The original documents are located in Box 5, folder "New York City, November 1-6, 1975" of the White House Special Files Unit Files at the Gerald R. Ford Presidential Library.

CONGRESSIONAL QUARTERLY

Weekly Report

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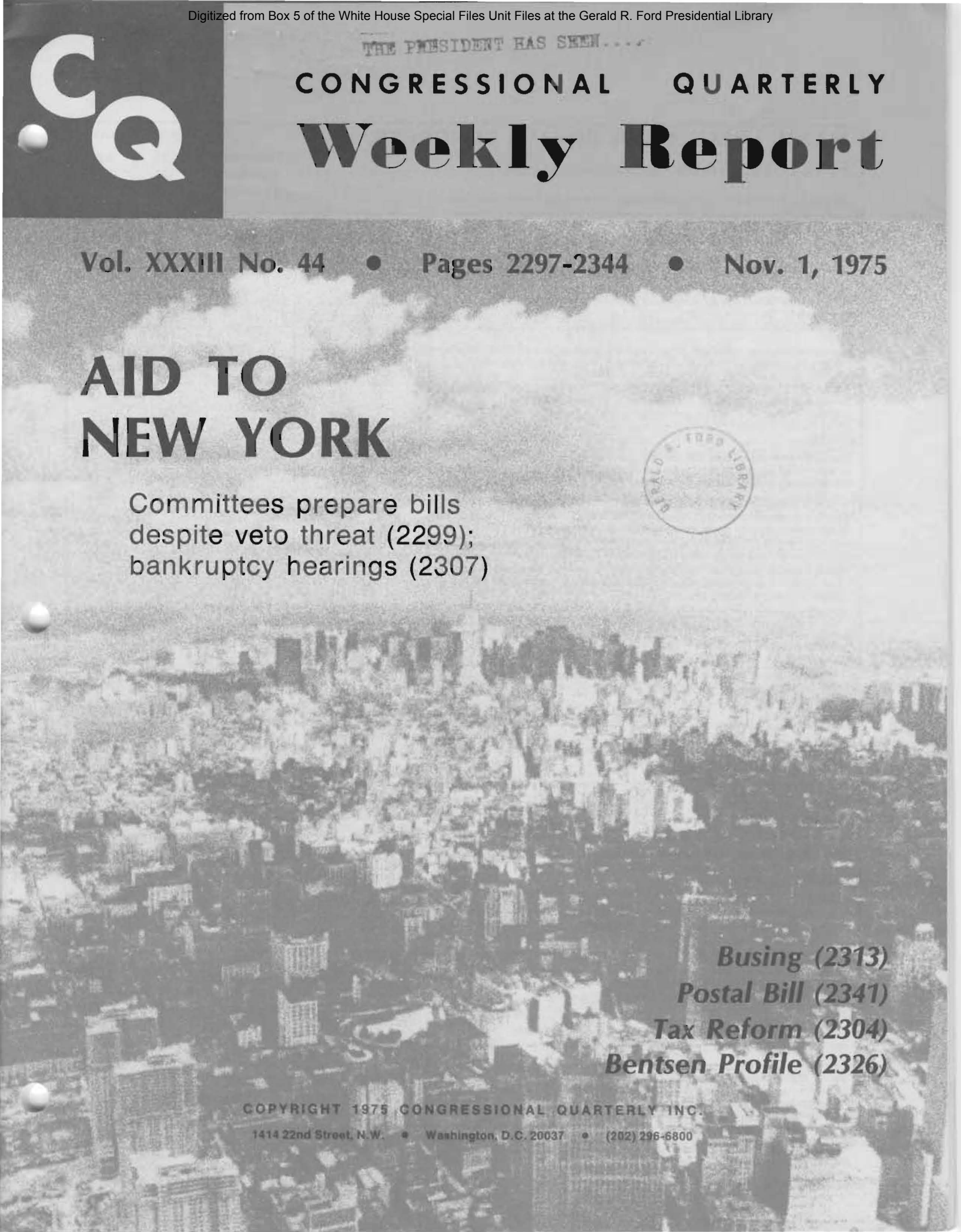
AID TO NEW YORK

Committees prepare bills despite veto threat (2299); bankruptcy hearings (2307)



Busing (2313)
Postal Bill (2341)
Tax Reform (2304)
Bentsen Profile (2326)

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MAJOR LEGISLATION OF 94TH CONGRESS, FIRST SESSION As of October 31, 1975

(Number at end of each item indicates latest Weekly Report page references.)

	House	Senate
Democrats	289	62*
Republicans	145	38**
Vacancies	1	0

BILL AND BACKGROUND	HOUSE	SENATE	FINAL
Agency for Consumer Advocacy. (S 200, HR 7575) To establish an independent nonregulatory federal agency to represent consumer interests before other federal agencies and the courts. *(1623)*	Reported 7/30/75	Passed 5/15/75	
Emergency Housing. (HR 5398) To provide emergency assistance to the housing industry by subsidizing mortgage interest rates for middle income families. *(1353)*	Passed 4/14/75	Passed 6/26/75	Signed 7/2/75 PL 94-50
Emergency Railroad Jobs. (S 1730, HR 8672) To improve the nation's rail transportation system and reduce unemployment by authorizing funds to work in repairing and improving essential railroads. *(2342)*	Passed 10/23/75	Passed 5/16/75	
Energy Conservation Taxes. (HR 6860) To place an excise tax on industrial use of oil and natural gas and to provide for flexible use of quotas and import fees to curtail petroleum imports. *(1638)*	Passed 6/19/75	Finance Committee Began Markup 7/21/75	
Energy Conservation and Oil Policy. (HR 7014, S 622) To authorize the President to propose a gasoline rationing plan, to establish oil price controls, and to encourage national conservation of energy. *(2043)*	Passed 9/23/75	Passed 4/10/75	In Conference 10/1/75
Energy—Natural Gas Price System. (S 2310) To revise the pricing system for natural gas to meet expected winter shortages, and to end federal price regulation of new natural gas. *(2292)*		Passed 10/22/75	
Energy—Oil Import Fees. (HR 1767) To suspend for 90 days the President's authority to adjust oil imports. *(1834)*	Passed 2/5/75	Passed 2/19/75	Vetoed 3/4/75
Farm Supports. (HR 4296) To raise price supports and income protection for farmers. *(1045)*	Passed 3/20/75	Passed 3/26/75	House Sustained Veto 5/13/75
Health Insurance for Unemployed. (HR 5970, S 625) To provide emergency health insurance for unemployed workers and their families. *(1034)*	Ways and Means Reported 4/22/75 Commerce Reported 5/7/75	Finance Committee Began Hearings 3/7/75 Labor Committee Reported 4/15/75	
Public Jobs (S 1695, HR 2584). To expand the emergency public service employment program. *(1393)*	Education and Labor Subcommittee Reported to Full Committee 6/19/75	Labor and Public Welfare Subcommittee Concluded Hearings 9/29/75	
Strip Mining. (HR 25) To provide minimum federal standards for regulation of surface mining of coal. President Ford pocket vetoed in 1974 a bill (S 425) almost identical to HR 25. *(1255)*	Passed 3/18/75	Passed 3/12/75	House Sustained Veto 6/10/75
Student Aid. (HR 3471) To amend and extend the federal government's assistance programs for students in higher education. A second bill (HR 3470) extending other aspects of the Higher Education Act of 1965 is to be taken up separately. (1035)	Education and Labor Subcommittee Concluded Hearings 4/11/75	Labor and Public Welfare Subcommittee Concluded Hearings 7/30/75	
Tax Reduction. (HR 2166) To cut federal taxes by $22.8-billion in order to stimulate the economy, and to repeal the percentage depletion allowance for some oil and gas income. A second tax bill is now being marked up. *(696)*	Passed 2/27/75	Passed 3/22/75	Signed 3/29/75 PL 94-12
Vietnam Refugee Relief Act. (HR 6755) To authorize necessary funds for the evacuation and resettlement of Vietnamese and Cambodian refugees. *(1075)*	Passed 5/14/75	Passed 5/16/75	Signed 5/23/75 PL 94-23
Voting Rights. (HR 6219) To extend the Voting Rights Act of 1965, scheduled to expire Aug. 6, 1975, suspending the use of literacy tests and similar qualifying devices, requiring Justice Department clearance of changes in election laws and authorizing federal examiners to oversee compliance. *(1666)*	Passed 6/4/75	Passed 7/24/75	Signed 8/6/75 PL 94-73

**Includes Harry F. Byrd Jr., elected as an independent* ***Includes James L. Buckley, elected as a Conservative*

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New York:

DEMOCRATS PUSH AHEAD DESPITE VETO THREAT

Undeterred by the promise of a presidential veto, congressional committees pressed forward in late October with proposals that would give New York City a chance to avoid a default on its debts. Without federal help, the city was expected to run out of money to meet its expenses by the beginning of December or even sooner.

On Oct. 30, the Senate Banking, Housing and Urban Affairs Committee voted 8-5 to approve a bill that would allow the federal government to guarantee up to $11.5-billion in bonds issued through mid-1979 to cover the city's expenses. To qualify for guarantees, the city and state would have to meet a long list of strict conditions. If these conditions were not met, the bill would provide limited federal assistance to help New York maintain essential services after a default.

A House Banking, Currency and Housing subcommittee began to draft similar legislation the same day right after Treasury Secretary William E. Simon reaffirmed President Ford's veto threat.

"I can tell you—and tell you now—that I am prepared to veto any bill that has as its purpose a federal bail-out of New York City to prevent a default," Ford told the National Press Club on Oct. 29.

The President's promise may make default inevitable because key Democrats in both houses conceded that it would be next to impossible to override a veto even if the city's supporters found the votes to pass a bill at all. The Senate committee bill faced a certain filibuster on the floor, and prospects for House approval were equally shaky.

In his Oct. 29 speech, Ford argued that the bond guarantee proposals developed in Congress were a "mirage" because they only would postpone the day the city had to learn to live within its own resources. A guarantee, he complained, "encourages the continuation of 'politics as usual' in New York—which is precisely not the way to solve the problem." *(Speech text, p. 2301)*

Ford also objected to the "terrible precedent" the proposal would set for other cities seeking federal aid. He added that guarantees would bail out city officials and New York banks, whom he blamed squarely for the city's financial mess.

"Why...should all the working people of this country be forced to rescue those who bankrolled New York City's policies for so long—the large investors and big banks?" he asked.

Ford Proposal

While he opposed federal action to avoid a default, the President proposed steps designed to make it easier for the city to maintain basic services after default. His key legislative proposal would amend federal laws that made it impossible for New York to qualify for bankruptcy and work with a court to readjust payment of debts.

The proposal would allow the city, with state approval, to file a petition of bankruptcy without the agreement of its creditors. The petition would spell out a proposed plan to adjust debts and bring the city's budget into balance. Once a court accepted the petition, those holding debts the city could not pay off could not sue to collect their claims. Available funds would be used to maintain services while the city negotiated new payment schedules with creditors under court supervision.

The President's plan amplified proposals the Justice Department had presented Oct. 6 to a House Judiciary subcommittee, which was developing bankruptcy legislation tailored to New York's problems. A Senate Judiciary subcommittee chaired by Quentin N. Burdick (D N.D.) quickly called hearings for Oct. 31 to consider the President's proposals. *(Background on bankruptcy, p. 2307)*

Ford acknowledged, however, that even if it postponed payment of its debts the city still might face cash shortfalls in the immediate future. City officials had projected a $1.2-billion cash shortfall between December and March even if New York stopped all debt service. Ford said the city and state would have to consider new taxes or further budget cuts. *(Shortfalls, box, p. 2300)*

But in any event, the President said that "the federal government will work with the [bankruptcy] court to assure that police, fire and other essential services for the protection of life and property in New York are maintained." Asked if the federal help might include loans, he said that he did not "want to prescribe precisely the means or method."

The Ford proposal also would provide another way for the city to raise cash. The court could authorize the city to borrow by issuing "certificates of debt" that would be paid off before all other debts. But key senators questioned whether investors would buy New York certificates under any circumstances.

Congressional Reaction

While the bankruptcy proposal itself was not controversial, Democrats in Congress condemned the President's refusal to consider ways to prevent a default.

Senate Committee Vote

Following is the 8-5 vote by which the Senate Banking, Housing and Urban Affairs Committee reported a bill to provide bond guarantees to New York City:

Yea (8): Democrats Proxmire (Wis.), Sparkman (Ala.), Williams (N.J.), McIntyre (N.H.), Cranston (Calif.), Stevenson (Ill.) and Biden (Del.). Republican Packwood (Ore.).

Nay (5): Democrat Morgan (N.C.). Republicans Tower (Texas), Brooke (Mass.), Helms (N.C.) and Garn (Utah).

By providing federal aid only after the city went bankrupt, complained Senate Banking Committee Chairman William Proxmire (D Wis.), "the President has chosen a course that would shove New York into a tin-cup status and onto the federal government's back for years to come."

Democratic leaders in both houses concluded that Congress had a responsibility to act on New York legislation despite the President's position. Republicans countered that the President had proposed the most reasonable course. "The President has said exactly the right thing and proposes the correct solution," said Robert P. Griffin (Mich.), Senate minority whip.

Senate Committee Action

Despite John G. Tower's (R Texas) assertions that the legislation was doomed, the Senate Banking Committee voted to report its bond guarantee proposal the day after the President promised a veto.

Proxmire pointed out that Presidents had changed their minds before. "There's nothing absolute in [Ford's] thinking," added Harrison A. Williams Jr. (D N.J.).

With one exception, the 8-5 vote to report the bill went along expected lines. The exception was Robert W. Packwood (R Ore.) who voted to report the bill but said he might decide to oppose it on the floor. Packwood joined seven of the committee's eight Democrats. Democrat Robert Morgan (N.C.) voted against the bill with the committee's four other Republicans. *(Vote breakdown, box, p. 2299)*

The Arithmetic of Default

Even if New York City stops paying off all its existing debts, it still will need $1.2-billion to meet remaining expenses from December to March, city officials project. City Comptroller Harrison J. Goldin outlined the arithmetic of New York's financial condition for the Senate Banking, Housing and Urban Affairs Committee on Oct. 23:

The city needs a total of $13.1-billion in cash to meet anticipated expenses from Oct. 1, 1975, to June 30, 1976. This total includes $7.4-billion in operating expenses, $1.1-billion for capital spending and $4.6-billion to pay off debts.

Projected revenues for the same period are $8.4-billion, leaving a cash need of $4.6-billion. (Figures have been rounded.) The city also must pay off a debt to the state, bringing the total cash need to $4.8-billion. State-backed borrowing is expected to provide some funds, so the actual sum needed between December and June will be $3.9-billion.

Because cash flow problems are more severe during some parts of the year than others, the city still would have substantial cash needs even if it stopped paying off all of the $4.6-billion in debt service. In December, Goldin said, the city would have a cash shortfall of $389-million if it stopped all debt service. The additional shortfall would be $329-million in January, $122-million in February and $380-million in March under the same conditions, he estimated.

Committee Proposal

The bill approved by the committee was based on a proposal drafted by Adlai E. Stevenson III (D Ill.), whose opposition to a bond guarantee plan supported by Proxmire had thwarted Proxmire's desire to report a bill quickly. *(Background, Weekly Report p. 2256)*

Stevenson worked with Proxmire over the Veterans Day weekend to come up with a proposal both could support.

