other na-

tions. As listed in the hearings, some 30 nations have said that they do not want to be bound by this section, that section, or the other section.

Mr. President, there are reservations and understandings coming out of the Foreign Relations Committee. The committee has sent up three understandings and one declaration. And there is pending now an understanding by the distinguished Senator from Idaho (Mr. CHURCH). Why is it necessary for all of these reservations if we are not to be bound by this section, that section, or the other section, if it is such a good treaty or such a good plan.

This would cover not a single attack on a single person. It would cover those, reading from the convention, "causing serious bodily or mental harm."

What is that? Is that going to be the subject of a trial in a foreign nation before a foreign court?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. Mr. President, I yield myself another 3 minutes.

Mr. President, this is more, this one world concept originated by the United Nations and recommended to the member nations and adopted by 78 nations already. Of course, they have not moved forward in 25 years. There must be a serious flaw in this convention if U.S. Senate after U.S. Senate in one Congress after another Congress has failed to act favorably on this convention.

Why should it be brought up this time? It serves no useful purpose. Not one single constructive act has taken place under this convention in 25 years, even though it has been a valid, ratified convention for some 23 years, because it took a couple of years for 20 nations to ratify it.

Why should we put the necks of our citizens in the noose of an international court? And in the absence of an international court, this would set up an extraditable offense which would allow the extradition of our citizens, even if an international court is not set up, to be tried by courts in a foreign land.

In addition, Mr. President, it sets up the crime of genocide so indefinitely, as a separate Federal offense, until the international court can be set up. We do not need any more international courts. We do not need any more offenses under Federal law, as to our citizens, where the matter is already covered by State law.

The crime of genocide is defined. What is the punishment?

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. ALLEN. How much time have I remaining, Mr. President?

The PRESIDING OFFICER. Five minutes remain to the Senator.

Mr. ALLEN. What is the penalty for genocide? The convention does not say. Is it a fine? Or imprisonment for a year? Or imprisonment for 10 years? Is it the death penalty?

The convention would set up an International Court—one already created, not one yet to come—ahead of our Supreme Court—and I read from the convention—in the matter of "the interpretation, application, or fulfillment of the present convention, including those relating to the responsibility of a State for genocide."

I thought this convention was directed against individuals. But here is a State coming in for responsibility.

Relating to a state for genocide or for any of the other acts enumerated in article III, shall be submitted to the International Court of Justice at the request of any of the parties to the dispute.

Russia and the other Iron Curtain nations put a little reservation on that. They say that this dispute cannot be submitted to the International Court without the consent of all the parties to the dispute. It gives them veto power. We do not have any such reservation as that.

The ratification of this convention is not in the interest of the people of the United States of America. Seventy-eight nations have adopted it. How many of them are friends of the United States? Maybe one or two. The United Kingdom is mentioned. We would be putting ourselves in the hands of unfriendly nations, as the Senator from Alabama has already stated.

Mr. President, I reserve the remainder of my time, and I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Under the precedents of the Senate, not enough time remains to the Senator for a quorum call.

Mr. ALLEN. I beg the Chair's pardon; I did not quite understand the Chair.

The PRESIDING OFFICER. Under the precedents of the Senate, not enough time remains for a quorum call.

Mr. ALLEN. How much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 2 minutes remaining, and the Senator from New York (Mr. JAVITS) has 10.

Mr. ALLEN. Mr. President, I ask unanimous consent that the time I shall consume between now and 12 o'clock be charged equally to both sides.

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

Mr. ALLEN. Mr. President, I had planned to end my remarks on that note. Inasmuch as the Chair has ruled that the Senator from Alabama cannot suggest a quorum call, he will continue with his discussion.

Mr. President, some of the nations which have ratified this convention are the very nations where the crime of genocide occurs. Looking in the dictionary for the definition of "pogrom," it refers to the mass destruction of people of a certain race, and it says "originally as in Russia." So Russia is one of the granddaddies of the offense of genocide. But have you ever heard of a Russian being tried for the crime of genocide, even though it is one of the signatory nations to the convention?

Haiti, China, the Federal Republic of Germany, Mongolia—some of these nations are nations in which acts of genocide have historically taken place through the years. I do not know of that having occurred in the United States of America. So why should the United States of America, here 25 years after this treaty was submitted to the Senate, find it so urgent that we have got to use the time of the U.S. Senate, that could better be devoted to solving some of the critical problems facing this Nation—the energy crisis, for example, or the truckers' strike—and not standing here talking about this document that has been before the Senate for 25 years, dragging it out here at this time and using up the time of the U.S. Senate?

Where are the advocates of the measure? For that matter, where are the opponents of the measure? That is how much interest in this convention. Look about the Senate Chamber and see.

I yield back the remainder of my time, and ask unanimous consent that the Senator from New York, inasmuch as I have used some of his time, may have the remainder of the time.

Mr. JAVITS. I thank my colleague. If he wishes me to yield before the quorum call, I shall.

Mr. President, I think the Senator from Alabama asks a very legitimate question. Where are the proponents? Where are the opponents?

Well, the proponents are here. He represents the opponents; I represent the proponents. It is quite usual in this Chamber that in advance of a cloture vote Members know pretty well how they are going to vote, and they are not interested in listening to the debate, having heard what they consider to be adequate for the purpose.

But the other important point I would like to answer is, Why take the time of the Senate with the Genocide Treaty now, when the Senate has so many critically important things to do?

The reason, Mr. President, is that the world goes on, notwithstanding our problems domestically. Indeed, as we can see, our domestic problems are very heavily caused by the fact that the world goes on, as witness the energy crisis, which is caused by the embargo and even more by the fantastic price increases by certain Arab States, and second, our own inflation, which is heavily attributable to very large Government expenditure, a great part of which is caused by the need for national security. The President is asking for a great increase over last year in the defense budget, and the fact is that paying for present security and past wars requires an enormous part of the expenditures of the United States.

So we are inevitably affected by what happens in the world, and therefore we have to look after it, and a great part of our attention is given to it.

Mr. President, in an interesting way, I believe, this Genocide Convention has a lot to do with what is going to happen in the world in terms of our security in a physical sense and the cost of that security, because if there is a moral climate in the world—and of all the matters and treaties that we consider, I know of none that deals with the moral climate as much as the genocide which Hitler practiced and which we have seen practiced since in Africa, among African tribes, and which, as we know, could easily happen anywhere else, in an at-

tempt to eliminate a whole ethnic group.

It has been said, for example, that that kind of thing was carried on in the Soviet Union at a given stage of its revolution, with the suppression of a certain aspect of the population there which could qualify under "ethnic or religious or racial group."

So, Mr. President, if what we are trying to establish is to make the United States, after a quarter of a century, a party to a universal declaration that one of the rights of man is not to be eliminated simply because he is a member of some group which some dictator or some other group does not like and seeks to completely eliminate, it seems to me that this is so inherent in the institutions of justice, if we are to have any hope in this world, as to deserve in very high measure the attention of the Senate.

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

Mr. JAVITS. I yield.

Mr. ALLEN. I ask, for information, what would be the punishment for the crime of genocide? Would it be a punishment equally applied throughout the world, or among the signatory nations? What would be the punishment for the crime of genocide?

Mr. JAVITS. Well, the punishment for the crime of genocide——

Mr. ALLEN. Inasmuch as the convention does not say?

Mr. JAVITS. Yes. The punishment for the crime of genocide would be determined by individual countries until there was some international tribunal, which we would have an absolute right to have or not to have, if the Senate ratifies such a convention.

In the implementing statute, which Senator SCOTT and I have introduced and which is a condition precedent to this ratification, we provide for a fine of not more than $20,000 and imprisonment of not more than 20 years; and, if death results, subjection to life imprisonment. For inciting to commit genocide, we propose not more than $10,000 fine, or 5 years in prison, or both.

Of course, the Senate will be able to work its will before this is ratified, and I assume implementing legislation in other countries will go to the same point.

Bear in mind, as I wish to reiterate and still leave a minute for the Senator, that there is no crime established in this country unless Congress legislates one, but the framework within which it would legislate one is the framework of this convention, which stamps genocide as an international and a national crime.

Mr. ALLEN. But these acts that would constitute genocide, certainly, such as the mass extermination of a large segment of the population, that would be the crime of murder, would it not?

Mr. JAVITS. That depends on whether it is performed abroad or not, and one of the examples here, the national alienation of children from their parents or the change of the mental processes of a whole group may not qualify—indeed, may not qualify even as a crime unless defined in this way by our implementing statutes which would fall within the framework.

Mr. ALLEN. Then there is no uniform punishment provided?

Mr. JAVITS. I specified what it would be under the implementing statutes.

Mr. TOWER. Mr. President, I vigorously oppose the passage of the so-called Genocide Treaty. This treaty, though obviously fathered by well-intentioned men, is so fraught with dangerous precedents and ambiguities that we have no alternative but to reject it. Such a rejection cannot be interpreted by rational men as support of genocide. Rather it results simply from the recognition that the form of the treaty is unwise. We are not alone in that feeling for even the Soviet Union has in a sense rejected many portions of the treaty through the adoption of reservations and understandings. Yet some argue that it is precisely because the Soviet Union has adopted the treaty we must do so as well. Somehow the logic of that argument fails me.

The United Nations adopted the Genocide Convention on December 10, 1948. It was submitted to the United States for consideration and ratification on June 16, 1949. The Foreign Relations Committee gave an unfavorable report in 1950 and until 1971 serious consideration of the treaty was not given. The reasons why the committee rejected the convention 23 years ago are still applicable today.

First, the definition of genocide used within the convention significantly differs with the traditional meaning of the word. Article II of the treaty states:

> In the present convention genocide means any of the following acts committed with intent to destroy, in whole, or in part, a national, ethnical, racial or religious group. . . .

I might note that the original text of the treaty included political groups as well but due to the objections of certain nations desiring to suppress political minorities, political groups were dropped from the list.

As currently written, therefore, the treaty itself states genocide to mean the destruction of even a part, perhaps even a single member of a group. The treaty, therefore, theoretically abridges the Constitution by transferring from the States to the Federal Government the responsibility for the prosecution and punishment of homicide, assault and battery, and kidnappings covered under the convention. Because the Congress would be obliged to enact such legislation as is necessary to implement the provisions of the treaty, it would be required to pass legislation to govern the trial and punishment by the Federal Government of these crimes. Such a process would undoubtedly be a lengthy one creating considerable confusion in the interim.

Because of this apparent confusion over jurisdiction of State or Federal courts over these crimes, an acquittal of the charge in one court would not necessarily prevent prosecution based upon the same evidence in the other court. This clearly contradicts the American concept of double jeopardy. Because the convention requires genocidal intent for conviction, a criminal could easily be acquitted of a heinous crime in Federal court and be unpunished unless brought to trial in State court.

The reasons, therefore, for opposing this treaty center around the uncertainty of what the effects of ratification would bring.

This tremendous ambiguity over the effect of the treaty has moved the American Bar Association on a number of occasions to oppose ratification. In his 1971 testimony, Eberhard P. Deutch, of New Orleans, speaking on behalf of the ABA made the following statment:

> It is submitted that treaties with other nations are not the proper constitutional means for the government of the people of the United States in their internal affairs, which should continue to be regulated by our own federal and state and local legislative bodies through enactments which have their foundation in our own constitutional processes.

The Convention requires that those who cause mental harm to members of national, ethnic, religious, or racial groups be prosecuted. But it fails to define what this mental harm is. An Understanding to the Convention defines mental harm as the "permanent impairment of mental faculties" but even this leaves open many questions. Medical science has established the importance of good nutrition to the development of a child's mental abilities. Is poverty, then, a crime of genocide and if so, who is to be prosecuted?

Some have argued that the failure to implement Brown versus Board of Education in a particular manner would violate the Convention. Whether there would be a violation would be determined by international courts of justice and the United Nations. I am committed to see the Brown decision fully implemented and I believe that we have made great progress, despite the excesses of certain Federal courts. Nevertheless, as in the case of malnutrition and poverty, these are internal problems facing the United States—problems which we are now solving by positive programs. Only the United States can and should work to solve these problems—the intervention of foreign governments and international courts would retard our progress and cause continuing chaos.

What I am saying, Mr. President, is that while we all are firmly committed to a position of moral condemnation of genocide, with our government taking appropriate action whenever it is possible, an International Treaty on the subject will only benefit those in the world whose policies may now or at some time in the future encourage genocide on a mass scale. This documented by the hundreds of reservations already entered into by the signatories of the Convention. Even if the objectionable items that I have alluded to were not factors in our debate, these reservations make the treaty as a whole meaningless. International law cannot function under any circumstances when the signatories have to such a great extent limited the effect of the thrust of what are admittedly admirable aims of the proponents.

With all due respect to the distinguished Senator from Idaho (Mr. CHURCH) I believe his reservations rep-

resents an example of the dangers of this proposed treaty. The reservation states:

We will not allow the extradition of American citizens to answer to a crime in a foreign country unless they are guaranteed the same safeguards that defendants in our courts are guaranteed.

I submit that this reservation is meaningless. Can we really expect for instance that a foreign nation will abide by our constitutional safeguards of, for example, fifth and 14 amendment due process. Are we to expect that the international courts of justice as well as other foreign governments will abide by our evolving principles of Constitutional law.

Mr. President, I have purposely not attacked the Treaty on a section by section basis. An exhaustive rebuttal has already been given by a number of Senators who share my feeling on this matter.

In summary I would like to note that this so-called Genocide Convention through article IX, vesting judicial review in the International Court of Justice, clearly violates the Constitution which vests full authority for interpreting treaties in the Supreme Court. Furthermore, on many occasions the Court has stated unequivocally that the treaty making authority extends only to matters strictly relating to foreign and diplomatic affairs.

As former Chief Justice Hughes once stated:

The power (i.e., the treaty power) is to deal with foreign nations with regard to matters of international concern. It is not a power intended to be exercised . . . with respect to matters that have no relation to international concerns . . .

With our long tradition of individual liberty and tolerance for all viewpoints and ideas, the United States has more than any other nation-state resisted the genocidal tendencies and policies of other nation-states. The Treaty we are now asked to ratify would allow the rest of the world to interfere with our unique system of Republican government as embodied in our Constitution, undoubtedly the most sacred political document in the World.

We must continue to affirmatively resist political repression such as what now emanates from the Soviet Union in their treatment of Jews and political dissidents opposing the Kremlin's totalitarian rule. The so-called Genocide Treaty, however, with all of its understandings and reservations would not affect this totalitarian rule, but instead, would strongly hinder those nations who truly believe in freedom and individual liberty.

I urge the defeat of Executive O, the so-called Genocide Treaty.

Mr. WILLIAMS. Mr. President, some three decades ago, when a madman named Adolf Hitler attempted to seize world power by advocating a policy of genocide in the name of national honor and ambition, a shocked community of nations arose to thwart both the man and his ideology.

However, it was not soon enough for the millions of Jews, Catholics, and ethnic nationals, who perished at the hands of their Nazi tormentors. For these people, their birthright was their death warrant.

To the ideological zealots who carried out their orders with patriotic precision, it was not necessary to further justify the slaughter of whole families, or sometimes even entire town populations. A person's religious persuasion or ethnic background would be, and tragically was, in fact, cause enough.

The holocaust, the terrible toll, and the atrocities are all too well known. They need not be detailed again. However, for the survivors of the concentration camps, and for the families and friends of those who did not survive, the names Auschwitz, Buchenwald, Belsen, and Dachau continue to be painful legacies. This inhumanity must never again be allowed to reoccur.

Shortly after the end of the Second World War, men of good will from countries all over the world met under the auspices of the United Nations to draft a statement of principles abhoring the policy and practice of such mass brutality. Two years later, the International Convention for the Prevention and Punishment of the Crime of Genocide became a reality.

On December 11, 1948, President Harry S. Truman signed the Convention and transmitted it to the Senate 7 months later—June 16, 1949—for ratification. Today, nearly 25 years afterward, the document still awaits this body's advice and consent.

It is my belief that the Senate should delay no longer. The time is overdue for us to approve this treaty, which seeks only to assure the international rights of human dignity and ideological freedom. From its very beginnings, the United States has always stood for these basic principles.

There are those who oppose ratification on the grounds that it would be using the treaty power of the Senate to enact substantive legislation; a power, of course, reserved for the joint action of both Houses of Congress. I appreciate that concern. However, this convention will not be a self-executing treaty in that sense. After ratification, it must be given effect by subsequent implementing legislation. Thus, genocide would not be technically a crime per se in the United States until both Houses amend the Criminal Code to that effect. Therefore, prosecution of any American citizen for alleged genocide would still be subject to all of the procedural and substantive safeguards provided for in the Constitution and applicable judicial codes. Similar protection under existing extradition treaties will likewise be unaffected.

Mr. President, genocide is among the most heinous of all crimes. It must never be condoned, never be mitigated, or never be tolerated.

With the profound hope that past will not, in this case, be prolog, I shall vote in favor of ratification.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. METZENBAUM). Under the previous order, the hour of 12 o'clock having arrived, the Senate will now proceed to the vote on cloture. The clerk will state the cloture motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending resolution of ratification to the International Convention on the Prevention and Punishment of the Crime of Genocide (Executive O, 81-1).

1. Mike Mansfield.
2. Frank Church.
3. Jacob K. Javits.
4. Robert P. Griffin.
5. Charles McC. Mathias, Jr.
6. William D. Hathaway.
7. Gale W. McGee.
8. William Proxmire.
9. Birch Bayh.
10. Hugh Scott.
11. Richard S. Schweiker.
12. Adlai E. Stevenson III.
13. Jennings Randolph.
14. Hubert H. Humphrey.
15. Edmund S. Muskie.
16. James B. Pearson.
17. Charles H. Percy.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 33 Ex.]