Stevenson presented the proposal to the committee on Oct. 28, but Proxmire accommodated Tower's insistence that the committee wait to hear the President's recommendations and agreed to delay a final vote until Oct. 30. With Stevenson's support, Proxmire had the votes to win approval of the bill Oct. 28, but he and Stevenson were hoping to pick up some extra votes during the delay to broaden the support they need to break a filibuster.

The alternative proposed by Stevenson built on Proxmire's plan, but added even stiffer requirements before the city could qualify for guarantees. *(Provisions of Proxmire plan, Weekly Report p. 2256)*

The Stevenson bill would allow the federal government to guarantee $4-billion in one-year notes in fiscal 1976, $3.5-billion in fiscal 1977, $2.5-billion in fiscal 1978 and $1.5-billion in fiscal 1979. Proxmire's original proposal would have allowed guarantees of up to $6-billion annually during the same period.

Like the earlier plan, the Stevenson bill would require the state to raise new taxes and the city to balance its budget by fiscal 1978. An additional condition for guarantees would require bondholders with at least 65 per cent of existing debt issued by the state on behalf of the city and those holding at least 40 per cent of the city's own short-term obligations to agree voluntarily to exchange their notes for longer-term, lower-interest bonds. This condition would reduce the immediate expense of paying off city debts falling due in the near future.

Private investors also would have to invest in unguaranteed bonds. The bill did not specify an amount, but the unguaranteed investments were expected to total $6.5-billion by fiscal 1980. This provision was designed to make sure that the city would not remain reliant on federally guaranteed bonds to raise capital in the future.

Another condition not included in the Proxmire plan would require the city to devise a way to reduce the money it spent on municipal employees' pension plans. The city could reduce these costs in a number of ways if they were satisfactory to a three-member federal board that would be free to impose other conditions on the city. The Treasury secretary, labor secretary and Federal Reserve Board chairman would serve on the board.

If the city did not qualify for guarantees and defaulted, the bill would make back-up assistance available to help maintain essential services. The federal board could approve federal guarantees on up to $500-million in three-month notes, including certificates of debt issued under bankruptcy proceedings. No guarantees could be made after March 31, 1976.

Objections

Both Tower and Edward W. Brooke (R Mass.) called the plan unworkable. "It seems to me that these conditions cannot conceivably be met," Brooke said, calling it a "real disservice" to give hope to New Yorkers when "in fact, we will be doing absolutely nothing for them."

Brooke specifically questioned whether the city's municipal unions would accept reductions in pension coverage. Stevenson countered that if the unions were not willing to make this sacrifice then the city would just default.

Tower opposed federal guarantees of tax-exempt bonds, arguing that they would undercut the market for other non-guaranteed (but tax-exempt) municipal bonds. The consensus favored making the bonds taxable, but the committee did not have jurisdiction over tax laws.

To avoid sending the bill to the Finance Committee, which did have jurisdiction, the committee approved another way to reduce the return on the bonds. The federal government would charge a fee of up to 3½ per cent to guarantee a bond; the fee, in effect, would be passed on to bond purchasers. Proxmire also was confident that the tax-writing House Ways and Means and Senate Finance Committees would approve legislation soon to tax the bonds, but insisted that New York could not wait for these committees to act.

Brooke Substitute

The day after the President's speech, Tower and Brooke continued to oppose the Stevenson bill on practical grounds. "The fact of the matter is there ain't going to be any loan guarantee legislation," Tower insisted, in light of the promised veto.

"It's foolish and folly to go charging up to the Senate floor with legislation we know cannot pass," Brooke agreed.

"All we want is a chance," Proxmire told Tower. "When I talk to people and explain the stringent measures of this legislation...their attitudes change."

Urging the committee to look at the "art of the possible," Brooke proposed a substitute for the Stevenson plan that would have made direct loans available to the city on a standby basis after a default and provided assistance to cities and states that could not market their bonds because of the New York default. Democrats countered that the proposal could cost the federal government more than the Stevenson bill. The subsitute was rejected 6-7 with all of the Democrats except Morgan opposed.

By a 4-9 vote, the committee also rejected an amendment to the Stevenson bill that would have eliminated bond guarantees before default, but allowed federal guarantees of debt certificates after default. Stevenson and Brooke generally agreed that the debt certificates proposed in the President's plan probably would be unmarketable without a federal guarantee.

Proxmire said after the vote to approve the Stevenson bill that the committee planned to file a formal report Nov. 3 and that the Democratic leadership would meet Nov. 4 to consider when to schedule it for floor action.

The filibuster against the measure was likely to be lengthy. Its leaders, Harry F. Byrd Jr. (Ind Va.) and James B. Allen (D Ala.), already had engaged in almost daily floor discussions detailing their arguments against the bill. Byrd also had continued to object to the Banking Committee's meeting to markup the bill when the Senate was in session.

House Action

Moving swiftly after the Senate committee acted, the House Banking Subcommittee on Economic Stabilization Oct. 31 agreed, by a 10-6 vote, to send its own bond guarantee proposal to the full committee. The full committee planned to consider the bill on Nov. 3.

Two Democrats and all of the subcommittee's Republicans except Stewart B. McKinney (R Conn.) opposed the bill.

The subcommittee proposal was based on a plan drafted by Thomas L. Ashley (D Ohio), subcommittee chairman. It would provide up to $7-billion in federal guarantees if the city met certain conditions. In general, these conditions were not as stiff as those spelled out in the Senate committee's bill, but McKinney pressed the subcommittee to tighten up some of them.

McKinney, a strong supporter of aid to New York, argued that stricter requirements would help make the bill more acceptable to the House. In another effort to expand support, Ashley said that the Banking Committee probably would agree to send its bill to the House Judiciary Committee so that bankruptcy amendments like those proposed by Ford could be added to the measure. This strategy might make it harder for the President to veto the bill because use of the guarantees would be left up to a board chaired by Simon.

Also trying to prepare a more favorable climate for the legislation, members of the New York state delegation took over the House floor for several hours on Oct. 28 to discuss the city's problems. ▮

—By Elizabeth Bowman

TEXT OF FORD'S SPEECH

Following is the White House text of President Ford's Oct. 29 speech to the National Press Club on New York City's financial crisis.

Today I want to talk to you about a matter of concern to all Americans.

New York City, where one out of every 25 Americans lives, through whose "Golden Door" untold millions have entered this land of liberty, faces a financial showdown.

The time has come for straight talk—to these eight million Americans and to the other 206 million Americans to whom I owe the duty of stating my convictions and conclusions, and to you, whose job it is to carry them throughout the Nation and around the world.

The time has come to sort facts and figures from fiction and fear-mongering in this terribly complex situation. The time has come to say what solutions will work and which should be cast aside.

And the time has come for all Americans to consider how the problems of New York and the hard decisions they demand, foreshadow and focus upon potential problems for all Federal, State and local governments—problems which demand equally hard decisions from them.

One week ago New York City tottered upon the brink of financial default which was deferred only at the eleventh hour.

The next day Mayor Beame testified here in Washington that the financial resources of the city and state of New York were exhausted. Governor Carey agreed.

It's now up to Washington, they said, and unless the Federal Government intervenes, New York City within a short time will no longer be able to pay its bills.

The message was clear: Responsibility for New York City's financial problems is being left on the front doorstep of the Federal Government—unwanted and abandoned by its real parents.

Many explanations have been offered about what led New York City deeper and deeper into this quagmire.

Some contend it was long-range economic factors such as the flight to the suburbs of the city's more affluent citizens,

the migration to the city of poorer people, and the departure of industry.

Others argue that the big metropolitan city has become obsolescent, that decay and pollution have brought a deterioration in the quality of urban life, and that New York's downfall could not be prevented.

Let's face one simple fact: most other cities in America have faced these same challenges, and they are still financially healthy today. They have not been luckier than New York; they simply have been better managed.

There is an old saying: "The harder you try, the luckier you get." I like that definition of "luck".

During the last decade, the officials of New York City have allowed its budget to triple. No city can expect to remain solvent if it allows its expenses to increase by an average of 12 percent every year, while its tax revenues are increasing by only 4 to 5 percent a year.

The Record

As Al Smith, a great Governor who came from the sidewalks of New York, used to say: "Let's look at the record."

The record shows that New York City's wages and salaries are the highest in the United States. A sanitation worker with three years experience now receives a base salary of nearly $15,000 a year. Fringe benefits and retirement costs average more than 50 percent of base pay. Four-week paid vacations and unlimited sick leave after only one year on the job.

The record shows that in most cities, municipal employees have to pay 50 percent or more of the cost of their pensions.

New York City is the only major city in the country that picks up the entire burden.

The record shows that when New York's municipal employees retire they often retire much earlier than in most cities and at pensions considerably higher than sound retirement plans permit.

The record shows New York City has 18 municipal hospitals; yet, on an average day, 25 percent of the hospital beds are empty. Meanwhile, the city spends millions more to pay the hospital expenses of those who use private hospitals.

The record shows New York City operates one of the largest universities in the world, free of tuition for any high school graduate, rich or poor, who wants to attend.

As for New York's much-discussed welfare burden, the record shows more than one current welfare recipient in ten may be legally ineligible for welfare assistance.

Certainly I do not blame all the good people of New York City for their generous instincts or for their present plight. I do blame those who have misled the people of New York City about the inevitable consequences of what they were doing over the last 10 years.

The consequences have been:

- a steady stream of unbalanced budgets;
- massive growth in the city's debt;
- extraordinary increases in public employee contracts;
- and total disregard of independent experts who warned again and again that the city was courting disaster.

There can be no doubt where the real responsibility lies. And when New York City now asks the rest of the country to guarantee its bills, it can be no surprise that many other Americans ask why.

Why, they ask, should they support advantages in New York that they have not been able to afford for their own communities?

Why, they ask, should all the working people of this country be forced to rescue those who bankrolled New York City's policies for so long—the large investors and big banks?

In my judgment, no one has yet given these questions a satisfactory answer.

'Scare Story'

Instead, Americans are being told that unless the rest of the country bails out New York, there will be catastrophe for the United States and perhaps for the world.

Is this scare story true?

Of course there are risks that default could cause temporary fluctuations in the financial markets. But these markets have already made a substantial adjustment in anticipation of a possible default by New York City.

Claims also are made that because of New York City's troubles, other municipalities will have grave difficulty selling their bonds. I know this troubles many thoughtful citizens.

But, the New York City record of bad financial management is unique among municipalities. Other communities have a solid reputation for living within their means. In recent days and weeks, other local governments have gone to investors with clean records of fiscal responsibility and have had no difficulty raising funds.

The greater risk is that any attempt to provide a Federal blank check for the leaders of New York City would ensure that no long-run solution to the city's problems will ever occur.

I can understand the concern of many citizens in New York and elsewhere. I understand because I am also concerned.

What I cannot understand—and what nobody should condone—is the blatant attempt in some quarters to frighten the American people and their representatives in Congress into panicky support of patently bad policy. The people of this country will not be stampeded; they will not panic when a few desperate New York officials and bankers try to scare New York's mortgage payments out of *them*. We have heard enough scare talk.

Solution

What we need now is a calm, rational decision as to what the right solution is—the solution that is best for the people of New York and best for all Americans.

To be effective, the right solution must meet three basic tests:

- It must maintain essential public services for the people of New York City. It must protect the innocent victims of this tragedy. There must be policemen on the beat, firemen in the station, nurses in the emergency wards.
- Second, the solution must assure that New York City can and will achieve and maintain a balanced budget in the years ahead.
- And third, the right solution must guarantee that neither New York City nor any other American city ever becomes a ward of the Federal Government.

Let me digress a minute to remind you that under our constitutional system, both the cities and the Federal Government were the creatures of the States. The States delegated certain of their sovereign powers—the power to tax, police powers and the like—to local units of self-government. And they can take these powers back if they are abused.

The States also relinquished certain sovereign powers to the Federal Government—some altogether and some to be shared. In return the Federal Government has certain obligations to the States.

I see a serious threat to the legal relationships among our Federal, State and local governments in any congressional action which could lead to disruption of this traditional balance. Our largest city is no different in this respect than our smallest town. If Mayor Beame doesn't want Governor Carey to run his city, does he want the President of the United States to be acting Mayor of New York?

Now, what is the solution to New York's dilemma?

There are at least eight different proposals under consideration by the Congress intended to prevent default. They are all variations of one basic theme: that the Federal Government would guarantee the availability of funds to New York City.

Veto

I can tell you now that I am prepared to veto any bill that has as its purpose a Federal bail-out of New York City to prevent a default.

I am fundamentally opposed to this so-called solution, and I will tell you why.

Basically, it is a mirage. By giving a Federal guarantee we would be reducing rather than increasing the prospect that the city's budget will ever be balanced. New York City's officials have proved in the past that they will not face up to the city's massive network of pressure groups as long as any alternative is available. If they can scare the whole country into providing that alternative now, why shouldn't they be confident they can scare us again into providing it three years from now? In short, it encourages the continuation of "politics as usual" in New York—which is precisely not the way to solve the problem.

Such a step would set a terrible precedent for the rest of the Nation. It would promise immediate rewards and eventual rescue to every other city that follows the tragic example of our largest city. What restraint would be left on the spending of other local and state governments once it becomes clear that there is a Federal rescue squad that will always arrive in the nick of time?

Finally, we must all recgognize who the primary beneficiaries of a Federal guarantee program would be. The beneficiaries would not be those who live and work in New York City because the really essential public services must and will continue.

The primary beneficiaries would be the New York officials who would thus escape responsibility for their past follies and be further excused from making the hard decisions required now to restore the city's fiscal integrity.

The secondary beneficiaries would be the large investors and financial institutions who purchased these securities anticipating a high rate of tax-free return.

New Law

Does this mean there is no solution? Not at all. There is a fair and sensible way to resolve this issue, and this is the way to do it:

If the city is unable to act to provide a means of meeting its obligations, a *new law* is required to assure an orderly and fair means of handling the situation.

As you know, the Constitution empowers the Congress to enact uniform bankruptcy laws. Therefore, I will submit to the Congress special legislation providing the Federal courts with sufficient authority to preside over an orderly reorganization of New York City's financial affairs—should that become necessary.

How would this work? The city, with State approval, would file a petition with the Federal District Court in New York under a proposed new chapter XVI of the Bankruptcy Act. The petition would state that New York City is unable to pay its debts as they mature and would be accompanied by a proposed way to work out an adjustment of its debts with its creditors.

The Federal Court would then be authorized to accept jurisdiction of the case. Then there would be an automatic stay of suits by creditors so that the essential functions of New York City would not be disrupted.

It would provide a breathing space for an orderly plan to be developed so that the city could work out arrangements with its creditors.

While New York City works out a compromise with its creditors the essential governmental functions of the city would continue.

In the event of default, the Federal Government will work with the court to assure that police, fire and other essential services for the protection of life and property in New York are maintained.

The proposed legislation will include provision that as a condition of New York City petitioning the court, the city must not only file a good faith plan for payments to its creditors but must also present a program for placing the fiscal affairs of the city on a sound basis.

In order to meet the short term needs of New York City the court would be empowered to authorize debt certificates covering new loans to the city which would be paid out of future revenues ahead of other creditors.

Thus, the legislation I am proposing will do three essential things.

First, it will prevent, in the event of a default, all New York City funds from being tied up by lawsuits.