Abourezk	Fannin	Montoya
Aiken	Fong	Moss
Allen	Fulbright	Muskie
Baker	Goldwater	Nelson
Bartlett	Griffin	Packwood
Beall	Gurney	Pastore
Bellmon	Hansen	Pearson
Bennett	Hart	Pell
Bentsen	Haskell	Percy
Bible	Hathaway	Proxmire
Biden	Helms	Randolph
Brock	Hollings	Ribicoff
Brooke	Hruska	Roth
Buckley	Huddleston	Schweiker
Burdick	Hughes	Scott, Hugh
Byrd, Harry F., Jr.	Humphrey	Scott, William L.
Byrd, Robert C.	Jackson	Sparkman
Cannon	Javits	Stafford
Case	Johnston	Stennis
Chiles	Kennedy	Stevens
Church	Long	Stevenson
Clark	Magnuson	Symington
Cook	Mansfield	Taft
Cotton	Mathias	Talmadge
Curtis	McClellan	Thurmond
Dole	McClure	Tower
Domenici	McGee	Tunney
Dominick	McGovern	Weicker
Eagleton	McIntyre	Williams
Eastland	Metcalf	Young
Ervin	Metzenbaum	
	Mondale	

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Indiana (Mr. HARTKE), are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is, Is it the sense of the Senate that debate on the pending reso-

lution of ratification of the International Convention on the Prevention and Punishment of the Crime of Genocide shall be brought to a close? The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN) is absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. INOUYE) and the Senator from California (Mr. CRANSTON) would each vote "yea."

On this vote, the Senator from Indiana (Mr. BAYH) and the Senator from Alaska (Mr. GRAVEL) are paired with the Senator from Georgia (Mr. NUNN).

If present and voting, the Senators from Indiana and Alaska would vote "yea" and the Senator from Georgia would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oregon (Mr. HATFIELD) is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The yeas and nays resulted—yeas 55, nays 38, as follows:

[No. 34 Ex.]

YEAS—55

Abourezk	Hughes	Pastore
Aiken	Humphrey	Pearson
Beall	Jackson	Pell
Bellmon	Javits	Percy
Bentsen	Kennedy	Proxmire
Biden	Magnuson	Randolph
Brooke	Mansfield	Ribicoff
Burdick	Mathias	Schweiker
Byrd, Robert C.	McGee	Scott, Hugh
Case	McGovern	Stafford
Chiles	McIntyre	Stevens
Church	Metcalf	Stevenson
Clark	Metzenbaum	Symington
Eagleton	Mondale	Taft
Fong	Montoya	Tunney
Griffin	Moss	Weicker
Hart	Muskie	Williams
Haskell	Nelson	
Hathaway	Packwood	

NAYS—38

Allen	Domenici	Long
Baker	Dominick	McClellan
Bartlett	Eastland	McClure
Bennett	Ervin	Roth
Bible	Fannin	Scott,
Brock	Fulbright	William L.
Buckley	Goldwater	Sparkman
Byrd,	Gurney	Stennis
Harry F., Jr.	Hansen	Talmadge
Cannon	Helms	Thurmond
Cook	Hollings	Tower
Cotton	Hruska	Young
Curtis	Huddleston	
Dole	Johnston	

NOT VOTING—7

Bayh	Hartke	Nunn
Cranston	Hatfield	
Gravel	Inouye	

The ACTING PRESIDENT pro tempore. On this vote there are 55 yeas and 38 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is rejected.

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on January 31, 1974, the President had approved and signed the act (S. 1191) to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, to establish a National Center on Child Abuse and Neglect, and for other purposes.

COMPREHENSIVE HEALTH INSURANCE PLAN—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate a message from the President of the United States, which was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

One of the most cherished goals of our democracy is to assure every American an equal opportunity to lead a full and productive life.

In the last quarter century, we have made remarkable progress toward that goal, opening the doors to millions of our fellow countrymen who were seeking equal opportunities in education, jobs and voting.

Now it is time that we move forward again in still another critical area: health care.

Without adequate health care, no one can make full use of his or her talents and opportunities. It is thus just as important that economic, racial and social barriers not stand in the way of good health care as it is to eliminate those barriers to a good education and a good job.

Three years ago, I proposed a major health insurance program to the Congress, seeking to guarantee adequate financing of health care on a nationwide basis. That proposal generated widespread discussion and useful debate. But no legislation reached my desk.

Today the need is even more pressing because of the higher costs of medical care. Efforts to control medical costs under the New Economic Policy have been met with encouraging success, sharply reducing the rate of inflation for health care. Nevertheless, the overall cost of health care has still risen by more than 20 percent in the last two and one-half years, so that more and more Americans face staggering bills when they receive medical help today:

—Across the Nation, the average cost of a day of hospital care now exceeds $110.

—The average cost of delivering a baby and providing postnatal care approaches $1,000.

—The average cost of health care for terminal cancer now exceeds $20,000.

For the average family, it is clear that without adequate insurance, even normal care can be a financial burden while a catastrophic illness can mean catastrophic debt.

Beyond the question of the prices of health care, our present system of health care insurance suffers from two major flaws:

First, even though more Americans carry health insurance than ever before, the 25 million Americans who remain uninsured often need it the most and are most unlikely to obtain it. They include many who work in seasonal or transient occupations, high-risk cases, and those who are ineligible for Medicaid despite low incomes.

Second, those Americans who do carry health insurance often lack coverage which is balanced, comprehensive and fully protective:

—Forty percent of those who are insured are not covered for visits to physicians on an out-patient basis, a gap that creates powerful incentives toward high-cost care in hospitals;

—Few people have the option of selecting care through prepaid arrangements offered by Health Maintenance Organizations so the system at large does not benefit from the free choice and creative competition this would offer;

—Very few private policies cover preventive services;

—Most health plans do not contain built-in incentives to reduce waste and inefficiency. The extra costs of wasteful practices are passed on, of course, to consumers; and

—Fewer than half of our citizens under 65—and almost none over 65—have major medical coverage which pays for the cost of catastrophic illness.

These gaps in health protection can have tragic consequences. They can cause people to delay seeking medical attention until it is too late. Then a medical crisis ensues, followed by huge medical bills—or worse. Delays in treatment can end in death or lifelong disability.

COMPREHENSIVE HEALTH INSURANCE PLAN (CHIP)

Early last year, I directed the Secretary of Health, Education, and Welfare to prepare a new and improved plan for comprehensive health insurance. That plan, as I indicated in my State of the Union message, has been developed and I am presenting it to the Congress today. I urge its enactment as soon as possible.

The plan is organized around seven principles:

First, it offers every American an opportunity to obtain a balanced, compre-

hensive range of health insurance benefits;

Second, it will cost no American more than he can afford to pay;

Third, it builds on the strength and diversity of our existing public and private systems of health financing and harmonizes them into an overall system;

Fourth, it uses public funds only where needed and requires no new Federal taxes;

Fifth, it would maintain freedom of choice by patients and ensure that doctors work for their patient, not for the Federal Government.

Sixth, it encourages more effective use of our health care resources;

And finally, it is organized so that all parties would have a direct stake in making the system work—consumer, provider, insurer, State governments and the Federal Government.

BROAD AND BALANCED PROTECTION FOR ALL AMERICANS

Upon adoption of appropriate Federal and State legislation, the Comprehensive Health Insurance Plan would offer to every American the same broad and balanced health protection through one of three major programs:

—Employee Health Insurance, covering most Americans and offered at their place of employment, with the cost to be shared by the employer and employee on a basis which would prevent excessive burdens on either;

—Assisted Health Insurance, covering low-income persons, and persons who would be ineligible for the other two programs, with Federal and State government paying those costs beyond the means of the individual who is insured; and

—An improved Medicare Plan, covering those 65 and over and offered through a Medicare system that is modified to include additional, needed benefits.

One of these three plans would be available to every American, but for everyone, participation in the program would be voluntary.

The benefits offered by the three plans would be identical for all Americans, regardless of age or income. Benefits would be provided for:

—hospital care;

—physicians' care in and out of the hospital;

—prescription and life-saving drugs;

—laboratory tests and X-rays;

—medical devices;

—ambulance services; and,

—other ancillary health care.

There would be no exclusions of coverage based on the nature of the illness. For example, a person with heart disease would qualify for benefits as would a person with kidney disease.

In addition, CHIP would cover treatment for mental illness, alcoholism and drug addiction, whether that treatment were provided in hospitals and physicians' offices or in community based settings.

Certain nursing home services and other convalescent services would also be covered. For example, home health services would be covered so that long and costly stays in nursing homes could be averted where possible.

The health needs of children would come in for special attention, since many conditions, if detected in childhood, can be prevented from causing lifelong disability and learning handicaps. Included in these services for children would be:

—preventive care up to age six;

—eye examinations;

—hearing examinations; and,

—regular dental care up to age 13.

Under the Comprehensive Health Insurance Plan, a doctor's decisions could be based on the health care needs of his patients, not on health insurance coverage. This difference is essential for quality care.

Every American participating in the program would be insured for catastrophic illnesses that can eat away savings and plunge individuals and families into hopeless debt for years. No family would ever have annual out-of-pocket expenses for covered health services in excess of $1,500, and low-income families would face substantially smaller expenses.

As part of this program, every American who participates in the program would receive a Healthcard when the plan goes into effect in his State. This card, similar to a credit card, would be honored by hospitals, nursing homes, emergency rooms, doctors, and clinics across the country. This card could also be used to identify information on blood type and sensitivity to particular drugs—information which might be important in an emergency.

Bills for the services paid for with the Healthcard would be sent to the insurance carrier who would reimburse the provider of the care for covered services, then bill the patient for his share, if any.

The entire program would become effective in 1976, assuming that the plan is promptly enacted by the Congress.

HOW EMPLOYEE HEALTH INSURANCE WOULD WORK

Every employer would be required to offer all full-time employees the Comprehensive Health Insurance Plan. Additional benefits could then be added by mutual agreement. The insurance plan would be jointly financed, with employers paying 65 percent of the premium for the first three years of the plan, and 75 percent thereafter. Employees would pay the balance of the premiums. Temporary Federal subsidies would be used to ease the initial burden on employers who face significant cost increases.