Second, it will provide the conditions for an orderly plan to be developed for payments to New York's creditors over the long term.

Third, it will provide a way for new borrowing to be secured by pledging future revenues.

I don't want anybody misled. This proposed legislation will not, by itself, put the affairs of New York City in order. Some hard measures must be taken by the officials of New York City and New York State. They must either increase revenues or cut expenditures or devise some combination that will bring them to a sound financial position. Careful examination has convinced me that those measures are neither beyond the realm of possibility nor beyond the demands of reason. If they are taken, New York City will, with the assistance of the legislation I am proposing, be able to restore itself as a fully solvent operation.

To summarize, the approach I am recommending is this: If New York fails to act in its own behalf, orderly proceedings would then be supervised by a Federal Court.

The ones who would be most affected by this course would be those who are now fighting tooth and nail to protect their authority and their investments: New York officials and the city's creditors. The creditors will not be wiped out; how much they will be hurt will depend upon the future conduct of the city's leaders.

For the people of New York, this plan will mean that essential services will continue. There may be some temporary inconveniences, but that will be true of any solution that is adopted.

For the financial community, the default may bring some temporary difficulties but the repercussions should not be large or long-lasting.

Finally, for the people of the United States, this means that they will not be asked to assume a burden that is not of their own making and should not become their responsibility. This is a fair and sensible way to proceed.

Lesson

There is a profound lesson for all Americans in the financial experience of our biggest and richest city.

Though we are the richest Nation in the world, there is a practical limit to our public bounty, just as there is to New York's.

Other cities, other States as well as the Federal Government are not immune to the insidious disease from which New York is suffering. This sickness is brought on by years and years of higher spending, higher deficits, more inflation and more borrowing to pay for higher spending, higher deficits and on and on.

It is a progressive disease and there is no painless cure.

Those who have been treating New York's financial sickness have been prescribing larger and larger doses of the same political stimulants that has proved so popular and successful in Washington for so many years.

None of us can point a completely guiltless finger at New York. None of us should now derive comfort or pleasure from New York's anguish.

But neither can we let the contagion spread.

As we work with the people of New York to overcome their difficulties—and they will—we must never forget what brought this great center of human civilization to the brink.

If we go on spending more than we have, providing more benefits and services than we can pay for, then a day of reckoning will come to Washington and the whole country just as it has to New York.

Let me conclude with one question of my own:

When that day of reckoning comes, who will bail out the United States of America?

Thank you.

CQ Economic Affairs

WAYS AND MEANS EXTENDS BUSINESS TAX CUTS

The House Ways and Means Committee Oct. 28-29 voted to extend 1975 business tax reductions but shelved more costly tax proposals to encourage capital formation.

The panel also sidestepped a corporate bail-out controversy by putting aside a revived proposal that would allow financially troubled businesses to recoup roughly $1.4-billion in taxes paid during profitable years as far back as 1962.

Both the capital formation and bail-out issues were set aside for further study. The committee moved relatively swiftly, however, to write 1975 business tax cut extensions into its tax revision bill alongside a $12.7-billion extension of personal tax reductions. *(Individual tax cut decisions, Weekly Report p. 2251)*

Business Tax Cuts

Before moving on to wrap up earlier tentative decisions on other tax issues, the Ways and Means Committee accepted Chairman Al Ullman's (D Ore.) plan to extend roughly $5-billion in 1975 business tax relief. *(1975 tax cut bill, Weekly Report p. 631)*

Continuing the basic format of those 1975 reductions, the committee-approved package would:

- Extend through 1980 the 10 per cent investment credit that Congress enacted for 1975-76.
- Extend through 1977 adjustments in the corporate surtax rate and exemption structure that were provided for 1975.

The panel Oct. 28 approved a four-year extension of the temporary 10 per cent investment credit after turning down President Ford's proposal to make it permanent. Unless the 10 per cent limit was extended past 1976, the credit would fall in 1977 to levels set by permanent law at 7 per cent for most businesses and 4 per cent for utilities.

The four-year extension would cut business taxes by about $3.3-billion in 1977, $3.4-billion in 1978, $3.6-billion in 1979 and $3.7-billion in 1980, according to staff estimates.

Adopted by a 25-9 vote, the committee's provision also extended 1975 law increasing to $100,000 from $50,000 the limit on used property investment qualifying for the credit.

Ullman initially proposed an extension through 1979, but the committee by a 16-10 vote adopted a proposal by top-ranking Republican Herman T. Schneebeli (Pa.) to add another year. In a 6-16 vote, on the other hand, the panel turned down Joe D. Waggonner's (D La.) proposal for a permanent 10 per cent credit.

By voice vote, the panel Oct. 29 agreed to a two-year extension of 1975 adjustments in the corporate surtax. Those changes were expected to cut business taxes by about $1.9-billion in 1976, and $2.1-billion in 1977.

Under permanent law, a corporation was taxed at a regular 22 per cent rate on its first $25,000 in profits, with income above that level subject to a 26 per cent surtax that brought the full corporate tax rate to 48 per cent. The 1975 law raised the surtax exemption to $50,000 and cut the tax rate on the first $25,000 to 20 per cent.

In a series of close votes, the committee postponed action on various capital formation proposals pending a six-month study by a proposed panel task force. In a 19-18 vote, for instance, the panel referred to the task force a proposal by Barber B. Conable Jr. (R N.Y.) to broaden the asset depreciation range (ADR) system for capital recovery.

Loss Carryback

After tense maneuvering that finally split support for the plan, the panel by a 26-11 vote Oct. 28 sidetracked James A. Burke's (D Mass.) proposal to give corporations a retroactive tax break to generate badly needed cash.

Burke's proposal, sought by corporations that had suffered large losses in the 1970s, would allow all corporations the option of carrying one year's operating losses back against income earned in eight previous years, thus cutting federal taxes owed on those years' profits. Existing law allowed corporate losses to be carried back against profits for three years or forward to offset income in five years.

By making the eight-year carryback option retroactive to losses suffered in years starting with 1970, moreover, the plan would have allowed some corporations to use more recent losses to cut taxes on profits earned back to 1962.

If Burke's proposal were enacted, the Treasury during 1976 would have to refund perhaps $1.4-billion in corporate taxes, according to staff estimates.

Although many smaller companies would be eligible, the staff estimated that the retroactive eight-year carryback would provide tax benefits of $180-million for Chrysler Corp., $100-million for Lockheed Aircraft Corp., $100-million for the bankrupt W. T. Grant & Co. and $40-million for Pan American Airways.

In a preliminary vote on Burke's proposal, the panel by an 18-19 vote defeated Joseph E. Karth's (D Minn.) motion to defer action and study the issue for six months. That 19-vote coalition fell apart, however, after the committee by a 28-9 vote adopted William R. Cotter's (D Conn.) proposal to limit the carryback to losses incurred starting in 1975.

Cotter's change excluded Lockheed and other potential beneficiaries by eliminating use of losses back to 1970. The panel thereupon voted 25-12 to reconsider Karth's motion to study the entire proposal for six months. With eight members who had opposed the study proposal in the earlier 18-19 vote switching sides, the panel then approved Karth's motion by a 26-11 margin. ▮

Budget Resolution

The House Budget Committee Oct. 31 gave final approval to a Second Concurrent Budget Resolution calling for a $72-billion deficit in fiscal year 1976. The vote was 15-9, with Republicans voting solidly against the measure, along with Democrat Elizabeth Holtzman (N.Y.). The committee approved without change tentative recommendations adopted Oct. 24. *(Details, Weekly Report p. 2253)*

House Rejection:

DEBT CEILING EXTENSION

For the second time in 1975, the House Oct. 29 rejected legislation to extend and raise the federal debt limit.

By a 178-217 vote, the House defeated the Ways and Means Committee's proposal (HR 10049) to continue the temporary federal debt ceiling through March 31, 1976, and increase that limit to $597-billion. *(Vote 480, p. 2334)*

The existing $577-billion temporary ceiling was due to expire Nov. 15. That would leave the debt limit at its permanent $400-billion level, far below outstanding federal government debt commitments, and keep the Treasury from borrowing more funds to finance government operations.

The House by a 175-225 vote on June 16 rejected the Ways and Means Committee's proposal for a $616.1-billion debt limit through fiscal 1976 (HR 7545). With the temporary debt limit about to expire on July 1, however, Congress June 26 cleared a substitute measure (HR 8030) that compromised on a $577-billion limit through Nov. 15. *(Earlier action, Weekly Report p. 1408, 1315)*

Since expiration of the temporary ceiling on Nov. 15 could disrupt federal government functions, the House was likely to approve a follow-up Ways and Means recommendation, perhaps at a reduced debt level. As in the June 16 vote, however, liberal Democrats and fiscal conservatives teamed up to defeat a debt ceiling extension in a token protest against growing federal spending and indebtedness.

Unlike the June 16 debate, which was marked by frequently jovial partisan jockeying over the blame for federal deficits, the House considered HR 10049 only briefly before voting down the $597-billion ceiling.

Republicans took the opportunity, however, to criticize congressional spending habits and what top-ranking Ways and Means Republican Herman T. Schneebeli (Pa.) termed "our semi-annual exercise in frustration and futility" in debating debt ceiling extensions made necessary by federal budget requirements.

In reporting HR 10049 on Oct. 20 (H Rept 94-566), the Ways and Means Committee had attached provisions that would increase to $12-billion from $10-billion the amount of long-term federal bonds that the Treasury could issue with annual interest rates that exceed the statutory 4¼ per cent limit. The Treasury had requested that the existing $10-billion authority to issue such bonds be increased to $20-billion. ▮

House Hearings:

MINIMUM WAGE INCREASE

Only a year and a half after Congress approved the last minimum wage hike, the House Education and Labor Subcommittee on Labor Standards Oct. 22 began hearings on a bill (HR 10130) that would raise the minimum wage again, adjust it by a cost-of-living escalator and boost overtime pay to two and a half times regular pay.

For most covered workers, the minimum wage proposed by the bill would jump to $3.00 an hour on Jan. 1, 1977. Under the minimum wage amendments enacted in April 1974, the current rate for most workers is $2.10 an hour, scheduled to increase to $2.30 an hour on Jan. 1, 1976.

Introduced by Subcommittee Chairman John H. Dent (D Pa.) Oct. 9, HR 10130 reflected proposals urged by the AFL-CIO. "A minimum wage of $3 an hour must be established...if the minimum wage is to be something better than a poverty wage," declared Andrew J. Biemiller, director of the AFL-CIO's department of legislation, Oct. 22.

Business organizations testifying Oct. 23 were unanimously opposed to all of the proposed liberalizations of the minimum wage laws. They claimed the bill would generate new inflation and deepen unemployment.

Two of the business witnesses also objected to the quick scheduling of the hearings, which they said left little time to collect and prepare data relating to the consequences of the proposed legislation. "While we recognize the political expedience of introducing a minimum wage bill shortly before an election year...political expediency must not be permitted to limit debate nor to obscure the basic implications of this legislation," said Robert T. Thompson, chairman of the labor relations committee of the Chamber of Commerce of the United States.

Labor Department representatives are scheduled to testify on the bill Nov. 5.

Dent Bill

HR 10130 would allow the $2.30 wage rate to take effect as scheduled Jan. 1, 1976, but would then raise it to $2.65 an hour after June 30, 1976, and to $3.00 an hour on Jan. 1, 1977. Thereafter, minimum wage rates would be automatically adjusted by increases in the consumer price index (CPI). Such adjustments could be made every three months, provided that the CPI increased by at least 3 per cent in each of three consecutive months over a base month rate. The adjustment would be equal to the highest CPI reached during the three-month period, plus 1 per cent.

Covered agricultural workers and workers first covered under the 1974 amendments—primarily federal, state and local government workers and domestics—would not reach a $3.00 minimum wage until Jan. 1, 1978, after which their wages would be adjusted upwards by the same CPI formula.

The minimum wage for agricultural workers is $1.80, scheduled to reach $2.30 on Jan. 1, 1978. The current rate for those covered under the 1974 amendments is $2.00, scheduled to reach $2.30 on Jan. 1, 1977. *(1974 amendments, 1974 Almanac p. 239)*

Overtime compensation for those workers entitled to it would be raised to two and a half times regular wages from one and a half times. In addition, the bill would phase out the so-called "tip credit" that allowed an employer of a person who received tips to pay only half the minimum wage. The entire minimum wage would have to be paid one year after the bill was enacted.

PRO: Labor

Declaring that the minimum wage granted by the 1974 amendments was already outdated by inflation, Biemiller said the gap would only worsen with time. He pointed out that the average worker would have to make $2.42 an hour to meet the 1974 poverty level, defined by the Census Bureau as $5,038. Increases in the CPI in 1975 indicated that the poverty level in August 1975 was now equivalent to an hourly wage of $2.67, he added.

Furthermore, projections derived from Congressional Budget Office estimates showed that the average worker would have to make between $3.05 and $3.20 in the fourth

quarter of 1977 just to stay even with the poverty level, he continued. "No one who has lived through the galloping inflation of the last few years should seriously question the $3 minimum wage rate," he said.

And because inflation, as measured by the CPI, is expected to continue to increase for the next few years, Biemiller said an automatic escalator in the minimum wage rate "is essential if we are to maintain the purchasing power of the minimum wage in the future."

Biemiller endorsed the overtime pay increase "as a tool, not to increase earnings, but to reduce unemployment by creating additional jobs." Such high pay would, in essence, penalize employers who had regular employees perform overtime work rather than hiring additional people to absorb the work load, Biemiller reasoned, adding that the original time and a half requirement had been devised for the same purpose.

Biemiller also asked the subcommittee to consider reducing the work week to 35 hours to stimulate job creation.

CON: Business

Representatives of business associations were adamant in their belief that the Dent bill would only hinder economic recovery. "With the economy beginning to recover, the timing could not be worse for a bill which will cause both increased inflation and deter entry-level employment," said Theodore A. Serrill, executive vice president of the National Newspaper Association.

He and the other business representatives said an increase in the minimum wage would result in the so-called "ripple effect" where workers making more than the minimum wage would demand increases to maintain traditional wage differentials.

Increased labor costs would result in increased prices, leading inevitably to greater inflation, opponents claimed.

Thompson of the Chamber and Serrill said the automatic cost-of-living increases also would be inflationary. Serrill pointed out that the adjustment could work an additional hardship on rural America since the poverty figures were based on urban living costs and the CPI was also weighted toward city prices.

To offset increased costs, Serrill and Thompson maintained, employers would lay off the least productive workers, generally those that are unskilled, the young and the poor. Quoting economist Paul Samuelson, Thompson asked, " 'What good does it do a young black to know that if he could find a job, he would have to be paid [the minimum wage], if the reason he cannot find a job is that no employer is willing to pay him that rate?' "

Raising overtime pay also would be a hardship for companies with only occasional demands for overtime work, opponents suggested. Furthermore, Thompson said, the unemployed may not be equipped to take over the overtime jobs of regular employees.

Thompson also contended that increased overtime pay would only prove an incentive to regular employees to work overtime. "Penalty pay proposals are actually disguised plans for inflationary wage boosts to those already employed," he said.