Individuals covered by the plan would pay the first $150 in annual medical expenses. A separate $50 deductible provision would apply for out-patient drugs. There would be a maximum of three medical deductibles per family.

After satisfying this deductible limit, an enrollee would then pay for 25 percent of additional bills. However, $1,500 per year would be the absolute dollar limit on any family's medical expenses for the covered services in any one year.

HOW ASSISTED HEALTH INSURANCE WOULD WORK

The program of Assisted Health Insurance is designed to cover everyone not offered coverage under Employee Health Insurance or Medicare, including the unemployed, the disabled, the self-employed, and those with low incomes. In addition, persons with higher incomes could also obtain Assisted Health Insurance if they cannot otherwise get coverage at reasonable rates. Included in this latter group might be persons whose health status or type of work puts them in high-risk insurance categories.

Assisted Health Insurance would thus fill many of the gaps in our present health insurance system and would ensure that for the first time in our Nation's history, all Americans would have financial access to health protection regardless of income or circumstances.

A principal feature of Assisted Health Insurance is that it relates premiums and out-of-pocket expenses to the income of the person or family enrolled. Working families with incomes of up to $5,000, for instance, would pay no premiums at all. Deductibles, co-insurance, and maximum liability would all be pegged to income levels.

Assisted Health Insurance would replace State-run Medicaid for most services. Unlike Medicaid, where benefits vary in each State, this plan would establish uniform benefit and eligibility standards for all low-income persons. It would also eliminate artificial barriers to enrollment or access to health care.

As an interim measure, the Medicaid program would be continued to meet certain needs, primarily long-term institutional care. I do not consider our current approach to long-term care desirable because it can lead to overemphasis on institutional as opposed to home care. The Secretary of Health, Education, and Welfare has undertaken a thorough study of the appropriate institutional services which should be included in health insurance and other programs and will report his findings to me.

IMPROVING MEDICARE

The Medicare program now provides medical protection for over 23 million older Americans. Medicare, however, does not cover outpatient drugs, nor does it limit total out-of-pocket costs. It is still possible for an elderly person to be financially devastated by a lengthy illness even with Medicare coverage.

I therefore propose that Medicare's benefits be improved so that Medicare would provide the same benefits offered to other Americans under Employee Health Insurance and Assisted Health Insurance.

Any person 65 or over, eligible to receive Medicare payments, would ordinarily, under my modified Medicare plan, pay the first $100 for care received during a year, and the first $50 toward out-patient drugs. He or she would also pay 20 percent of any bills above the deductible limit. But in no case would any Medicare beneficiary have to pay more than $750 in out-of-pocket costs. The premiums and cost sharing for those with low incomes would be reduced, with public funds making up the difference.

The current program of Medicare for the disabled would be replaced. Those now in the Medicare for the disabled

plan would be eligible for Assisted Health Insurance, which would provide better coverage for those with high medical costs and low incomes.

Premiums for most people under the new Medicare program would be roughly equal to that which is now payable under Part B of Medicare—the Supplementary Medical Insurance program.

COSTS OF COMPREHENSIVE HEALTH INSURANCE

When fully effective, the total new costs of CHIP to the Federal and State governments would be about $6.9 billion with an additional small amount for transitional assistance for small and low wage employers:

—The Federal Government would add about $5.9 billion over the cost of continuing existing programs to finance health care for low-income or high risk persons.

—State governments would add about $1.0 billion over existing Medicaid spending for the same purpose, though these added costs would be largely, if not wholly offset by reduced State and local budgets for direct provision of services.

—The Federal Government would provide assistance to small and low wage employers which would initially cost about $450 million but be phased out over five years.

For the average American family, what all of these figures reduce to is simply this:

—The national average family cost for health insurance premiums each year under Employee Health Insurance would be about $150; the employer would pay approximately $450 for each employee who participates in the plan.

—Additional family costs for medical care would vary according to need and use, but in no case would a family have to pay more than $1,500 in any one year for covered services.

—No additional taxes would be needed to pay for the cost of CHIP. The Federal funds needed to pay for this plan could all be drawn from revenues that would be generated by the present tax structure. I am opposed to any comprehensive health plan which requires new taxes.

MAKING THE HEALTH CARE SYSTEM WORK BETTER

Any program to finance health care for the Nation must take close account of two critical and related problems—cost and quality.

When Medicare and Medicaid went into effect, medical prices jumped almost twice as fast as living costs in general in the next five years. These programs increased demand without increasing supply proportionately and higher costs resulted.

This escalation of medical prices must not recur when the Comprehensive Health Insurance Plan goes into effect. One way to prevent an escalation is to increase the supply of physicians, which is now taking place at a rapid rate. Since 1965, the number of first-year enrollments in medical schools has increased 55 percent. By 1980, the Nation should have over 440,000 physicians, or roughly one-third more than today. We are also taking steps to train persons in allied health occupations, who can extend the services of the physician.

With these and other efforts already underway, the Nation's health manpower supply will be able to meet the additional demands that will be placed on it.

Other measures have also been taken to contain medical prices. Under the New Economic Policy, hospital cost increases have been cut almost in half from their post-Medicare highs, and the rate of increase in physician fees has slowed substantially. It is extremely important that these successes be continued as we move toward our goal of comprehensive health insurance protection for all Americans. I will, therefore, recommend to the Congress that the Cost of Living Council's authority to control medical costs be extended.

To contain medical costs effectively over the long haul, however, basic reforms in the financing and delivery of care are also needed. We need a system with built-in incentives that operates more efficiently and reduces the losses from waste and duplication of effort. Everyone pays for this inefficiency through their health premiums and medical bills.

The measure I am recommending today therefore contains a number of proposals designed to contain costs, improve the efficiency of the system and assure quality health care. These proposals include:

1. HEALTH MAINTENANCE ORGANIZATIONS (HMO'S)

On December 29, 1973, I signed into law legislation designed to stimulate, through Federal aid, the establishment of prepaid comprehensive care organizations. HMO's have proved an effective means for delivering health care and the CHIP plan requires that they be offered as an option for the individual and the family as soon as they become available. This would encourage more freedom of choice for both patients and providers, while fostering diversity in our medical care delivery system.

2. PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO'S)

I also contemplate in my proposal a provision that would place health services provided under CHIP under the review of Professional Standards Review Organizations. These PSRO's would be charged with maintaining high standards of care and reducing needless hospitalization. Operated by groups of private physicians, professional review organizations can do much to ensure quality care while helping to bring about significant savings in health costs.

3. MORE BALANCED GROWTH IN HEALTH FACILITIES

Another provision of this legislation would call on the States to review building plans for hospitals, nursing homes and other health facilities. Existing health insurance has overemphasized the placement of patients in hospitals and nursing homes. Under this artificial stimulus, institutions have felt impelled to keep adding bed space. This has produced a growth of almost 75 percent in the number of hospital beds in the last twenty years, so that now we have a surplus of beds in many places and a poor mix of facilities in others. Under the legislation I am submitting, States can begin remedying this costly imbalance.

4. STATE ROLE

Another important provision of this legislation calls on the States to review the operation of health insurance carriers within their jurisdiction. The States would approve specific plans, oversee rates, ensure adequate disclosure, require an annual audit and take other appropriate measures. For health care providers, the States would assure fair reimbursement for physician services, drugs, and institutional services, including a prospective reimbursement system for hospitals.

A number of States have shown that an effective job can be done in containing costs. Under my proposal all States would have an incentive to do the same. Only with effective cost control measures can States ensure that the citizens receive the increased health care they need and at rates they can afford. Failure on the part of States to enact the necessary authorities would prevent them from receiving any Federal support of their State-administered health assistance plan.

MAINTAINING A PRIVATE ENTERPRISE APPROACH

My proposed plan differs sharply with several of the other health insurance plans which have been prominently discussed. The primary difference is that my proposal would rely extensively on private insurers.

Any insurance company which could offer those benefits would be a potential supplier. Because private employers would have to provide certain basic benefits to their employees, they would have an incentive to seek out the best insurance company proposals and insurance companies would have an incentive to offer their plans at the lowest possible prices. If, on the other hand, the Government were to act as the insurer, there would be no competition and little incentive to hold down costs.

There is a huge reservoir of talent and skill in administering and designing health plans within the private sector. That pool of talent should be put to work.

It is also important to understand that the CHIP plan preserves basic freedoms for both the patient and doctor. The patient would continue to have a freedom of choice between doctors. The doctors would continue to work for their patients, not the Federal Government. By contrast, some of the national health plans that have been proposed in the Congress would place the entire health system under the heavy hand of the Federal Government, would add considerably to our tax burdens, and would threaten to destroy the entire system of medical care that has been so carefully built in America.

I firmly believe we should capitalize on the skills and facilities already in place,

not replace them and start from scratch with a huge Federal bureaucracy to add to the ones we already have.

COMPREHENSIVE HEALTH INSURANCE PLAN—A PARTNERSHIP EFFORT

No program will work unless people want it to work. Everyone must have a stake in the process.

This Comprehensive Health Insurance Plan has been designed so that everyone involved would have both a stake in making it work and a role to play in the process—consumer, provider, health insurance carrier, the States and the Federal Government. It is a partnership program in every sense.