Other business associations testifying were the American Retail Federation, the National Small Business Association and the American Hotel and Motel Association. ▮

—By Martha V. Gottron

House Passage:

PRODUCTIVITY COMMISSION

The House Oct. 28, by a 208-188 vote, passed and returned to the Senate a bill (S 2195) to establish a permanent National Center for Productivity and Quality of Working Life to stimulate productivity growth in both the private and public economic sectors. *(Vote 478, p. 2334)*

The bill authorized $16,250,000 in fiscal 1976-78 for the center, which would replace the temporary National Commission on Productivity and Work Quality. The commission had been criticized for failing to fulfill its mandate.

The center, to be run by a presidentially appointed board of directors, would be an independent agency within the executive branch. It would have no regulatory powers but instead would only advise and comment on various means of increasing productivity. S 2195 also would require each federal agency to assess how its own regulations, policies and programs affected productivity.

The House made no changes in the bill as it was reported (H Rept 94-540) Oct. 8 by the House Banking Currency and Housing Committee. The committee made only three minor changes in the bill as it was passed by the Senate Sept. 4. Those changes included raising the number of directors to 27, from 25; assuring that five, rather than three, of the directors would be from industry and commerce; and barring the center from considering issues included in collective bargaining agreements without the consent of the parties to the agreement. *(Senate passage, Weekly Report, p. 1977; provisions, Weekly Report p. 1763)*

During House floor debate Oct. 28, supporters of the bill said the declining rate of productivity growth was one of the nation's least understood economic problems. They also pointed out that the bill was strongly supported by business, labor and the administration.

But John M. Ashbrook (R Ohio) said there was nothing "mysterious about the decline. In large measure the problem stems from government overregulation. How can national productivity increase when the federal government is slowly strangling...businessmen to death?"

Jack F. Kemp (R N.Y.) also opposed the bill, maintaining that "productivity for the sake of productivity simply is going to run a very high risk of producing things that people do not want."

In 1973, the House refused to authorize funds for the temporary productivity commission but reversed itself in 1974 to authorize a continuation of the commission through fiscal 1975. *(Background, 1974 Almanac p. 260)* ▮

ECONOMY NOTES

Social Security Taxes

The Social Security Administration Oct. 29 announced that the amount of wages subject to the Social Security payroll tax would rise to $15,300 from $14,100 in 1976.

That wage base increase, dictated by automatic adjustments as average wage levels rise, would raise the maximum Social Security tax to $895.05, an increase of $70.20. The existing tax rate would remain unchanged at 5.85 per cent.

The wage base increase would raise about $2.1-billion in additional trust fund revenues, the agency estimated. ▮

Hearings:

SOARING BANKRUPTCIES SPUR OVERHAUL OF LAW

With a growing segment of U.S. society—public as well as private—unable to pay its bills, Congress has undertaken a major overhaul of the nation's creaky bankruptcy system.

In fiscal 1975, 254,484 businesses and individuals filed under the federal Bankruptcy Act, an increase of 34 per cent over the previous year, according to the Administrative Office of the U.S. Courts.

Nearly 12 of every 10,000 Americans declared bankruptcy, a per capita rate double that of the worst year of the Great Depression. Sen. Quentin N. Burdick (D N.D.) says that bankruptcy courts cancel almost $2-billion in debts each year.

Business bankruptcies, particularly, have increased in number and severity in the current recession economy. When W. T. Grant Co. filed for bankruptcy Oct. 2 with a debt exceeding $1-billion, it was the second biggest business failure in the nation's history. The largest was the Penn Central Railroad, which went under in 1970 with a liability of more than $3.3-billion.

Five of the 10 largest business bankruptcies in U.S. history occurred within the past year. The number of business failures in fiscal 1975 was up more than 45 per cent over the previous year.

Most dramatically illustrating the urgency of the situation is the plight of New York City, which faces almost certain default as early as Nov. 17 on part of its $12-billion debt. President Ford has rejected pleas for direct federal aid to the city, but on Oct. 29 he proposed a plan that would allow the city, should it default, to file under the Bankruptcy Act. Existing law would make such a filing impossible. Ford's plan and others pending in Congress would give city operating expenses priority over the claims of bondholders. *(Ford plan, p. 2299; background, box, p. 2309)*

Long-Term Revision

As compelling as the New York City crisis is, the attention in Congress is on long-term revision of federal bankruptcy law. Subcommittees of the Senate and House Judiciary Committees are in the midst of extended hearings into improving the efficiency and fairness of the bankruptcy system.

"It is imperative," declared Senator Burdick as he opened the hearings by his Judiciary Subcommittee on Improvements in Judicial Machinery, "that the provisions of the Bankruptcy Act strike a fine balance between the needs of the bankrupt debtor who seeks rehabilitation and a fresh start and the creditor...who looks to the Bankruptcy Court for equitable distribution of the bankrupt's estate."

Bankruptcy relieves the debtor of all or part of what he owes. In fiscal 1969, the last year for which such figures were published, creditors were able to recover 9.2 cents on the dollar from bankrupts who had any assets at all.

Background

Bankruptcy law had its beginnings in Biblical times. Until this century, debtor laws favored creditors and generally worked to discourage insolvency. Roman law, for example, allowed creditors literally to recover an arm and a leg from a debtor by having him dismembered and his family sold off as slaves. After any left-over goods were divided up, the merchant's trading bench would be broken—*bancarotta*—thus giving rise to the modern term.

In the United States, the Constitution gives to Congress the power "to establish...uniform laws on the subject of bankruptcies throughout the United States." But the power was used only infrequently until this century. Federal laws were enacted in 1800, 1841 and 1867 to meet specific economic crises, but each survived public criticism and political pressure only a few years before it was repealed. In the intervals between federal laws, state bankruptcy laws were controlling, and the result was a hodgepodge of conflicting measures that often discriminated against out-of-state creditors.

In 1898 another economic crisis precipitated the Bankruptcy Act (Title XI, U.S. Code) that remains in force today. The law established a bankruptcy court under the federal district courts and framed the general procedure for handling bankruptcy cases. The act has been amended more than 90 times. The most extensive revision was the Chandler Act of 1938, which created most of the bankruptcy options currently open to businesses and individuals.

Bankruptcy Growth

Since World War II, the number of bankruptcies—personal and business—has increased twentyfold, according to a 1971 study by the Brookings Institution. Most by far are personal bankruptcies, the report said, and the increase is due in large part to tremendous growth in consumer credit.

A result is that more Americans come into contact with the bankruptcy court than all other federal courts combined. The 220-judge bankruptcy system has broken down under the burden, the report said, and hundreds of amendments and rule changes to deal with particular problems have only crippled the system further.

"The problems are so pervasive and so interlocked that partial solutions are not acceptable," Brookings concluded. "The mess is too bad to tinker with. We need a new

bankruptcy act, a new organizational structure, a new personnel system, a new method of financing and new records and procedures." The study recommended that the bankruptcy system be removed from the judiciary and placed in a new federal administrative agency.

Partially in response to that study and to the growing bankruptcy rate, Congress in 1970 created the Commission on the Bankruptcy Laws of the United States to study revision of the 1898 law. In a 1973 final report that in many ways mirrored the Brookings report, the commission recommended creation of a U.S. Bankruptcy Administration to handle most bankruptcy cases. Disputed cases would continue to be decided in a scaled-down bankruptcy court.

The proposal stirred wide controversy in the legal world and drew a particularly angry response from bankruptcy judges, who had been left out of the commission's membership. The National Conference of Bankruptcy Judges issued its own proposal, similar in many respects, but recommending that the judicial system be maintained, with some administrative responsibilities being shifted from bankruptcy judges to an administrative branch within the judiciary. Both proposals recommended that the bankruptcy court be made independent of the federal district courts. The judges' bill (HR 32, S 235) and the commission bill (HR 31, S 236) propose sweeping changes in personal and commercial bankruptcy proceedings.

Dispute Over Operation

Although both bills propose important substantive changes in bankruptcy law, they disagree mainly over the procedural issue of how to administer the system. Under current law, the bankruptcy judge (who until 1970 was called a referee) not only decides legal disputes in a bankruptcy case, he also appoints a trustee to administer the disposal of a debtor's assets and their distribution to creditors. The judge also oversees that process and steps in to settle disputes. Critics of this system contend that exposure to the details of a debtor's affairs prejudices a judge and renders him incapable of settling disputes objectively.

Thus, the commission recommended placing the administrative function in an independent agency. At the hearings, commission spokesmen argued for the proposed agency and the judges argued against it.

PRO: 'Incompatible Duties'

"Referees are engaged in incompatible duties when they both supervise administration of estates and perform the judicial functions of deciding disputes between litigants," Harold Marsh Jr., a California lawyer who headed the bankruptcy commission, argued before the Burdick subcommittee in February. "The referee's involvement in administration compromises his judicial independence, or at least the appearance of such independence."

Administrative work also is a drain on a judge's time and thus an impediment to a smooth-flowing bankruptcy proceeding, Marsh contended.

Another criticism raised by the commission, heatedly denied by judges, is that bankruptcy judges, trustees and lawyers, by dint of their specialization in the field, constitute a "bankruptcy ring."

"There is in many locales," said Marsh, "operation of the system for the apparent benefit of its functionaries rather than the debtor and creditors who are supposed to be served by it." He said that an administrative agency under auditing and accounting controls would ensure "efficiency, economy, uniformity and integrity of administration."

Sen. Quentin N. Burdick

Rep. Don Edwards

Chairmen of panels studying bankruptcy

Finally, supporters of the commission bill claim that an administrative agency would reduce the time and cost of legal action incurred under the existing system. Some 90 per cent of the cases that now go through bankruptcy court could be handled administratively, argued Frank R. Kennedy, a University of Michigan law professor and former staff director of the bankruptcy commission. Most bankrupts would not need a lawyer and the number of judges could be reduced by about two-thirds, Kennedy said.

CON: 'Another Bureaucracy'

Bankruptcy judges agreed with the commission that there should be some separation of judicial and administrative functions. But instead of separating those conflicting functions, they said, the commission would simply shift them into a bureaucracy that itself would be a nest of conflicting interest. "The reasons which motivated them to suggest such an agency are violated by their own proposal," argued Conrad K. Cyr, a Maine bankruptcy judge. "It then created an agency which itself would have far more conflicting interests and duties than do the present bankruptcy courts." Such an agency, he added, would deny to debtors and creditors the judicial forum they have now to air their disputes.

The judges contend that any problem of conflict could be solved more readily by creating a separate administrative arm within the judiciary to appoint trustees and handle other administrative chores. "What we did not want to do," said Judge W. Homer Drake of Georgia, "was to set up yet another bureaucracy in the executive branch."

Personal Bankruptcy

A widely held perception of the proposed bankruptcy legislation is that it is debtor-oriented, that any legislation will be cut from the same cloth as the Truth in Lending Act of 1968 (PL 90-321) and the Fair Credit Reporting Act of 1970 (PL 91-508).

Commission members insist they were trying to balance the rights of debtors and creditors, but they concede they had a special concern for the consumer. "There is evidence...that Congress was concerned about the discharge, the implementation of the 'fresh start' policy of the bankruptcy act," commission Director Kennedy told Burdick's subcommittee. "And the commission perceived this

'Hello, Ranger, Texas? This Is Mayor Beame'

On Oct. 17, 1975, dozens of New York City bondholders lined up at city offices to cash in their securities. The city controller ordered a hold on the usual Friday paychecks of the sanitation workers. A state Supreme Court justice signed a writ affirming the priority for payment of the city's limited resources to creditors. And Mayor Abraham D. Beame (D) summoned to Gracie Mansion a team of bankruptcy lawyers.

The city was bracing itself for default on some $453-million in debts and, probably, bankruptcy. A dramatic injection of new funding at the last minute by the United Federation of Teachers rescued the city for the time being. But the experience left almost everyone in New York thinking about bankruptcy, and no one knows just how it would be done.

For guidance, New York can look only to cities such as Medley and Manatee, Fla., Ranger, Texas, and Saluda, N.C.—the largest municipalities that have filed under the federal Bankruptcy Act in recent times. "The municipal chapter has only been used 21 times in its entirety since 1954," noted a House Judiciary Committee aide, "and then mostly by gas districts, drainage districts and irrigation districts.... There are no precedents for a city as large as New York, with as many creditors as New York has and the lack of prospects for future financing that New York has."

Legal Obstacles

The requirements of existing law, moreover, make it next to impossible for New York to file. Under chapter IX of the federal Bankruptcy Act, a city in default can halt legal actions and claims of creditors by filing a "debt readjustment" plan showing how it would pay off its obligations over an extended period. The filing of the plan must have the prior assent of a majority of all creditors, including bondholders (in New York's case, thousands). And to be implemented, the terms of the plan must be approved by two-thirds of all creditors.

In practice, New York could not file under the bankruptcy law, since it would be impossible to even identify, much less obtain approval from, a majority of all creditors. "Chapter IX fails in what is perhaps its principal purpose," Antonin Scalia, assistant attorney general, told the House Judiciary Subcommittee on Civil and Constitutional Rights, "which is to provide a breathing space, free from the disruptive effects of multiple lawsuits, within which a fair settlement can be worked out."

Pending in Congress are two bankruptcy revision bills (HR 31, HR 32) that, although written before the current crisis, propose changes that would facilitate bankruptcy proceedings by New York or any other major city.

Both bills would drop the prior assent requirement and reduce to a majority the percentage required for final approval by creditors. And they would require approval only by creditors actually voting on the plan, rather than by all of them.

The Ford administration has proposed requiring approval by two-thirds of voting creditors. Speaking for the Justice Department, Scalia also told the subcommittee at an Oct. 6 hearing that state approval should be required before a municipality could file under chapter IX. The pending bills require merely that there be no state prohibition against filing. "It seemed to us," said Scalia, "that the matter was of such consequence for the state as a whole that state consent to the particular application should be required."

But Rep. Herman Badillo (D N.Y.), a member of the subcommittee, characterized that proposal as a political ploy to dump the New York City problem on Democratic New York Governor Hugh L. Carey. "They're making it deliberately political," he charged. "They're saying, 'Let Carey take the responsibility.' It brings up a political hassle."

Badillo, an unsuccessful candidate for mayor of New York in 1973, has introduced bills (HR 9926, HR 9998) that would eliminate the creditor approval requirement altogether. The approval requirements, an aide explained, work to the advantage of major creditors who can afford to participate in court proceedings, "but the small man on the street is not on an equal footing."

Badillo would leave it to the court to work out with the city a plan that would give "fair and equitable treatment" to all creditors. "It seems to me," he said, "that when the public interest is at stake, the most liberal and flexible guidelines are necessary."

But there is a feeling in the subcommittee that Badillo's plan actually would be less flexible than the other proposals. Under his bills, a subcommittee aide said, "fair and equitable treatment" would mean that each class of creditor must be paid in full before each lower priority class could be paid. Badillo, without intending it, would deny fair treatment to the small creditor, whose claim by law would have low priority, the aide said. "He doesn't really realize the implications of what he's doing."

The other bills also mandate fair and equitable treatment, he said, but since they require creditor approval as well, the phrase likely would be interpreted as it seems—a few payments to all, rather than all to a few.

Emergency Bill

Existing law allows a city in default to obtain a 60-day stay of creditors' claims, plus 60 more at the discretion of the court, before it has to file a bankruptcy petition. "That would give us 120 days" to come up with remedial legislation, said the subcommittee aide.