By sharing costs, consumers would have a direct economic stake in choosing and using their community's health resources wisely and prudently. They would be assisted by requirements that physicians and other providers of care make available to patients full information on fees, hours of operation and other matters affecting the qualifications of providers. But they would not have to go it alone either: doctors, hospitals and other providers of care would also have a direct stake in making the Comprehensive Health Insurance Plan work. This program has been designed to relieve them of much of the red tape, confusion and delays in reimbursement that plague them under the bewildering assortment of public and private financing systems that now exist. Health cards would relieve them of troublesome bookkeeping. Hospitals could be hospitals, not bill collecting agencies.

CONCLUSION

Comprehensive health insurance is an idea whose time has come in America.

There has long been a need to assure every American financial access to high quality health care. As medical costs go up, that need grows more pressing.

Now, for the first time, we have not just the need but the will to get this job done. There is widespread support in the Congress and in the Nation for some form of comprehensive health insurance.

Surely if we have the will, 1974 should also be the year that we find the way.

The plan that I am proposing today is, I believe, the very best way. Improvements can be made in it, of course, and the Administration stands ready to work with the Congress, the medical profession, and others in making those changes.

But let us not be led to an extreme program that would place the entire health care system under the dominion of social planners in Washington.

Let us continue to have doctors who work for their patients, not for the Federal Government. Let us build upon the strengths of the medical system we have now, not destroy it.

Indeed, let us act sensibly. And let us act now—in 1974—to assure all Americans financial access to high quality medical care.

RICHARD NIXON.

THE WHITE HOUSE, *February 6, 1974.*

REPORT OF THE CORPORATION FOR PUBLIC BROADCASTING—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

In accordance with section 201(9) of the Public Broadcasting Act of 1967, as amended, I hereby transmit the annual report of the Corporation for Public Broadcasting covering fiscal year 1973.

RICHARD NIXON.

THE WHITE HOUSE, *February 6, 1974.*

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. METCALF) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXTENSION OF TIME FOR CONFERENCE COMMITTEE ON S. 2589 TO FILE ITS REPORT

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the conference committee on S. 2589, the Energy Emergency Bill, have until midnight tonight to file its report and have it printed.

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

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

LEGISLATIVE SESSION—RESUMPTION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session and that there now be a resumption of the period for routine morning business not to exceed 15 minutes, with no limitation on statements made therein.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 6477. An act for the relief of Lucille de Saint Andre; and

H.R. 11221. An act to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 425) providing for adjournment of the House from Thursday, February 7, 1974, to Wednesday, February 13, 1974, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

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

H.R. 6477. An act for the relief of Lucille de Saint Andre; to the Committee on the Judiciary.

H.R. 11221. An act to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000; to the Committee on Banking, Housing and Urban Affairs.

MAJOR BUDGET REFORM

Mr. PERCY. Mr. President, I am very pleased indeed that the acting majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), and the chairman of the Government Operations Committee, the Senator from North Carolina (Mr. ERVIN), are on the floor.

During the course of a meeting of the full Government Operations Committee this morning, the subject of a Washington Post article authored by the respected reporter, David S. Border, was raised. The headline of that article reads: "BYRD Not Very Optimistic on Major Budget Reform."

In our discussion particular attention was paid to the part of the article which reads as follows:

Byrd said he thought it best to "move gradually step-by-step in the direction of budget reform, so that over the next two or three or four years Congress may achieve the kind of system" reformers are seeking.

I think it might be helpful for the advice of the Senate, and for a number of the Members and staff of many committees who are now working so mightily on this reform legislation, which is actually an effort to implement recommendations of the Joint House Senate Study Committee on Budget Control, were the chairman of the Government Operations Committee and I as the ranking minority member, to have an indication from the acting majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), about the implications and intent of the quotations which we assume is accurate.

I interpret these comments somewhat differently from some of my colleagues.

Having discussed this matter in some detail with the distinguished Senator from West Virginia and the distinguished Senator from North Carolina and having discussed it with other members of our committee, it is said that in reporting out the bill and having it referred to the

Committee on Rules and Adminstration, there are technicalities, but that there are aspects of that bill that could be improved.

We were very much pleased indeed that as a result of the hearings that were held by that committee during the recess period, improvements were pointed out. We recognize that the staff, working now in a tremendous effort together with staff members of many of the committees in the Senate, have further refined and found ways to improve this legislation.

But it is our conviction that we could come together with a bill that would be the first major step toward reform, and that that bill could be presented for debate on the floor and could be passed this year, that we could have a conference on the bill, which the House has already passed, and that we could send to the President's desk for signature a budget reform bill that would embrace the concepts on which we seem to have such widespread agreement, such as the need to set an overall ceiling on spending, the need to comprehensively weigh competing national priorities against each other, the need to bring uncontrollable spending under congressional control, and the need to improve the Congress' ability to deal with fiscal policy matter.

We would recognize that over the next 3 or 4 years there would be further improvements that could be offered, and certainly that is the judgment of the chairman of the subcommittee, the Senator from Montana (Mr. METCALF), who has worked mightily month after month on this legislation.

We should have ready for the Senate by the end of this month, a bill embodying the best thinking we can now put into it, subject of course to projection in the light of later experience. Instead of being pessimistic, I am optimistic about the opportunity that the Senate now has, and I am optimistic that the Senate will seize the chance to make this first major step in the area of budgetary reform, which is so desperately needed. I believe that the country recognizes this need, and will applaud meaningful reform.

I yield to the Senator from West Virginia, because we so very greatly appreciate the cooperation extended to us, not only by Senator BYRD, but by the chairman of the Rules Committee (Mr. CANNON), and, of course, by Senator COOK and the staff.

Mr. ROBERT C. BYRD. Mr. President, the column by Mr. David Broder, to which the distinguished Senator from Illinois has referred, does accurately reflect my viewpoint in respect to this matter. The headline, "Byrd Not Very Optimistic on Major Budget Reform," is accurate. I am not presently very optimistic about major budget reform this year. The paragraph which reads:

> Byrd said he thought it best to "move gradually, step-by-step, in the direction of budget reform, so that over the next 2 or 3 or 4 years, Congress may achieve the kind of system" reformers are seeking—

Is accurate.

However, I think that I should say this in further clarification, for the benefit of the Senator from North Carolina (Mr. ERVIN) and the Senator from Illinois (Mr. PERCY). While I am not very optimistic, that does not mean that I am not going to do everything I possibly can to assist in bringing about whatever budget reform is possible.

The column points out—and the distinguished Senator from Illinois has referred to it—that:

> Nonetheless, a group of 20 to 30 staff members, representing virtually all the major Senate committees, labored through their tenth full day of closed-door efforts to rewrite the legislation in a form acceptable to most, if not all, of the rival power blocs in the Senate.

That paragraph, I think, should reassure every Senator that the work of budget reform is going forward. That work, to which the paragraph refers, is going forward at my request as the chairman of the Subcommittee on Rules. Several days ago, I asked Mr. William Cochrane, who is staff director for the Rules Committee, to assemble all the various staff members from Senators' offices and from other committees who have been working on this legislation, to concentrate in work sessions on those areas of the bill that needed revision in light of the hearings conducted by the Rules Subcommittee which I chair.

Those staff people have been working, and I have been getting reports from Mr. Cochrane right along. I spent all of last Saturday with the Parliamentarian going over the bill. He and I agreed to spend one evening this week on the bill and also this coming Saturday if necessary.

I have indicated to Mr. Cochrane that next week, when the Senate is in recess, I shall spend most of that week, if necessary, working on the bill with the staff people and with Senators. If the Senator from Illinois, the Senator from North Carolina, and any other Senators who have had some input with the bill, from the Committee on Government Operations, and the distinguished assistant Republican leader—I discussed this with him yesterday—are able to do so, we shall also be glad to have them join us next week. We shall try to bring out a bill on time. With the cooperation and the continued input of other Senators, the staffs of Senators, and the staffs of committees, we are trying to report to the Senate a bill which we hope will be an improved bill in some respects; a bill which will carry out the objective of all who have had an input to that legislation.

So while I say the news article is correct, and I still am not optimistic about major budget reform this year that will work, I do believe that the Senate will pass a bill. I think this is the most complex bill I have ever had anything to do with. Considering the fact that there are 535 Members of Congress, and considering the fact that appropriation bills have to be initiated by the House of Representatives, by custom, I am concerned that we may put too much detail into the bill and by so doing make it cumbersome and unworkable, and, in the end, defeat the very objectives that we and the American people want to achieve.

The Constitution of the United States, if it had been filled with such great detail, would never have provided the flexibility of the instrument that has so well served our Nation for 200 years. I am hoping that we can come up with a piece of legislation that is flexible enough, but which still will contain enough detail to make budget reform work.

I am sure I speak the sentiments of the distinguished Senator from Illinois when I say that it would be a tragedy if we do not pass legislation dealing with budget reform. But it would be an even greater tragedy if we enacted legislation that makes the present situation worse rather than better.