Since the municipal bankruptcy proposals in committee are part of major legislation that will not reach the floor until well into 1976, the House subcommittee is fashioning emergency legislation to meet New York's needs and what some members see as the deficiencies of Badillo's bills. The legislation will adhere closely to the municipal provisions of the pending bills, but it probably will require approval of a plan by two-thirds of voting creditors rather than a majority. The bill also will allow a city to continue limited borrowing for operating expenses while working out a repayment plan.

and gave early attention, and throughout, important attention, to the problems of consumer bankruptcy."

Under the existing system, an individual contemplating bankruptcy essentially has two choices:

- He can opt for "straight bankruptcy" (chapters I through VII), under which all but his most personal assets are sold off and he is then discharged of all debts.
- Or he can choose a "wage-earner plan" (chapter XIII), under which a debtor with a regular income agrees to pay off all or part of his debts over an extended period in return for a stay of creditors' claims and court actions.

Proposed Changes

Following are major changes in personal bankruptcy proposed in the two bills:

- **Counseling.** Both bills would allow bankruptcy officials to help the debtor fill out necessary filing forms. The commission bill would enable the debtor to file an "open-ended" petition, in effect declaring bankruptcy to fend off creditors but without having to choose a specific plan. The administrator then would advise him of the available choices and the debtor would decide on a plan. Under the judges' bill, bankruptcy officials would help the debtor file, but then refer him to private attorneys for further counseling.
- **Exemptions.** Federal law currently defers to state laws on the amount of assets a bankrupt is allowed to keep. While most allow him to keep such essentials as equity in his home and tools of his trade, state laws vary widely on the size of exemptions. In California, for example, a bankrupt may keep $20,000 equity in his home, but in New York he is allowed only $2,500, meaning almost always that the home must be sold.

The commission bill would wipe out the state exemptions altogether and provide a uniform national exemption covering home, clothing, jewelry, furniture, tools of trade and other items. The judges' bill would set a federal floor under exemptions but allow exemptions under state laws. The maximum federal exemption would be $25,000.

- **Reaffirmation.** Current law allows creditors to pressure a bankrupt for "reaffirmation" of a debt that has been discharged in bankruptcy. For instance, finance companies often offer a bankrupt new credit if he will reaffirm his discharged debt to them.

Both bills would forbid a bankrupt to reaffirm a discharged debt and make any such reaffirmation null and void. Both also would prohibit discriminatory credit treatment against a bankrupt for failure to pay a discharged debt.

- **Discharge.** Under current law, certain debts may not be discharged. The debtor must pay those obligations even after he is declared bankrupt. Included are certain back taxes, debts resulting from false financial statements, alimony and child support and a range of others.

A particularly controversial feature of the commission bill would allow discharge of debts incurred through false financial statements on credit applications. The judges' bill would not. Commissioners argue that bankrupts should not be held accountable for such statements, at least in bankruptcy court, since they often are obtained fraudulently by unscrupulous lenders or made unknowingly by naive borrowers.

An anomaly of the current law is that it denies discharge to persons—often paupers—who cannot pay the filing fee (currently $50). Both bills would drop that requirement.

The bills would add new categories of debts that could not be discharged. To prevent credit sprees of debtors who know they are going into bankruptcy, both would deny discharge of debts incurred deliberately within three months preceding the filing. And both would deny for five years after a student leaves college discharge of debts on education loans. College graduates increasingly have taken advantage of bankruptcy laws to wipe out what they owe on college loans.

- **Repeated filings.** Both bills would reduce to five years, from the current six, the interval required between bankruptcy discharges. An "escape hatch" allows judges to grant discharges in less than five years in hardship cases.

Business Bankruptcy

Although less numerous than personal bankruptcies, business bankruptcies are more complex and involve much larger debts and assets.

Businesses have several different options for filing under the act, which also contains special chapters to cover bankruptcies by railroads (chapter VIII), real estate interests (chapter XII) and maritime shipping (chapter XIV).

Generally, businesses under current law are offered three choices for bankruptcy. They may declare straight bankruptcy (chapters I through VII), under which all assets are auctioned off and distributed to creditors in order of legal priority. The Brookings study found that straight bankruptcy, the most frequently used, is chosen primarily by the small businessman "because it is the only federal procedure that discharges him from personal liability for the obligations of the business."

Chapters X, XI

The two avenues regularly used by corporations are "reorganization" (chapter X) and "debt arrangement" (chapter XI). Designed to give a company time to right itself, chapter XI allows a company (as W. T. Grant is trying to do) to work out with its creditors an extended repayment plan that is supervised by the court. Three of five such plans fail, according to the Brookings study, either because the proposed plan is rejected by creditors or because the debtor is unable to meet payments under his plan.

Chapter X is used much less often, primarily by chapter XI failures or by companies forced into bankruptcy by creditors. The company is placed in the control of a trustee who, under the supervision of the district court, reorganizes it as he sees fit. Most such proceedings represent a last-ditch effort to save the company and most, according to the Brookings report, fail.

Consolidation Issue

The major difference between the pending bills is that the commission bill would consolidate chapters X and XI while the judges' bill would keep them separate. The dispute, essentially, is over which approach would be more efficient. As a Senate aide characterized it: "It's easier to shop at one store than to shop at two. On the other hand, maybe two specialty stores are better than one general store."

The commission depicted the typical chapter XI proceeding as a grab bag swarming with "bankruptcy ring" lawyers and dominated by major creditors, to the exclusion of less protected creditors. To smooth inequities between the two chapters and promote efficiency of business filings, the commission bill essentially would leave it to the discretion of the administrator whether a company should enter reorganization or arrangement. Creditors would be given more say in how the proceeding should be handled.

Bankruptcy judges, however, argue that the two chapters were created for different purposes—chapter XI for "mom and pop" stores and chapter X for corporations—and would not be compatible in one form. Separate provision should be made, they maintain, for bankrupt companies that could rehabilitate themselves given an extension of time. "The ultimate result of such a merger could be the demise of debtor rehabilitation under the auspices of the bankruptcy court," argued Joe Lee, a Kentucky bankruptcy judge and principal author of the judges' bill.

In most other major respects the bills treat business bankruptcy the same, but there are minor differences. The commission bill would enable the administrator to serve as trustee in most—usually no-asset—straight bankruptcy cases, but the judges would have the administrative director appoint a trustee from a pool. A controversial provision of the commission bill would allow one creditor to start involuntary bankruptcy proceedings against a company, where it takes three now. And the commission bill would relax existing standards for proof of bankruptcy required of creditors. But the proceeding could be stopped at a preliminary hearing if the debtor company could show that bankruptcy was unwarranted.

Both plans permit payment to company management for future services and both provide for delayed recovery of losses by creditors, especially stockholders, if the company makes a dramatic recovery.

Resistance

The two bills, especially the Commission bill, are meeting strong resistance from creditors.

Specifically, they object to provisions allowing relief from debts obtained through false financial statements, prohibiting reaffirmations and permitting debtors to pay off only the market value, rather than the full loan amount, of goods they wish to keep.

Finance companies and other consumer lenders fear that the proposed U.S. Bankruptcy Administration would be a revolving door for irresponsible debtors. "When one debtor does that [files with the proposed agency] and other debtors find out how easy it is, we are satisfied that it is going to bring about a bankruptcy stampede," complained Linn K. Twinem, special counsel to the Beneficial Finance System. He warned that such a system would dry up the availability of consumer loans from reputable lenders. "A substantial proportion of consumers in the lower income brackets will be squeezed out of the legitimate consumer credit field.... This would probably mean the return of the loan shark."

Since it would eliminate much of the judicial process in bankruptcy proceedings, the proposed U.S. Bankruptcy Administration is seen by judges and lawyers as a threat to their jobs. The commission bill would not only reduce their number, the judges argue, it would reduce their independence by taking the power to appoint judges away from the judiciary and giving it to the President. "To insert this political factor into the system of selection of bankruptcy judges will, we believe, be totally unfair to those bankruptcy judges now sitting," observed Georgia Judge Homer Drake. Incumbent judges "may be unable to compete politically with a prospective candidate who the political party that happened to be in power would like to have on the bench," Drake said.

Also at stake may be the futures of bankruptcy lawyers. The commission bill would enable most individual debtors to get through bankruptcy by themselves. Eighty per cent of bankruptcy cases could be handled without lawyers, asserts Sen. Burdick, because they involve debtors with no assets. "This has been a pet project of mine," he said, "because I could see that the creditors were not gaining a thing and all that was happening was that some avaricious lawyers were having a pretty good deal."

> *"The mess is too bad to tinker with. We need a new bankruptcy act, a new organizational structure, a new personnel system, a new method of financing and new records and procedures."*
>
> —Brookings Institution report, 1971

The judges' bill, on the other hand, sets up a lawyer referral system and virtually requires a debtor to seek legal advice. The judges argue that most debtors do not know enough about bankruptcy to know whether they should be filing in the first place. Before a debtor files, said Maine Judge Cyr, "He should consult briefly with his lawyer, his own lawyer who at a very modest fee can give him the necessary legal advice as to whether he should or not."

Outlook

Hearings on bankruptcy revision are well under way in both houses, but legislative action is not expected before the spring of 1976. Senator Burdick's subcommittee plans to hold the final hearing Nov. 12 of a series that began in February. Mark-up is scheduled for February and March of next year.

The House Judiciary Subcommittee on Civil and Constitutional Rights Sept. 8 began hearings that will consume more than 40 days. The hearings are scheduled to conclude in March, with mark-up planned for April and May.

Most observers expect major bankruptcy legislation to be enacted by the 94th Congress.

Although the chairmen of both subcommittees, Burdick and Rep. Don Edwards (D Calif.), were members of the bankruptcy commission, the compromise version that emerges is more likely to approach the judges' plan. Indeed, Burdick has said publicly he would keep the administrative function in the court system. With the Senate hearings nearly complete, subcommittee aide Robert E. Fiedler says the sentiment of witnesses generally has run against the commission plan. "Just about every witness we've had has had something bad to say about it," he said.

Aides on both sides say that Congress is not in a mood to create a new agency of the size and cost proposed by the commission. ▮

—By Ted Vaden

Congress Reacts:

RUSSIAN GRAIN DEAL

Although it encountered little outright opposition, the Ford administration's long-term agreement to sell grain to the Soviet Union prompted some grumbling by House and Senate members concerned that Congress had been left out of the negotiations.

Negotiated as an executive agreement, the deal does not require congressional approval. But after the agreement was announced on Oct. 20, some support arose for a proposal by Sen. Clifford P. Case (R N.J.) that it be submitted to the Senate in the form of a treaty. Other proposals would require congressional approval of any such long-term commodity agreement, regardless of its form.

Terms of Agreement

The agreement commits the Soviet Union to purchase from the United States at least 6 million metric tons of corn and wheat a year for five crop years beginning Oct. 1, 1976. The Soviets would be allowed to buy up to 8 million tons a year, but more than that would have to have U.S. government approval. An escape clause permits the United States to reduce the level of grain for sale if U.S. stocks fall below 225 million tons in a year—an unlikely prospect.

Announced in conjunction with the grain deal was a letter of intent by the Soviets to sell the United States 200,000 barrels per day of crude oil and other petroleum products over the same period. Although the figure represents only a small fraction of U.S. needs, administration officials said the deal would make the United States the largest importer of Russian oil in the western world and serve as a signal to Arab oil producers that the United States could find other sources of foreign oil.

The letter of intent committed neither country to a specific agreement on oil sales, and the two sides were said to be far apart on an agreed price for the oil. Secretary of Agriculture Earl L. Butz conceded that oil was included in the trade talks in part to pacify opponents of grain sales. "We needed something to neutralize the emotional reaction in the nation to any sale to the Soviets," he said. Other administration officials told the House International Relations Committee Oct. 28 that the negotiations were continuing and predicted an accord in about two months.

With the signing of the grain agreement, the administration lifted a two-month-old embargo on grain sales to the Soviet Union. Butz indicated that Russia may need to buy 7 million more tons of grain from the United States in addition to the 10.3 million already purchased this year. *(Background, Weekly Report p. 2007)*

Administration officials estimated that total grain sales to the Soviet Union in 1975 would increase retail food prices in the United States by 1.5 per cent. Earlier estimates in a study by the Joint Economic Committee released Sept. 29 indicated that the sale of 10 million tons would cause a 1 per cent increase in food prices, while purchases of 20 million tons of grain and 25 million bushels of soybeans would boost prices by 2.4 per cent.

Reaction

The agreement was received with satisfaction by grain exporters and labor unions. A long-term pact had been a project of AFL-CIO President George Meany, who used a longshoremen's boycott in the summer of 1975 against loading grain to Russia as leverage to promote such an agreement. At least one-third of the grain will be carried at high freight rates by American flagships manned by U.S. maritime workers.

But some farm groups denounced the deal as a sellout to the unions and a betrayal of farmers by the administration. They charged that the administration had betrayed farmers by urging full production for this crop year and then, through the embargo and other export controls, limiting access to world markets. The American Farm Bureau Federation also accused the administration of unprecedented interference with the world market system.

Concern in Congress was not so much over the terms of the plan as it was over the fact that Congress had been given no role in the negotiations.

Almost immediately after the agreement was announced, Robert Dole (R Kan.) introduced in the Senate Agriculture and Forestry Committee an amendment to the International Development and Food Assistance Act (HR 9005) requiring that the agreement be submitted as a treaty or that it require congressional approval. The amendment was rejected, but Committee Chairman Herman E. Talmadge (D Ga.) agreed to insert a requirement that the administration consult with Congress, "whenever possible," on agricultural trade negotiations and report every 90 days on their progress.

A separate proposal that the agreement be submitted as a treaty was offered by Case, ranking minority member of the Senate Foreign Relations Committee. "It is an international agreement of major importance with implications seriously affecting our foreign policy as well as domestic economy," Case said in a statement. "The nature, term and the size of the agreement make it a national commitment beyond the proper competence of the President acting alone." An aide said Case is considering introducing a resolution requiring submission of the pact as a treaty.

On Oct. 8, in anticipation of the grain deal, Sen. Adlai E. Stevenson III (D Ill.) introduced a bill (S 2492) that would require the administration to submit to Congress any commodity agreement of a year's duration or more. The agreement would take effect unless disapproved by either house within 90 days.

The House International Affairs Committee heard testimony from American participants in the grain deal negotiations at an "informational hearing" Oct. 28. Again members expressed irritation that they had not been consulted and criticized chief negotiator Charles W. Robinson, under secretary of state for economic affairs, for declining a committee request that he testify on the agreement before it was concluded. "They did not like having their consultation coming in after the fact," an aide said. ▮

—By Ted Vaden

BUSING FOES URGE CONSTITUTIONAL AMENDMENT

Anti-busing forces in the Senate began trying to build momentum for a constitutional amendment that would ban court-ordered busing as a parade of senators, representatives and officials involved with the controversial busing plan in Louisville, Ky., told the Senate Judiciary Committee Oct. 28-29 that busing as a desegregation tool was not working.

"Forced busing is a hope that has failed, and failed miserably," said Gov. Julian Carroll (D Ky.), supporting S J Res 29, one of four proposed constitutional amendments before the committee.

But two key witnesses refused to endorse an anti-busing amendment. Although he said he believes desegregation policies, including busing, are speeding resegregation, with blacks concentrated in inner cities and whites grouping in the surrounding suburbs, sociologist James S. Coleman said he did not think an anti-busing amendment was "a proper use of the Constitution."