Mr. PERCY. Mr. President, in that respect, I should like to hear very much from my distinguished colleague, the chairman of the Government Operations Committee. We are in complete accord that we want a workable bill. We do not want just a bill or just a piece of paper. This is to be the instrument of all instruments that must work. It will fall by its own weight if it is so cumbersome and complex that no one understands it. That is why we have tried to keep it simple. But we have tried to seek goals and objectives. We feel that it is like the Constitution, and it could be subject to interpretation that no one really knows what course it will take. We want to establish it so that its targets, deadlines, dates, will be met. There is something very specific about saying that we want to start a fiscal year with our authorization and appropriation bills finished. That is the way almost any institution I know of operates except the Federal Government of the United States.

What we are trying to overcome are those deficiencies. I know the hours and days of work and study that the acting majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), has poured into this matter. Senator ERVIN and I are deeply grateful to him for his expertise, assistance, and help, which will meet our objectives to have a more workable and practical bill. Thus, I am very much pleased to have confirmed that we are going to have a bill. I know, as I said in the David Broder article, that where there is a will there is a way. We also know that when the acting majority leader says we are going to have legislation, we can have it; and we know that we can have a bill on the President's desk because the House overwhelmingly passed a bill.

Mr. ERVIN. Mr. President, I think this colloquy has been helpful in clarifying the apprehension which some of us have had as a result of the article published in the Washington Post. Of course, all of us have the experience of sometimes making statements, emphasizing some points and not emphasizing others, and even omitting other statements, because it is impossible for the press to print everything that is said on a given occasion.

No one knows more than the distin-

guished Senator from Illinois (Mr. PERCY), who has had so much to do with the preparation and study, the phraseology and the variations which we had to go through in preparing this bill. He has rendered yeoman service to us all. We realize that, in this field, Congress has been without an effective method of procedure to make certain that Congress always takes into consideration the two things essential in the preparation of funds.

First, the resources which are available to be appropriated and, second, the objects for which the appropriations are to be made.

As a result, having no machinery by which each Member of Congress can be made aware at all times of the impact of proposals to add appropriations, we have incurred in part the deficits and the national debt which we now have.

It has been a very unfortunate thing that we have had no machinery. We all agree that the most pressing need is to get the machinery which will enable us to set our Federal financial house in order insofar as Congress is concerned. Congress has been dependent throughout the years on the executive branch for information relating to matters of appropriation and, of course, it depends on those who are asking for the appropriations to be made for their particular projects, to give us the information. So we have had no independent sources of information of any magnitude. I think that one of the institutions the bill makes, is it sets up a congressional Office of the Budget, to give us an independent——

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, time for morning business has now expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the morning business be extended for 10 minutes.

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

Mr. ERVIN. I have never gone to a committee that has worked harder and more diligently to accomplish the objectives than the Government Operations Committee on this bill. But, it was plowing new ground and had no precedents to go by. Everything had to be devised from the very beginning.

I think it is well that the Rules Committee look at this bill. My information concerning the activities of the members of the Rules Committee and the activities of the staff of the Government Operations Committee, and the staff of the Rules Committee, leads me to believe that as a result of this, we have a fine opportunity to make improvements in the bill and get legislation which will solve the most crucial problem that confronts us these days, when the Federal Government is so active in so many fields and, necessarily, has to make such large appropriations.

So I want to thank the Senator from Illinois for engaging in this colloquy with the Senator from West Virginia, and the Senator from West Virginia for what he has said. I hope that all of us having this same common objective, will be able to bring out something which will give us a procedure by which Congress can always have before it the realization of what the resources we have for appropriating are, and also how they should be appropriated, because those are the two essential things we have got to bear in mind if we are going to act with wisdom in this field.

Mr. ROBERT C. BYRD. Let me say again that the article correctly reflects—I find nothing wrong with the headline or any word in the article—correctly reflects what I said yesterday in meeting with news people at a breakfast to which I had been invited.

In one very small particular, which is not important, I think Mr. Broder may have misunderstood me, where I am quoted as saying: "I'm not sure it will be anything as detailed or cumbersome" as the bill the House has passed.

What I meant to say was that I did not want whatever legislation is finally enacted to be unworkable or cumbersome and that I thought that the bill which will be reported out of the Rules Committee will be an improvement over the original Senate bill. Mr. Broder probably misunderstood me slightly in the reference to the House bill. I have not yet had an opportunity to read the House bill. That brings up another aspect of the matter. I regret that the time is apparently not going to be sufficient to allow those of us on the Rules Committee to give as much consideration and study to the House bill as we have given to the Senate bill. It would be well if we could give adequate time to consideration of the House bill in the Rules Committee—as a matter of fact, I think it desirable that we give as much time to the House bill as we have been able or will have been able to give to the Senate bill. I have the feeling that, to properly recommend changes in the Senate bill, we should know fully what is in the House bill. There may be some features in the House bill that would be an improvement over the Senate bill. We ought to be able to properly judge the features in the House bill, because, as I say, this is certainly the most complex bill I have ever had occasion to study in committee, and it is the most far-reaching and most important legislation concerning which I will ever have had any personal input—whatever that little bit may be. I do want it to be a workable procedure, because in regard to the subject matter I can see so many problems that cause me to stay awake at night. I do not wish to have a hand in legislation that a year or so from now will bring criticism on us.

Now, the other day, in the meeting of the chairmen of committees, which the distinguished majority leader called, I brought up this subject. I asked that every chairman delegate a member of his staff to work with the staff people on Rules in an effort to bring out a good bill. So, we are making every effort and I am sorry if there is any misunderstanding on the part of the Senators or the general public.

I do not know how many letters and telegrams I got yesterday from people, urging me to report the bill—and the day before, also.

I do not know what organizations are behind this, but I am not going to move until I think we have done our best. We are all for budget reform. Who is not? But not everyone understands the complexity of this subject. I would hope that anyone who may be generating any pressure on Senator Byrd of West Virginia to get that bill out of the Rules Committee would call off the effort because it is not going to make me move one bit faster than I am moving. I am doing the best I can, and I cannot do more than that.

The Senator from Illinois need not lose 1 minute of sleep. Sentor BYRD of West Virginia is going to do his utmost. As I say, I have already given time, and I am going to give time next week, when many Senators may be able to go back home to see their constituents. I am going to give my time to this bill, and I am going to continue to give it my best.

Whatever I recommend to the full committee may not meet with the judgment of other Senators. I am not sure of my own ground that I am walking on, but I am going to do everything I possibly can to cooperate in reporting the bill for action by the Senate in time to meet the deadline.

No Senator need be under any misapprehension as to my sincerity and my conscientious purpose. I do not mean to be throwing bouquets at myself, but if this assurance needs to be in the Record, I am going to put it there. I am going to do my best. I know that Senator GRIFFIN and Senator CANNON—the other two subcommittee members—join me.

May I say to the Senator from Illinois that the Senator from Montana (Mr. METCALF) and the Senator from North Carolina and other Senators have been most understanding. They have allowed us to extend the date for reporting upon several occasions, but it has been absolutely necessary in each instance, I assure the Senator.

I reassure the Senator that, even though I do not believe in my heart that we can in one fell swoop bring in a bill that will be 100 percent perfect for all time—I think it is so complex and so far-reaching that we may have to take some steps forward and then, based on the experience therefrom take further steps a year or two from now that feeling on my part is not going to inhibit me in the slightest in my desire and in my effort to assist in reporting out a bill that will accomplish everything we can accomplish at one time. I think the climate and the atmosphere of public opinion are such now that if we are ever going to get budget reform, now is the time.

Mr. PERCY. I thank the distinguished assistant majority leader.

In the confidence of this Chamber and in this quiet colloquy, I should like simply to say that I know exactly what the distinguished Senator means when he talks about pressure groups. We have all been subjected to pressure. But no more recently than 2 hours ago, the minority counsel for the Government Operations Committee indicated that he had been approached by one or more of the committees that had been formed—and one

of them was formed by David Packard. I do not know who heads some of these committees, but there are interest groups in this process who do not wish to let it go ahead, because they feel it is going to interfere with their lobbying process, and they think it is going to be good for the country, also.

I was asked whether I felt it would help if they took out public ads to expedite this, and my answer was absolutely negative.

Mr. ROBERT C. BYRD. Not in the slightest.

I would hope that some day the American people would become aware of the fact that there is at least one Senator in this body, if no other, who resents to the utmost any kind of such pressure.

Mr. PERCY. I reflected that despite this article. David Broder is an absolutely accurate and careful reporter. I did not dispute the fact that these comments were made, but it was the interpretation of those comments that I felt was wrong. I think the interpretation that has been given on the floor fully and adequately covers it and reiterates the Senator from Illinois' feeling that there is irresistible movement in the direction now of taking this first step; that the words used—"This is not a perfect bill"—are the very words that have been used by the distinguished Senator from North Carolina and the Senator from Illinois. We know that. We know that it can be improved; it will be improved.

With respect to the work relationship, there has never been a bill that was more bipartisan, and I have paid public tribute to Senator MUSKIE, who really made possible some of the compromises we arrived at. He is devoted and dedicated to this priniciple and kept in what we felt was so important—the overall ceiling, but with flexibility. There never has been a piece of legislation I know of that has come to us with greater cooperation between the House and the Senate. We started in the same origin—a commission of both Houses, the Senate and the House, with the distinguished senior Members of both bodies, who worked on a report showing the necessity for such legislation.

The House bill, though not exact in every detail, is very closely parallel in principle. Many of the guiding principles that the distinguished Senator from West Virginia has said he agrees with—the Budget Committee, the October 1 fiscal year—the obvious reforms that are needed, are in the House bill.

So I feel that we have made tremendous progress. I am most encouraged with this interpretation.

During my service in the Senate, this is probably the most important measure for the good of the Republic, for fiscal responsibility, for the soundness of the dollar, for the procedures to restore the confidence of the public in the congressional process. It is the most important piece of legislation on which I will be privileged to work. The distinguished Senator from North Carolina has said a number of times that it is the most important piece of legislation facing Congress today; and this Senator has a personal desire to see the distinguished Senator from North Carolina have a cap on his career by seeing embodied in law something in which he believes so deeply.

That is why I feel that action this year will take that first giant step. It will not be perfect. I think it will be one of the great tributes to a Senate that has worked long and hard in an atmosphere that has not always been the best for the Nation. But, despite Watergate or other diversions, we have kept our minds and hearts and eyes on our goal and objective, as embodied in the proposed legislation.

Mr. ROBERT C. BYRD. Mr. President, the able Senator from Illinois and the able Senator from North Carolina are entitled to great credit for the work and effort they have put forth on behalf of this measure. The same can be said about the distinguished Senator from Montana (Mr. METCALF) and others on the Government Operations Committee.

Mr. PERCY. Mr. President, I ask unanimous consent that the article by David Broder be printed in the RECORD.

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

BYRD NOT VERY OPTIMISTIC ON MAJOR BUDGET REFORM

(By David S. Broder)

In the face of increasing Republican pressure for congressional budget reform, Senate Majority Whip Robert C. Byrd (D-W. Va.) argued yesterday that it is "going to be very difficult, if not impossible" to overhaul the way spending decisions are made on Capitol Hill.

"It requires a will and determination on the part of Congress collectively that I doubt we will ever see," Byrd told a group of newsmen.

The comments put a damper on prospects for Senate action on a companion measure to the budget reform bill which the House passed last year. Byrd, in addition to his role as assistant Democratic leader of the Senate, heads the subcommittee of the Senate Rules Committee which is supposed to report a budget reform bill by Feb. 25.

Nonetheless, a group of 20 to 30 staff members, representing virtually all the major Senate committees, labored through their 10th full day of closed-door efforts to rewrite the legislation in a form acceptable to most, if not all, of the rival power blocs in the Senate. Herbert N. Jasper, the Labor and Public Welfare Committee staffer who is the chairman of the ad hoc group, said it hoped to finish by the end of the week—sufficient time for Byrd and the Rules Committee to meet the Feb. 25 deadline.

Veteran legislative aides said they could recall no precedent for this effort by staff members from 15 committees and an equal number of senators' offices to draft a major piece of legislation.

The effort was undertaken when a one-day hearing by the Byrd subcommittee on Jan. 15 turned up strong objections from powerful senators to jurisdictional and procedural changes contained in a budget reform bill reported in November by the Senate Government Operations Committee after a year's work.

A bill similar to it was passed Dec. 5 by the House, where a sponsor hailed it as a measure that "will allow us for the first time to consider all of the basic elements in our economy and to put them together under sound procedures."

A basic provision of the reform bills would create a budget committee in each house to set overall spending and revenue targets for the year, as a guide to appropriations subcommittees for their work.

At present, Congress acts separately on each of the 13 major appropriations bills, often along after the fiscal year has begun, and with no effort to reconcile their totals to a budget target.

The proposed measures shift the start of the fiscal year from July 1 to Oct. 1 and set a strict timetable for specific stages of the congressional authorization and appropriation process.

Byrd said he thought "something will come out" of the Rules Committee by the deadline, but added, "I'm not sure it will be anything as detailed or cumbersome" as the bill the House has passed.

Byrd said he thought it best to "move gradually, step-by-step, in the direction of budget reform, so that over the next two or three or four years, Congress may achieve the kind of system" reformers are seeking.

But Republicans indicated yesterday they want fuller action faster. Sen. John G. Tower (R-Tex.), chairman of the Senate Republican Policy Committee, said GOP senators would introduce a resolution calling for "improvement immediately for the legislative year now just begun," in order to halt the "backward, increasingly haphazard and irresponsible" delay in passage of appropriations bills.

Sen. Charles H. Percy (R-Ill.), a principal sponsor of the bill now being reworked, said Byrd had assured him the revised measure "will be on the floor by the first week of March, and I think where there's a will, there's a way."

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to executive session.

The motion was agreed to, and the Senate resumed the consideration of executive business.

GENOCIDE CONVENTION

The Senate continued with the consideration of Executive order (81st Cong., 1st sess.), the International Convention on the Prevention and Punishment of the Crime of Genocide.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, as in legislative session, in view of the fact that the Senate may be adjourning shortly, I wish to make an unusual request, after discussing it with the Parliamentarian.

I ask unanimous consent that the health bill, representing the views of the President, if not proposed while the Senate is in session, be introduced during the adjournment of the Senate by the distinguished Senator from Oregon (Mr. PACKWOOD).

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

LEGISLATIVE SESSION

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

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

ADJOURNMENT OF BOTH HOUSES OF CONGRESS

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 425.

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate House Concurrent Resolution 425, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, February 7, 1974, it stand adjourned until 12 o'clock meridian, Wednesday, February 13, 1974.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

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

Mr. MANSFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1, line 4, strike out "1974." and insert "1974, and that when the Senate adjourns on Friday, February 8, 1974, it stand adjourned until 12 o'clock meridian, Monday, February 18, 1974."

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended.

The concurrent resolution (H. Con. Res. 425), as amended, was agreed to.

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, the Senator from West Virginia will make the request later, that Senate meet at 10 a.m. tomorrow. The purpose behind coming in at 10 a.m. tomorrow—and the assistant majority leader requested that the conference committee on the Energy Emergency Act have until midnight to file the report—is on the basis that we have been assured that the conference will get together this afternoon and they will need a little time to file a report; and the distinguished Senator from Washington (Mr. JACKSON) and other members of the conference have indicated quite strongly they would be prepared to move at 10 o'clock tomorrow morning. Hopefully, we will be able to vote before the Senate recesses.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 o'clock tomorrow morning.

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

REQUEST TO CONSIDER CONFERENCE REPORT ON THE ENERGY EMERGENCY ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized tomorrow under the standing order the Senate proceed to the consideration of the conference report on the Energy Emergency Act.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, there was a request by the Senator from Illinois for 15 minutes, for one thing. Second, is there any necessity to have unanimous consent? Would not the conference report, if it were ready, be a privileged matter which could be called up without debate?

Mr. ROBERT C. BYRD. Yes. I thank the distinguished assistant Republican leader for calling my attention to the request of the Senator from Illinois. I thought all Senators should be on notice that immediately after the two leaders have been recognized, the Senate would take up the conference report.

The able Senator from Washington (Mr. JACKSON), the manager of the conference report, indicated to the leadership earlier today that he wanted to proceed with the conference report tomorrow first thing at 10 o'clock. That was my purpose in asking for consent that the Senate proceed to its consideration immediately.

Mr. GRIFFIN. I have no personal objection, I say to the distinguished assistant majority leader. I am aware that there is a great deal of controversy about this matter on both sides of the aisle. I hesitate to have some action taken with respect to it by unanimous consent without the opportunity to consult. Some may feel their rights are somehow affected. As I said, I do not see that it would make much difference, because it is a privileged matter.

Mr. ROBERT C. BYRD. I withdraw that request.

The PRESIDING OFFICER. The request is withdrawn.

ORDER FOR RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow the distinguished Senator from Illinois (Mr. PERCY) be recognized for not to exceed 15 minutes.

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

ORDER FOR ADJOURNMENT FROM THURSDAY UNTIL 10 A.M. FRIDAY, FEBRUARY 8, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business it stand in adjournment until the hour of 10 a.m. on Friday.

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

S. 1739 PLACED ON CALENDAR UNDER SUBJECTS ON THE TABLE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill S. 1739, Calendar Order No. 365, be placed on the calendar titled "Subjects on the Table."

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Illinois (Mr. PERCY) will be recognized for not to exceed 15 minutes. After the order for the recognition of Mr. PERCY has been completed, it is expected that the distinguished junior Senator from Washington (Mr. JACKSON) will call up the conference report on the National Emergency Energy Act. If he does so it is a privileged matter, as the distinguished assistant Republican leader correctly stated. Yea-and-nay votes can be expected to occur throughout the day in relation thereto.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, we are in legislative session; are we not?

The PRESIDING OFFICER. Yes.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 1:30 p.m. the Senate adjourned until tomorrow, Thursday, February 7, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1974:

Department of State

John Gunther Dean, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Khmer Republic.

Philip W. Manhard, of Florida, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mauritius.

Robert E. Fritts, of Maryland, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Rwanda.

Marshall Green, of the District of Columbia, a Foreign Service officer of the class of Career Minister, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

The Judiciary

Robert Firth, of California, to be a U.S. district judge for the central district of California vice Charles H. Carr, retired.

Department of Justice

Emmett E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for the term of 4 years, reappointment.

U.S. Air Force

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. John J. Pesch, [redacted] FG, Air National Guard.

Brig. Gen. Warner E. Newby, [redacted] FR, Regular Air Force.

Brig. Gen. Paul F. Patch, [redacted] FR, Regular Air Force.

Brig. Gen. Louis O. Adler, [redacted] FR, Regular Air Force.

Brig. Gen. John R. Hinton, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Robert T. Marsh, [redacted] FR, Regular Air Force.