And Louisville Mayor Harvey I. Sloane suggested that a ban on busing could prompt the courts to force racial quotas in housing sales or to assign students to schools on the basis of family income in order to guarantee equal educational opportunity. As an alternative, Sloane proposed establishment of a national judicial commission to hear and monitor all desegregation cases.

Proposed Amendments

Some of the impetus for the hearings came from recent Senate action barring the Department of Health, Education and Welfare (HEW) from using busing as a segregation remedy. While the House has opposed busing for several years, the Senate action represented the first time a majority of the Senate had taken an anti-busing stance. *(Background, Weekly Report p. 2227)*

But while Congress may be able to prevent HEW from using busing through legislation, it is unlikely that legislation prohibiting the courts from ordering busing would be found constitutional—and most busing ultimately is ordered by the courts. Thus, many anti-busing foes see a constitutional amendment as the only certain means of preventing busing.

S J Res 29, offered by William V. Roth Jr. (R Del.) would amend the Constitution to bar the transportation of students on the basis of race, color, national origin, creed or sex. Similar amendments (S J Res 60, S J Res 137) have been offered by Dewey F. Bartlett (R Okla.) and John G. Tower (R Texas), respectively. A far broader amendment, offered by William Lloyd Scott (R Va.), would forbid the assignment of students to schools on the basis of race and would also prohibit public employees of federal, state and local governments from being assigned to work at any particular job or location.

To be enacted, a constitutional amendment must be passed by two-thirds of both the Senate and the House and then ratified by three-fourths (38) of the state legislatures.

Related Developments

The two-day Senate hearings climaxed several days dominated by busing news. Tower Oct. 27 announced that President Ford would not "at this time" support a constitutional amendment prohibiting busing. Instead, Tower said the President has ordered the Departments of Justice and HEW to undertake an extensive review of the effects of busing. *(Box, this page)*

The weekend before, at least 3,000 persons, mostly white and mostly from Louisville, descended on Washington to demonstrate their opposition to court-ordered busing. The protest march to the Capitol Oct. 25 was organized by local labor unions, which were repudiated by AFL-CIO President George Meany. In a statement, Meany said the march was in violation of AFL-CIO policy which endorsed busing as an acceptable remedy for segregation.

And in Boston, where opposition to busing had disrupted schools for two years, some 7,000 marchers Oct. 27 protested busing while white students boycotted classes at South Boston High School. It was the first major demonstration in Boston since schools opened in late September.

Case in Point: Louisville

The Senate hearings focused primarily on the experience of Louisville and surrounding Jefferson County, Ky., where a court-ordered desegregation plan entailing extensive busing was implemented in September. Most of the

Ford on Busing Amendment

President Ford will not support "at this time" a constitutional amendment barring school busing on the basis of race but instead has ordered the Departments of Justice and Health, Education and Welfare to "extensively review all other alternatives to forced busing," according to Sen. John G. Tower (R Texas).

Tower, who has offered a constitutional amendment to ban busing, met with Ford for half an hour Oct. 27 in a session that Tower characterized as "frank and very constructive." Senate Minority Whip Robert P. Griffin (R Mich.), who also favors a constitutional amendment, sat in on the meeting for a brief time.

According to Tower, Ford would not support a constitutional amendment because "the President didn't feel there has been an adequate test in the Supreme Court to determine the validity of legislative or administrative remedies short of a constitutional amendment."

Tower added that Ford did not oppose a constitutional amendment outright and suggested he might support such an amendment if the Supreme Court overturned legislative moves to end busing.

witnesses testifying before the committee stressed that busing was not only ineffective but actually counterproductive.

"Forced busing is damaging educational quality, contributing to white flight, disrupting community and family life, wasting important state and local resources and creating special problems of law enforcement," Gov. Carroll told the committee.

Detailing a long list of bad effects spawned by the court-ordered busing, Carroll said teacher morale had declined, school discipline had worsened and truancy increased, and extra-curricular activities had been severely limited. Busing also had adversely affected police morale, he said; many policemen's families had been harassed and threatened. Business and industry had been similarly affected, Carroll said, adding that worker attitudes and employee confrontations had led to internal dissension, low productivity and heavy absenteeism. Some businesses were reporting difficulty in attracting professionals to Louisville.

Busing was even having an adverse affect on the local United Way campaign, Carroll said. Rumors that some of the funds would be donated to pro-busing groups have served to reduce contributions by at least $500,000 and the loss could reach as high as $1.5-million, he said.

Finally, the desegregation plan had cost the state at least $3-million and was expected to cost another $1-million before the year was over. That did not count costs incurred by Louisville or Jefferson County, Carroll added.

Kentucky's two senators and the two representatives from the Louisville area also endorsed a constitutional amendment. People consider busing "nothing less than damnable dictatorship to be told where their children can go to school and where they cannot go, by men who have not even been elected to office and who can't be thrown out at the polls," declared Rep. M. G. (Gene) Snyder (R Ky.), representing Jefferson County.

Sen. Wendell H. Ford (D Ky.), who was governor of the state before his election to the Senate in 1974, said the primary question "should be whether busing improves the attainment of the student." He then cited several studies which concluded that desegregation had led to little or no improvement in educational achievement.

Sen. Walter (Dee) Huddleston (D Ky.) also supported a constitutional amendment but said such an amendment "should not represent a retreat in any sense from our national commitment to integrate schools or guarantee equality of education for all students regardless of race, creed, color or national origin." Huddleston said a ban on busing "would merely require the courts and the school districts to achieve the necessary goals through other less disruptive and more productive means."

Agreeing with Huddleston, Romano L. Mazzoli (D Ky.) cautioned that alternatives could be expensive, disruptive and painful. "But there is no easy way to guarantee rights to one group where another group is involved," he said.

Coleman Testimony

Coleman, a sociologist at the University of Chicago, backed up complaints that busing was counterproductive. He told the committee he had concluded from recent research that white flight to the suburbs had been prompted and hastened by desegregation policies. "In hindsight 10 or 20 years hence, these policies designed to desegregate schools may well be seen as highly segregative policies instead, because while their direct and immediate effect is to reduce school segregation, their indirect and longer-term effect is to increase both school and residential segregation."

Coleman acknowledged that his research had been criticized by some but added that "as more detailed research is done and more precise estimates are obtained, the effect [of desegregation policies] will if anything be found to be stronger rather than weaker than our estimates show."

The Coleman study has been criticized for not giving enough weight to other factors possibly contributing to white flight to the suburbs, such as movement of industry out of the city, increased segregation in housing, fear of crime and generally deteriorating conditions of city life.

Coleman's latest report is somewhat ironic because a report he prepared for the U.S. Office of Education in 1966, which concluded that the educational achievement of low-income students would be improved if they were placed in classes with children from more affluent backgrounds, was used by many courts as a justification for desegregation orders.

Coleman said his opposition to a constitutional amendment barring busing left him in an unsatisfactory position. "It leaves me with only the hope that the courts will themselves see the incorrectness of the precedent that has evolved," he said.

Judicial Restraint

But it was belief that the courts would not exercise restraint on the busing issue that caused many of the witnesses to support a constitutional amendment.

"The judicial branch stands alone in its support of busing and has effectively asserted its will over this nation," said Tower.

Roth agreed. "Congress has expressed the will of the people on the busing issue over and over again in legislation...only to have its efforts thwarted by a federal judiciary that does not know the meaning of judicial restraint," Roth said.

Legislative Proposals

In addition to sponsoring a constitutional amendment, Roth has made two legislative proposals that would eliminate or limit busing. The first (S J Res 119) would establish a commission to study the effects of busing and determine whether a constitutional amendment should be enacted. The proposal called for a moratorium on busing while the study was being conducted.

Roth's second proposal would remove jurisdiction over busing from lower federal courts and place it in the hands of state courts with direct appeal to the Supreme Court. Because the state courts are closer to the people (often judges are elected), they are more likely to look for other solutions besides busing, Roth said. The proposal has been offered as an amendment to another bill (S 287) increasing the number of federal judges.

Judicial Commission

The other major proposal put to the committee was Sloane's suggestion to establish a national judicial commission with jurisdiction over all school desegregation cases. Sloane said such a remedy could be implemented more quickly than a constitutional amendment and would be more effective.

The commission would be appointed by the President and would oversee all existing, pending and future school desegregation cases. At the trial hearing level, two commission judges would be appointed, along with one local judge appointed by the governor of the involved state, to hear the case. Once a desegregation plan was ordered, an administrative officer would be assigned to provide day-to-day supervision of the plan and to recommend modifications in it necessitated by changing housing patterns or population shifts.

Appeals at the local level could be made to the full commission, and commission actions would be reviewable by the Supreme Court.

House Action

No busing hearings have been scheduled by the House Judiciary Committee. However, the House Democratic Caucus is scheduled to consider Nov. 19 a resolution endorsing a constitutional amendment barring busing and requesting the Democratic members of the Judiciary Committee to report such an amendment out of committee within 30 days.

The anti-busing resolution was placed on the agenda through the petition procedure, which requires 50 signers. The petition was circulated by Texas Democrats Dale Milford and Olin E. Teague; 51 Democrats signed the petition. ■

—By Martha V. Gottron

Senate Hearings:

WOMEN AND SOCIAL SECURITY

Women "face discrimination in pay levels; there is no doubt about that, and there is no doubt that this pattern affects the level of their Social Security benefits," said Frank Church (D Idaho), chairman of the Senate Special Committee on Aging, as he opened two days of hearings Oct. 22 on a task force report recommending ways to make the retirement system more equitable for women.

Witnesses before the committee agreed that women deserve more equitable treatment under Social Security laws, but differed widely in their reactions to the task force report's recommendations.

Tish Sommers, coordinator of the National Organization for Women's (NOW) task force on older women, told the committee she was "sorely disappointed" in several of the recommendations and urged even broader changes.

At the other end of the scale, James B. Cardwell, commissioner of the Social Security Administration, cautioned Oct. 23 that many of the recommendations would have serious financial implications for an already financially shaky system.

Task Force Report

"A retirement income crisis now affects millions of aged and aging women, and threatens to engulf many more. The likelihood of being poor is considerably greater for elderly females than for aged males," the six-member task force reported in its working paper prepared for the Committee on Aging.

The panel found that more than two out of three poor people 65 and older are women. In 1974, 18.3 per cent of all women 65 and over had incomes below the poverty level, compared to 11.8 per cent of all men in the same age category, the report said.

The task force also found that almost two-thirds of all retired individuals and half of all retired couples relied on Social Security benefits for half or more of their income. Social Security provided 90 per cent or more of the total income of 39 per cent of retired individuals and 15 per cent of retired couples.

Because women generally work in lower-paying jobs than men do, work part-time more often and may leave the labor market for a period to rear children, their Social Security benefits at retirement are considerably lower than those earned by men. According to the task force, in June 1975 women retirees received an average monthly benefit of $180, compared to $225 for male retirees.

The task force concluded that women are not shortchanged by the Social Security system. Because women tend to live longer, retire earlier and receive greater advantage from the weighted benefit formula that gives low-income retirees a greater share of the benefits than they had actually earned, benefits paid on the earnings of women are actually greater than those paid on men's earnings.

Nevertheless, the group made several recommendations to eliminate discrimination on the basis of sex from the Social Security law and to make other changes that would compensate women and their dependents for sex differences in work opportunities and patterns.

Recommendations that would correct sex discrimination, against both men and women, included:

- Removal of the test that requires a husband or widower to prove that at least half his support came from his wife in order to receive a benefit based on her earnings. A wife or widow is automatically presumed to be dependent on her husband for support and is not required to prove dependency.
- Provision of benefits to divorced husbands or widowers. Existing law pays benefits only to divorced wives and widows who were married for at least 20 years.
- Payment of father's benefits to widowers, whatever their age, who care for minor children. Existing law pays benefits to widows caring for dependent children but not to fathers. The Supreme Court ruled in March that failure to pay fathers such benefits was unconstitutional. *(Weinberger v. Wiesenfeld, Weekly Report p. 700)*

The panel made several other recommendations that would liberalize benefits for both men and women, including:

- Elimination of the existing work test, which generally required that a person must have worked 20 out of the last 40 quarters to qualify for disability benefits.
- Payment of benefits to disabled widows and widowers and disabled surviving divorced wives and husbands without regard to age. Existing law allows payment at age 50 or after.
- Payment of benefits to disabled spouses of Social Security recipients without regard to age. Existing law allows payment only at age 62 or over.
- Inclusion of close relatives living in the home in the definition of dependents.
- Reduction to 15 years, from 20 years, as the length of time a divorced person needed to be married in order to qualify for benefits under the former spouse's earnings.
- An increase in the number of years of low or zero earnings that a worker may drop out of the computation for benefits. The computation counts the earnings in each year since 1950 (or age 21, if later) up to age 62, death or disability, minus five years in which earnings were lowest or

non-existent. The panel said an increase in the number of drop-out years would be extremely beneficial to mothers who leave the labor market to care for children.

Ball Proposal

A key task force recommendation would adjust the benefit formula to increase the benefit paid to a retired worker by one-eighth and reduce the amount paid to a dependent spouse to one-third, from one-half, of the benefit paid to the spouse who worked. Couples would still receive 150 per cent of what an individual retiree with the same earnings would receive, but single workers and widows would receive higher benefits.

Originally proposed by former Social Security Commissioner Robert M. Ball, the formula adjustment would also narrow the gap between couples where both worked and those where only one spouse worked. Under the present system, a couple whose combined income equaled that of a couple where only the husband worked could receive the same or lower benefit upon retirement. That has led to complaints that working wives who have paid into the system never receive anything in return. The task force said such complaints ignored the fact that working wives had disability and survivors' insurance during their working years and that they could retire and receive benefits on their own earnings while their husbands continued to work.

Homemakers

In a move that disappointed many of the women's organizations that testified, the task force made no recommendations on the issue of whether homemaker services performed by a wife should in some way be factored into the Social Security system. "While not minimizing the economic value of the homemaker's services, we question the appropriateness of using Social Security—an earnings replacement system—to provide benefits where no earnings loss has occurred," the panel wrote.

> *"Women deserve a pension for unpaid work in the home just as men do who work in the marketplace."*
>
> —Tish Sommers, National Organization for Women

Thorny questions that would have to be answered before any recommendation could be made by the committee, the task force said, were: "If a monetary value is to be placed on homemaker services, how should the value be determined? Who pays the cost? What if the homemaker is also a wage-earner? What if husband and wife share homemaking tasks? And when does the homemaker retire?"

Finally, the task force urged improvements in the Supplemental Security Income program, designed to assist the poor aged, blind and disabled. Specifically, it asked for a benefit hike to keep recipients out of poverty.

"Our Social Security system, while in no sense the cause of less adequate retirement protection for women, can do more than it now does to adapt its protection to the changing needs of women," the panel concluded.

Hearings

Failure of the task force to recommend a homemaker's benefit and its recommendation regarding working couples drew the most comment during the two-day hearings.

"Women deserve a pension for unpaid work in the home just as men do who work in the marketplace," declared Sommers of NOW.

Rep. Bella S. Abzug (D N.Y.) agreed. Failure to give homemakers their own Social Security accounts "not only reinforces the stereotype of the dependent wife but also denigrates the important contribution of the homemaker to her family, her husband's career and to society," she said.

Abzug cited a study by the Chase Manhattan Bank that estimated the value of the average housewife's services at $159.34 a week, more than the average salary of women who held paying jobs. The bank placed the total value of all household work performed by American wives at $250-billion a year.