Brig. Gen. Abner B. Martin, [redacted] FR, Regular Air Force.

Brig. Gen. George E. Schafer, [redacted] FR, Regular Air Force, Medical.

Brig. Gen. John P. Flynn, [redacted] FR, Regular Air Force.

Brig. Gen. Edgar S. Harris, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Robert L. Edge, [redacted] FR, Regular Air Force.

Brig. Gen. Ralph S. Saunders, [redacted] FR, Regular Air Force.

Brig. Gen. Thomas A. Aldrich, [redacted] FR, Regular Air Force.

Brig. Gen. Howard M. Lane, [redacted] FR, Regular Air Force.

Brig. Gen. Edwin W. Robertson II, [redacted] FR, Regular Air Force

Brig. Gen Abbott C. Greenleaf, [redacted] FR, Regular Air Force.

Brig. Gen. Larry M. Killpack, [redacted] FR, Regular Air Force.

Brig. Gen. Henry L. Warren, [redacted] FR, Regular Air Force.

Brig. Gen. Donald L. Werbeck, [redacted] FR, Regular Air Force.

Brig. Gen. Robert C. Mathis, [redacted] FR, Regular Air Force.

Brig. Gen. Charles E. Buckingham, [redacted] FR, Regular Air Force.

Brig. Gen. Jesse M. Allen, [redacted] FR, Regular Air Force.

Brig. Gen. Earl J. Archer, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Lincoln D. Faurer, [redacted] FR, Regular Air Force.

Brig. General James G. Randolph, [redacted] FR, Regular Air Force.

Brig. Gen. Howard E. McCormick, [redacted] FR, Regular Air Force.

Brig. Gen. Hilding L. Jacobson, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. John R. Kelly, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. William B. Yancey, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Timothy I. Ahern, [redacted] FR, Regular Air Force.

Brig. Gen. William A. Temple, [redacted] FR, Regular Air Force.

Brig. Gen. David D. Bradburn, [redacted] FR, Regular Air Force.

Brig. Gen. Ranald T. Adams, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. John W. Burkhart, [redacted] FR, Regular Air Force.

Brig. Gen. Richard C. Henry, [redacted] FR, Regular Air Force.

Brig. Gen. Guy E. Hairston, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Lloyd R. Leavitt, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Ralph P. Maglione, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Eugene B. Sterling, [redacted] FR, Regular Air Force.

Brig. Gen. James S. Murphy, [redacted] FR, Regular Air Force.

Brig. Gen. William H. Ginn, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Bennie L. Davis, [redacted] FR, Regular Air Force.

Brig. Gen. James A. Young, [redacted] FR, Regular Air Force.

Brig. Gen. Charles G. Cleveland, [redacted] FR, Regular Air Force.

Brig. Gen. Charles A. Gabriel, [redacted] FR, Regular Air Force.

Brig. Gen. Freddie L. Poston, [redacted] FR, Regular Air Force.

Brig. Gen. Richard L. Lawson, [redacted] FR, Regular Air Force.

Brig. Gen. Henry J. Meade, [redacted] FR, Regular Air Force, chaplain.

The following named officers for appointment in the Regular Air Force to the grades indicated, under the provisions of chapter 835, title 10 of the United States Code:

To be major general

Maj. Gen. Robert N. Ginsburgh, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Alton D. Slay, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Billie J. McGarvey, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Walter T. Galligan, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Harold E. Collins, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Marion L. Boswell, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Benjamin N. Bellis, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Kenneth L. Tallman, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Martin G. Colladay, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Kenneth R. Chapman, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. John F. Gonge, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Howard M. Fish, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. George G. Loving, Jr., [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Brig. Gen. Ralph S. Saunders, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Ray B. Sitton, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. William A. Dietrich, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. James A. Knight, Jr., [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Jack B. Robbins, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Harry M. Darmstandler, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Charles C. Pattillo, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Cuthbert A. Pattillo, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Maj. Gen. Lee M. Paschall, [redacted] FR, (brigadier general, Regular Air Force), U.S. Air Force.

Lt. Gen. Robert A. Patterson, [redacted] FR, (brigadier general, Regular Air Force, Medical), U.S. Air Force.

Maj. Gen. Walter R. Tkach, [redacted] FR, (brigadier general, Regular Air Force, Medical), U.S. Air Force.

To be brigadier general

Brig. Gen. John P. Flynn, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Thomas A. Aldrich, [redacted] (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John R. Kelly Jr., [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert C. Thompson, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Howard E. McCormick, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Donald W. Werbeck, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William A. Temple, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. David D. Bradburn, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Ranald T. Adams, Jr., [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Lawrence N. Gordon, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William B. Yancey, Jr., [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Edgar S. Harris, Jr., [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert E. Sadler, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert L. Edge, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Daniel L. Burkett, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James S. Murphy, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Gerald J. Post, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Don D. Pittman, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Erskine Wigley, [redacted] FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. James A. Young, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William C. Burrows, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Evan W. Rosencrans, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Michael J. Tashjian, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John J. Murphy, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. John C. Toomay, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Walter F. Daniel, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. William M. Schonin, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Abbott C. Greenleaf, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Richard C. Henry, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. George H. Sylvester, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. James V. Hartinger, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Robert T. Marsh, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Abner B. Martin, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles G. Cleveland, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Larry M. Killpack, xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Earl J. Archer, Jr., xxx-xx-xxxx FR, (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Raymond B. Furlong, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Wilbur L. Creech, xxx-xx-x... xxx-...FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William H. Ginn, Jr., xxx-xx-... xxx-...FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Walter P. Paluch, Jr., xxx-xx-x... FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Thomas M. Sadler, xxx-xx-x... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Charles L. Wilson, xxx-xx-... FR, (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Paul W. Myers, xxx-xx-xxxx FR, (colonel, Regular Air Force, Medical), U.S. Air Force.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of chief warrant officer in the Marine Corps, subject to the qualifications therefor as provided by law:

Cates, Ernest H., xxx-xx-xxxx, USMC.

HOUSE OF REPRESENTATIVES—*Wednesday, February 6, 1974*

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

Trust in the Lord and do good; so shalt thou dwell in the land and verily thou shalt be fed.—Psalms 37: 3.

Eternal Father, whose ways are mercy and truth, in the morning of this day our hearts ascend unto Thee in prayer. In these times which stir our spirits and try our souls, lead us, we pray Thee, in the paths of truth, for without Thy guiding hand we go astray, and guide us in the ways of right, for blindly we stumble when we walk alone. Only with Thee do we journey safely on. May Thy Spirit dwell within us as we work for the greater good of our beloved land.

Bless the citizens of our country. Underneath all differences of color, creed, and culture may we feel our common life together and our common duty to seek freedom and justice and peace for all, to the glory of Thy holy name and the good of all mankind. 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 Marks, one of his secretaries, who also informed the House that on January 31, 1974, the President approved and signed a bill of the House of the following title:

H.R. 9256. An act to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12253. An act to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975.

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

S.J. Res. 185. Joint resolution to provide for advancing the effective date of the final order of the Interstate Commerce Commission in docket No. MC 43 (Sub-No. 2).

MURDER ON THE ROADS

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

Mr. DAVIS of South Carolina. Mr. Speaker, it is a sad day in America when a young man from St. Stephen, S.C., picks up a truck from a leasing company to try to earn a living for his family, then travels the highways of the State of Delaware and is murdered in cold blood.

Mr. Speaker, I think it is time we in the Congress start calling on this administration to look into this problem being caused by the striking independent truckers, to get them back on track, to meet the energy needs of this country, but also to stop tolerating the breakdown of our economy and the breakdown of law and order by this ruthless minority.

Mr. Speaker, we can no longer stand this in America today. What will happen to Mr. Nix's family is unknown at this time, but we are quite sure events such as this can only serve to destroy America.

Mr. Speaker, I ask that our so-called energy czar start looking into this lawless element. I call on the Justice Department to act to see that this ruthlessness is stopped. It is high time that the executive branch of this Government take the necessary steps to assure the rights to life and property of those who participate in interstate commerce over the highways of this great land.

REPEAL DAYLIGHT SAVING TIME

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

Mr. DORN. Mr. Speaker, today I am introducing the bill to repeal year-round daylight saving time. When the daylight saving bill passed the House last November by vote of 311 to 88 I voted against it. South Carolina educators and parents had warned me that the morning darkness would jeopardize the safety of our schoolchildren. The energy savings were doubtful.

Mr. Speaker, our fears have been realized. Throughout the Nation several schoolchildren have been killed on the way to school in the morning darkness. Parents are extremely concerned. Seldom have we experienced such strong demand for repeal so soon after enactment of a bill.

Just yesterday we received a wire from the president of the South Carolina Congress of Parents and Teachers urging repeal. This South Carolina congress represents 88,000 extremely concerned parents and teachers, I urge repeal of this unwise legislation passed in haste and hysteria.

Before the daylight saving went into effect we could rely on the sunlight to partially heat schools and public buildings. Now we must rely solely on scarce energy supplies. More and more parents now drive their children to school, rather than have them walk in the dark, thereby increasing gasoline consumption.

The year-round daylight saving time experiment has not succeeded, Mr. Speaker, and the public dissatisfaction threatens to destroy confidence in other energy savings plans. The time has come to repeal year-round daylight saving.