Abzug has introduced legislation in previous Congresses which would extend Social Security coverage to homemakers, whom she defines as "any person between 18 and 65 who performs household services for other persons, one of whom is a wage earner." Abzug said she plans to reintroduce the legislation this year but has not yet decided whether to finance the additional costs through general Treasury revenues, as she had proposed in previous years, or through contributions from the wage earners and their employers. The latter concept, Abzug said, "is based on the recognition that the working spouse and his employer benefit most directly from the services of the homemaker."

Sommers also urged passage of a bill (S 2541) introduced by Sen. John V. Tunney (D Calif.) that would set up model programs to assist widows, divorced women and other "displaced" homemakers to re-enter the labor market. The programs would provide job training and referral services among other aids. A similar bill (HR 7003) has been introduced in the House by Yvonne Brathwaite Burke (D Calif.).

Working Couples

Both Abzug and former Rep. Martha W. Griffiths (D Mich., 1955-75) urged that working couples be allowed to combine their salaries for purposes of computing the Social Security benefit in order to receive the maximum benefit allowable. Griffiths, who is chairperson of the committee on homemakers for the National Commission on Observance of International Women's Year, said the situation in which a working couple could receive a lower benefit than a couple where only one partner worked, even though both couples had the same income, is "the greatest inequity" of the system.

In recommending the Ball formula readjustment, the task force specifically rejected the alternative of allowing working couples to receive benefits based on their own earnings as well as those of their spouses. The panel said such a solution would only heighten the disparity between married and single workers, as well as make some couples eligible for four benefits—two retired worker's and two spouse's benefits.

Financial Implications

Although he agreed that most of the areas where the Social Security system treated men differently from women needed to be corrected, Commissioner Cardwell balked at the recommendation to eliminate the dependency test for husbands and widowers. He estimated that would cost $500-million in the first year of payment.

Cardwell said the recommendation would produce a windfall for a substantial number of the half million men that would become eligible for benefits—those who had earned pensions working in employment not covered by Social Security, such as government service. Such a windfall, he added, was currently enjoyed by many women.

But the other alternative—requiring proof of actual dependency on the earnings of the other spouse—would be costly and complex to administer, he said.

Cardwell said the Ball proposal recommended by the task force would result in a first-year cost of $9-billion. "While the task force would correct most of the...gender-based anomalies in the Act...they also go beyond that and tend to liberalize benefits and/or coverage," Cardwell said. "In other words, many of the cost implications of the task force recommendations could be either constrained or eliminated by restricting the changes to those literally required to eliminate distinctions between men and women.... Frankly, at this moment, while we are working on the matter of women and Social Security, we must...be at least equally concerned about the system's capacity to maintain its financial integrity."

The trustees of the Social Security system predicted in May that the costs of the program would exceed its income in every year for the next 75 years unless there were additional financing and benefit level modifications. *(Weekly Report p. 1033)*

In other testimony, Ball and Arthur S. Flemming, chairman of the U.S. Commission on Civil Rights, endorsed the task force report. ▮

—By Martha V. Gottron

HEW NOTES

Unemployed Fathers

The Department of Health, Education and Welfare (HEW) Oct. 29 issued a final regulation that would give unemployed fathers of dependent children the choice between receiving unemployment compensation or public assistance under the Aid to Families with Dependent Children (AFDC) program. The regulation was necessary to conform with a June 1975 Supreme Court ruling. *(Weinberger v. Glodgett, Weekly Report p. 1233)*

The regulation was expected to affect 15 states where AFDC payments were higher than unemployment compensation payments. Only 25 states made AFDC payments to families which were poverty-stricken because the father was unemployed.

HEW said it expected an additional 187,000 families to seek AFDC aid because of the new ruling, at a cost to the government of $773-million a year. More than 11 million adults and children were receiving AFDC payments as of June 30. *(Weekly Report p. 2268)* ▮

Low-Cost Drugs

The Pharmaceutical Manufacturers Association Oct. 20 filed a court suit challenging the legality of federal regulations designed to hold down the cost of prescription drugs in the Medicare and Medicaid programs. The regulations, issued in July by the Department of Health, Education and Welfare, eventually would limit federal payments for certain types of drugs to the lowest cost at which they were generally available.

The association, which represents most manufacturers of prescription drugs, had strongly opposed the regulations since they were first proposed in late 1973. It contended that the federal government could not guarantee that lower-priced drugs prescribed by their generic chemical names were as safe as brand-name equivalents. The manufacturers' suit contended that the regulations would interfere illegally with medical practice and, in effect, fix drug prices.

The American Medical Association also had challenged the legality of the regulations. *(Background, Weekly Report p. 1671)* ▮

Health Maintenance Organizations

Almost two years after Congress approved the idea, HEW Oct. 28 issued final regulations that would require employers to give their employees the option of joining a health maintenance organization (HMO) if they offered a traditional health insurance plan. HMOs provide a range of health services for members who pay set monthly fees in advance instead of bills for each service provided.

The requirement would apply to employers of at least 25 workers covered by federal minimum wage laws. If a federally approved HMO asked to be included in an employer's health plan, the employer would have to offer this option whenever existing collective bargaining or health insurance contracts came up for renewal. The regulations, which take effect Nov. 28, will require most employers to offer the HMO option before the end of 1976. Employers would contribute no more to the cost of an HMO plan than they did to existing health insurance plans.

As expected, the regulations resolved a dispute over the role of collective bargaining agents in the HMO selection process in favor of organized labor's position. The original regulations would have required an employer to offer individual employees the option of joining a selected HMO even if the union that bargained for them had turned it down. The final regulations made it clear that a union could turn down an HMO option on behalf of all its members. A dispute between HEW and the Department of Labor over the original requirement had delayed publication of the final rules. *(Background, Weekly Report p. 1774)* ▮

Test Scores

Sidney P. Marland, president of the College Entrance Examination Board, announced Oct. 28 that the board had established a special panel to investigate why its scholastic aptitude test (SAT) scores had declined.

The scores have declined every year for the last 12 years. The decline among 1975 high school graduates was 10 points for verbal and 8 points for mathematical skills.

Marland said the panel "will conduct a detailed and independent study of issues related to the score decline which go to the heart of the questions being asked about the quality of American education." The panel will examine the nature of the tests themselves as well as the effects of busing, lack of discipline, television viewing and reduced revenues. W. Willard Wirtz, former labor secretary and president of the National Manpower Institute, will chair the panel, Marland said. ▮

House Action:

TVA BONDING AUTHORITY

The House by voice vote Oct. 23 approved and sent to the Senate a bill (HR 9472) increasing to $15-billion from $5-billion the amount of outstanding revenue bonds which the Tennessee Valley Authority (TVA) could issue to finance expansion of its power system.

In addition, HR 9472 as approved changed from semi-annual to annual the timing of payments by TVA to the federal Treasury to repay the original federal investment in its facilities, plus interest.

TVA was created by Congress in 1933. Congress in 1959 authorized TVA to issue up to $750-million in bonds to finance power plants; in 1966, this ceiling was raised to $1.75-billion; in 1970 it was increased again to $5-billion. By Dec. 31, 1975, TVA bonds and notes outstanding were expected to exceed $4-billion, and other commitments were anticipated to have consumed the remaining unobligated borrowing authority. Without the increase in the bond ceiling, only the most critical construction and procurement would continue, TVA officials said, severely disrupting TVA's capability to supply its customers with needed power in the future.

The $10-billion increase in bonding authority would allow the generation of funds to complete building of six power plants already underway—including four nuclear plants—and would allow the construction of three other nuclear plants. Because the TVA pays the principal and interest on these bonds from its revenues from sale of electric power, the increase in bonding authority has no effect on the federal government's debt.

Committee Action

Introduced by Robert E. Jones (D Ala.), chairman of the House Public Works Committee, HR 9472 was reported from the committee Sept. 24 (H Rept 94-510). The report pointed out that TVA supplied electric power to an area of 80,000 square miles, containing 7 million people, as well as supplying power directly to 50 industries and 11 federal installations, including the gaseous diffusion plants of the Energy Research and Development Administration at Oak Ridge, Tenn. and Paducah, Ky.

Interconnected with neighboring power systems, the TVA system had significance for the entire nation, emphasized the report. Since power could be exchanged between interconnected systems, "in a time of power emergency, operation of the TVA power system could have a definite impact on power supply conditions from the Great Lakes to the Gulf of Mexico and from New England to Oklahoma and Texas." Furthermore, the report noted that TVA power was produced almost exclusively from coal, reducing the per capita consumption of oil and natural gas in the region far below national averages.

The only opposition to the bill was voiced by environmental groups at a committee hearing in September. Representatives of the East Tennessee Energy Group and the Vanderbilt University Energy Study Group testified that the large expansion in bonding authority might lead to the construction of more nuclear power plants than were necessary.

Floor Action

James H. (Jimmy) Quillen (R Tenn.) spoke in support of the bill, expressing the hope that TVA would now cease to increase its customer rates, which he described as "unwarranted, inexcusable and exorbitant." The committee report showed that TVA rates had risen almost 134 per cent from 1967 until early 1975, but were still far below the national average. For the 12 months ending June 1975, the average TVA rate to customers was 1.69 cents per kilowatt-hour compared to a national average of 2.54 cents per kilowatt-hour.

Jones explained the committee decision to recommend the $10-billion increase, saying that any smaller increase would require TVA to seek additional authorization within the next few years. If the demand for power should grow less than expected, he said, "the only result would be that TVA would slow down its construction program and its issuance of bonds and the authorization would last somewhat longer." ▮

Clean Air

The House Health and Environment Subcommittee headed by Paul G. Rogers (D Fla.) wound up its work on amendments to the 1970 Clean Air Act Oct. 28, voting 11-3 to send a clean bill to the full Interstate and Foreign Commerce Committee. *(Details will be carried in a subsequent Weekly Report.)*

The Senate Public Works Subcommittee on Environmental Pollution, chaired by Edmund S. Muskie (D Maine), will continue markup and possibly take a final vote Nov. 3 on its version of the amendments.

Final congressional action on the complex legislation is still a long way off. The measures deal with such controversial issues as deadlines for auto emission controls, air pollution requirements for coal-burning industrial plants and limits on traffic in congested cities. They can be expected to consume several weeks of full committee consideration, at least.

On the House side, where committee leaders are involved in a conference on the energy policy bill (S 622), an aide predicted that the committee probably would not get to the clean air bill before the week of Nov. 10. In the Senate, Chairman Jennings Randolph (D W.Va.) of the Public Works Committee has said he intends to wait a month before taking up the subcommittee's bill, to allow time for members and other interested parties to digest the legislation.

If Congress does manage to finish a clean air bill this year, the legislation may still face a presidential veto. The Ford administration, citing economic and energy problems, has asked for delays in clean air standards of a magnitude that Congress does not seem likely to approve. *(Weekly Report p. 2047, 1169)*

FIRST SESSION ADJOURNMENT

In remarks on the Senate floor Oct. 28, Majority Leader Mike Mansfield (D Mont.) announced that Dec. 12 had been set as the target date for adjournment of the first session of the 94th Congress. He also announced the recesses for the second session, which is tentatively scheduled to convene Jan. 6, 1976, but could be delayed if the first session continues beyond Dec. 12.

If Congress adjourns by Mansfield's target date, it would be the earliest termination of a first session of Congress since 1965, when the first session of the 89th Congress left Washington Oct. 23. *(Box on length of congressional sessions, adjournment dates, Weekly Report p. 1869)*

The 1976 recesses are as follows:

Lincoln's Birthday—From conclusion of business Friday, Feb. 6, until Monday, Feb. 16.

Easter—From conclusion of business Wednesday, April 14, until Monday, April 26.

Memorial Day—From conclusion of business Friday, May 28, until Wednesday, June 2.

July 4th holiday and Democratic National Convention—From conclusion of business Friday, July 2, until Monday, July 19.

Republican National Convention—From conclusion of business Wednesday, Aug. 11, until Monday, Aug. 23.

Labor Day—From conclusion of business Wednesday, Sept. 1, until Tuesday, Sept. 7.

Adjournment Sine Die—Saturday, Oct. 2.

1975 Recesses

In announcing the 1976 recesses, Sen. Mike Mansfield (D Mont.) praised the over-all work record of the first session despite "a liberal schedule of nonlegislative days.... It is interesting to note that as of October 23 the Senate had been in session more hours than in the previous year on the same date. In 1974, the Senate was in session 146 days for 908 hours, whereas in 1975 we have also been in session 146 days, for over 930 hours."

He also said attendance in the Senate during recorded votes had been the highest (89.4 per cent) since 1964. As of Oct. 29, the Senate had taken 457 votes, about the same number as taken by this date last year.

But Sen. Hugh Scott (R Pa.) said he found little comfort in a good congressional work record if it failed to produce much-needed energy legislation. He echoed arguments voiced before the start of Congress' month-long August recess: "There are 64 days left in 1975. The $64 question is when will Congress pass an energy bill that can become law?"

"It does look as if Congress would rather have no action than some action, and it is regrettable. The record of Congress is deplorable in this regard. We are meeting oftener and working harder, but we are not getting the major jobs done in the energy field. I regret it, and I will not be a party to that performance." *(Earlier comments on energy legislation and recesses, Weekly Report p. 1888)* ▮

Proxmire Voting Record

Sen. William Proxmire (D Wis.) continued to build up his lead as the Senate's champion vote-caster as he cast Oct. 9 his 4,000th consecutive vote on the Senate floor.

He became the senator with the highest vote attendance record almost two years ago when he surpassed former Sen. Margaret Chase Smith's (R Maine 1949-73) record of just under 3,000 votes. Proxmire cast his 3,000th vote on Dec. 19, 1973.

In his bid to continue his record, Proxmire has not missed a Senate floor vote in nine years, according to his staff aides. Mrs. Smith voted for more than 12 years without a miss between 1956 and 1968 in an era when roll-call votes were less frequent.

Raise Returned:

CONGRESSIONAL PAY

At least 10 House members do not plan to keep the pay raise Congress voted itself July 30. The salary boost took effect Oct. 1 after the House and Senate voted to uphold President Ford's 5 per cent recommendation. *(House action, Weekly Report p. 2126; Senate action, p. 1983; pay raise legislation, p. 1801)*

The members are Bob Carr (D Mich.), Charles E. Bennett (D Fla.), Jack Edwards (R Ala.), Martha Keys (D Kan.), Larry Pressler (R S.D.), David W. Evans (D Ind.), Floyd J. Fithian (D Ind.), Andrew J. Maguire (D N.J.), Andrew Jacobs Jr. (D Ind.) and Phil Sharp (D Ind.).

Several of the members plan to remit their salary increase to the Treasury. The others said they planned to use it to establish scholarship funds or provide additional constituent services.

Technically, every member of Congress must accept his full raise. The comptroller general of the United States ruled in 1925 that members violate federal law by not accepting their full pay. However, after receiving the salary, they may return any portion to the Treasury.

The October pay raise increased the salaries of members of Congress from $42,500 to $44,625 a year. ▮

INSIDE CONGRESS NOTES

Montoya Taxes

Sen. Joseph M. Montoya (D N.M.) Oct. 20 denied allegations that senior Internal Revenue Service (IRS) officials had blocked audits of his taxes. Montoya, who chairs the Senate appropriations subcommittee that handles IRS funding, said, "I never asked for special treatment from the IRS, and as far as I know I have never received special treatment."

Quoting four "highly reliable sources," *The Washington Post* Oct. 19 had reported that audits and investigations of Montoya's tax returns had been strongly recommended by IRS officials. It said normal IRS procedures called for audits in the case of a taxpayer like Montoya but that audits had been blocked by IRS Commissioner Donald C. Alexander and other top officials.

The Post said Montoya's tax returns had not been audited during the past 25 years, even though he became a millionaire during that time, was habitually delinquent in paying taxes, and had been twice recommended for prosecution because he failed to file returns in 1945 and 1946 when he was a state senator. There is no evidence that Montoya has illegally evaded taxes or that he was aware of or sought special treatment from the IRS, according to the Post. ▮

Senate Secret Transcripts

A Senate historical office has been established to declassify long-secret committee transcripts and notes and make them available to scholars and the public. The office, created in July under the provisions of the Legislative Branch Appropriations Act of 1976 (HR 6950—PL 94-59), will be under the direction of the Senate historian and have a five-member professional staff. ▮

CORRECTIONS

(Previous corrections, Weekly Report p. 2059)

Page 1452, Labor-HEW appropriations chart—The transition period figure appropriated by the House should read $8,967,759,000 (not $8,968,162,000).

Page 1950, Col. 1, last paragraph—M. B. O'Sullivan, not O'Brien, is chairman of the Department of Laboratory Medicine at the Mayo Clinic.

Page 2034, Col. 1, 2nd paragraph in vote analysis box—The senators listed voted for busing in 1974, not against it.

Page 2042, Col. 1, 5th paragraph—The previous ratio for the Senate Commerce Committee was 12 Democrats and six Republicans (not 14 D, 6 R).

Page 2049, Col. 1, 2nd paragraph—Third line should read: *Nature* magazine (not *Science* magazine).

Page 2103, Col. 2, 9th paragraph—Should read: opposed by Spellman (not proposed).

Page 2104, 4th paragraph: The total appropriation of $6,274,612,000 was for fiscal 1976, not for 15 months.

Page 2160, Col. 1, 8th paragraph—Sentence explaining the Rozelle Rule should read: "The Rozelle Rule, named for NFL Commissioner Pete Rozelle, *involves* compensation paid to a team if one of its players signs with another team after playing out his contract." Such compensation is *required* by NFL rules, but not by the Rozelle Rule itself, which allows the commissioner to settle disputes over the amount of compensation to be paid. ▮

PUBLIC LAWS

(Previous Public Laws, Weekly Report p. 2245)

PL 94-97 (S 331)—Redesignate Nov. 11 of each year as Veterans Day and making such day a legal public holiday. HRUSKA (R Neb.), ALLEN (D Ala.), BUCKLEY (Cons.-R N.Y.), CURTIS (R Neb.), DOLE (R Kan.), EASTLAND (D Miss.), GARN (R Utah), HANSEN (R Wyo.), HARTKE (D Ind.), HELMS (R N.C.), MCCLELLAN (D Ark.), MCCLURE (R Idaho), MONTOYA (D N.M.), SCOTT (R Va.), STAFFORD (R Vt.), STENNIS (D Miss.), RANDOLPH (D W.Va.), TALMADGE (D Ga.) and THURMOND (R S.C.).—1/23/75—Senate Judiciary reported March 12, 1975 (S Rept 94-34). Senate passed March 13. House Post Office and Civil Service reported Sept. 3 (H Rept 94-451). House passed Sept. 9. President signed Sept. 18, 1975.

PL 94-98 (S 907)—Authorize the Smithsonian Institution to plan museum support facilities. SCOTT (R Pa.)—3/3/75—Senate and Administration reported July 23, 1975 (S Rept 94-298). Senate passed July 25. House passed, amended, Sept. 3. Senate agreed to House amendment Sept. 8, President signed Sept. 19, 1975.

PL 94-99 (HR 9524)—Extend until Nov. 15, 1975, the Emergency Petroleum Allocation Act of 1973. STAGGERS (D W.Va.) and DINGELL (D Mich.)—9/10/75—House passed Sept. 11, 1975. Senate passed, amended, Sept. 26. House agreed to Senate amendment Sept. 26. President signed Sept. 29, 1975.

PL 94-100 (H J Res 672)—Extend for two months the expiration date of the Defense Production Act, and funding of the National Commission on Productivity and Work Quality. ASHLEY (D Ohio)—9/26/75—House passed Sept. 29, 1975. Senate passed Sept. 30. President signed Oct. 1, 1975.

PL 94-101 (S 2270)—Authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by the Congress. GRAVEL (D Alaska)—8/1/75—Senate Public Works reported Aug. 1, 1975 (S Rept 94-362). Senate passed Sept. 4. House passed Sept. 19. President signed Oct. 2, 1975.

PL 94-102 (HR 543)—Extend the lending provisions of the Rehabilitation and Betterment Act to certain irrigation projects constructed under authority of the Small Reclamation Projects Act. JOHNSON (D Calif.)—1/14/75—House Interior and Insular Affairs reported March 20, 1975 (H Rept 94-102). House passed April 8. Senate Interior and Insular Affairs reported Sept. 18 (S Rept 94-380). Senate passed Sept. 22. President signed Oct. 3, 1975.

PL 94-103 (HR 4005)—Revise and extend programs authorized by the Developmental Disabilities and Facilities Construction Act. ROGERS (D Fla.), SATTERFIELD (D Va.), PREYER (D N.C.), SYMINGTON (D Mo.), SCHEUER (D N.Y.), WAXMAN (D Calif.), HEFNER (D N.C.), FLORIO (D N.J.), CARNEY (D Ohio), WIRTH (D Colo.), CARTER (R Ky.), BROYHILL (D N.C.), HASTINGS (R N.Y.) and HEINZ (R Pa.)—2/27/75—House Interstate and Foreign Commerce reported March 13, 1975 (H Rept 94-58), House passed April 10. Senate passed, amended, June 2. Conference report filed in House Sept. 11 (H Rept 94-473). House agreed to conference report Sept. 18. Senate agreed to conference report Sept. 23. President signed Oct. 4, 1975.

PL 94-104 (S 2230)—Authorize funds for the Board for International Broadcasting for fiscal year 1976, to promote improved relations between the United States and Turkey, and to assist in the solution of the refugee problem in Cyprus. SPARKMAN (D Ala.) and CASE (R N.J.)—7/30/75—Senate passed July 31, 1975. House International Relations reported Sept. 22 (H Rept 94-500). House passed, amended, Oct. 2. Senate agreed to House amendment Oct. 3. President signed Oct. 6, 1975.

PL 94-105 (HR 4222)—Amend and extend the School Lunch and Child Nutrition Act and related feeding programs. PERKINS (D Ky.), QUIE (R Minn.), BRADEMAS (D Ind.), THOMPSON (D N.J.), MEEDS (D Wash.), DANIELS (D N.J.), PEYSER (R N.Y.), DENT (D Pa.), SARASIN (R Conn.), PRESSLER (R S.D.), O'HARA (D Mich.), GOODLING (R Pa.), HAWKINS (D Calif.), FORD (R Mich.), MINK (D Hawaii), CHISHOLM (D N.Y.), BIAGGI (D N.Y.), ANDREWS (D N.C.), LEHMAN (D Fla.), BENITEZ (Pop. Dem. P.R.), BLOUIN (D Iowa), CORNELL (D Wis.), RISENHOOVER (D Okla.) and ZEFERETTI (D N.Y.)—3/4/75—House Education and Labor reported March 17, 1975 (H Rept 94-68). House passed April 28. Senate Agriculture and Forestry reported June 26 (S Rept 94-259). Senate passed, amended, July 10. Conference report filed in House July 30 (H Rept 94-427). Conference report filed in Senate (S Rept 94-347). Senate recommitted conference report Sept. 5. Conference report filed in House Sept. 15 (H Rept 94-474). Conference report filed in Senate Sept. 17 (S Rept 94-379). House agreed to conference report Sept. 18. Senate agreed to conference report Sept. 19. President vetoed Oct. 3. House passed over President's veto Oct. 7. Senate passed over President's veto Oct. 7. ▮

HOUSE VOTES CURBS ON CONSUMER COMMISSION

The House completed action Oct. 22 on a three-year authorization measure for the Consumer Product Safety Commission (HR 6844) that first came up on the floor in mid-July. Republicans with objections to the bill outflanked its sponsors on a number of issues—paving the way for conflict with the Senate, which passed its own version of the legislation (S 644) in July. *(Earlier House action, Weekly Report p. 1791; Senate bill, Weekly Report p. 1621)*

One controversial amendment, offered by M. Caldwell Butler (R Va.) and adopted with the help of 99 Democrats, would give Congress an opportunity to review and veto all rules and regulations proposed by the commission. Another Butler amendment knocked out a provision that would have allowed the commission to conduct its own civil litigation without Justice Department supervision.

By parliamentary maneuver, Republicans also were successful in removing a provision aimed at giving the two-year-old commission more flexibility in choosing which of four laws to use in regulating various products. And when the bill first came up in July, a provision to isolate top commission staff from White House political interference was removed on a voice vote.

Outlook

Because of these changes and because of the long delay in passing the House bill, Chairman Frank E. Moss (D Utah) of the Senate Commerce Consumer Subcommittee Oct. 8 introduced a simple two-year authorization bill (S 2494).

The bill includes one amendment along with the authorization—a provision prohibiting the commission from taking any actions that would restrict the sale or use of guns or ammunition. A court ruling in late 1974 ordered the commission to consider a citizen group's petition for a ban on ammunition, although it is reluctant to involve itself in that area. (HR 6844 and S 644 both include similar provisions on firearms and ammunition, as well as provisions prohibiting the commission from regulating cigarettes.)

In introducing S 2494, Moss said it was "crucial" that Congress act on the gun issue. He added that the commission's authorization "should have been approved over four months ago according to the timetable spelled out in the Congressional Budget Act." *(Budget process, Weekly Report p. 2253)*

A staff aide on the Senate committee said Oct. 28 that the panel had not decided whether to appoint conferees to resolve the differences between the House and Senate-passed bills, or to push S 2494 as an alternative.

Floor Action

The House approved eight amendments to HR 6844 and rejected one other on Oct. 22 before passing the bill 313-86. *(Vote 473, Weekly Report p. 2290)*

Congressional Veto

The Butler amendment giving Congress veto power over commission proposals was adopted 224-180—a margin of victory that surprised its backers. Republicans favored the amendment 125-14, while Democrats opposed it 99-166. *(Vote 468, Weekly Report p. 2286)*

The amendment would require the commission to submit all rules, regulations and orders to the House and Senate Commerce Committees for review. Either chamber then would have 30 legislative days to pass a resolution of disapproval to prevent the proposed regulation from taking effect. A regulation could take effect before the 30-day waiting period if both chambers passed a resolution approving it.

Butler said his proposal would solve the problem of "agencies issuing rules and regulations which go far beyond the intent of the Congress, or which impose senseless restrictions upon the public." He said many laws had such veto clauses. "I do not anticipate frequent use of this provision," Butler added. "Indeed, it would be my fervent hope that it would never be used."

Opponents of the amendment raised many objections. They said it would violate the constitutional principle of separation of powers, undercut the commission's effectiveness in emergencies and distract Congress from its real work. "There is no point in setting up an agency in the first place if we are going to ask that every regulation...be brought back to the House for approval," said Andrew Maguire (D N.J.).

"The tide is turning on this issue," a Butler aide commented after the vote. He attributed its success to a number of factors, including the interest aroused by the opening of hearings Oct. 21 before a House Judiciary subcommittee on several bills that would give Congress broad authority to veto regulations of federal agencies. Also, he pointed out that earlier on Oct. 22 the House had voted down for the second time a proposed regulation of the Federal Election Commission on grounds that it violated the intent of Congress—and that members heard a lot of talk about overregulation of business during the October recess. *(Election regulation, Weekly Report p. 2269; details of congressional veto proposals, pros and cons, box, p. 2322)*

Legal Independence

The Republicans prevailed on another Butler amendment, adopted 209-195, removing a provision of the bill that would have authorized the Consumer Product Safety Commission to conduct its own civil litigation independently of the Justice Department. Republicans supported the proposal 132-6 and Democrats opposed it 77-189. *(Vote 471, Weekly Report p. 2286)*

The House had debated the amendment and adopted it by voice vote while sitting as a "committee of the whole" Sept. 26. Butler argued that the Justice Department, with its broad overview and expertise, should coordinate all federal litigation. If Congress wants to change this, he

Congressional 'Veto' Over Federal Regulations...

The House's approval Oct. 22 of an amendment that would allow the House or Senate to veto any regulation of the Consumer Product Safety Commission was a plus for those who want to apply the "congressional veto" to other federal agencies as well. *(House action, story, p. 2321)*

The idea has attracted members in substantial numbers from both parties. When the House Judiciary Subcommittee on Administrative Law and Government Relations opened hearings Oct. 21, several bills to institute a congressional veto procedure had a total of 170 cosponsors.

"The federal bureaucracy has evolved into a fourth—non-constitutional—branch of government, with a thick tangle of regulations that carry the force of law without benefit of legislative consideration," Elliott H. Levitas (D Ga.), sponsor of one such bill (HR 3658), said at the hearings.

After listening to his constituents during the Columbus Day recess, Levitas said, "I am more convinced than ever that this is an idea whose time has really come." Other members of Congress also report continuing complaints from constituents about government regulations affecting many aspects of life, from school desegregation to worker safety, sex discrimination to environmental protection.

Proponents of the idea can think of many "bureaucratic horrors" that could be avoided with a congressional veto. They mention, for example, orders for restrictions on parking in Boston that were rescinded by the Environmental Protection Agency (EPA) after a public outcry; a regulation requiring all new cars to have seat belt-ignition interlock systems (repealed by Congress in 1974), and an order of the Equal Employment Opportunity Commission (EEOC) instructing the Houston police force to stop discriminating against convicted criminals in its hiring policy.

Congress should "retain enough control that, where the bureaucrats have gone off the deep end, either house of Congress could veto and reject that unwise standard."

—Rep. Elliott H. Levitas

HR 3658 would give either chamber of Congress up to 60 days to pass a resolution disapproving every proposed regulation that carries a criminal penalty for violation.

Along with the Levitas measure, the Judiciary subcommittee is considering another bill (HR 8231) introduced by Del Clawson (R Calif.) that would apply the congressional veto to all regulations of federal departments and agencies, regardless of the penalty involved. It would allow vetoes only when Congress decided a regulation was inconsistent with the intent of Congress, instead of whenever Congress disagreed with a regulation as provided in the Levitas bill.

In the Senate, James Abourezk (D S.D.) has introduced a companion bill (S 1678) to the Levitas measure and Bill Brock (R Tenn.) is sponsoring the Clawson version (S 2258).

Levitas said he would expect a congressional veto to be used rarely—only for regulations that were clearly unrealistic or out of line with congressional intent. He contends that Congress needs the option to block offending regulations in order to protect the people's right to be governed by their elected representatives, not unknown bureaucrats.

To dramatize his case, Levitas cites statistics showing that in 1974, 67 federal agencies adopted 7,496 regulations while Congress enacted 404 public laws—"a ratio of more than 18 to 1!" He says Congress has enacted 126 bills since 1932 that contain some provision for congressional review or approval of administrative actions, and the trend is growing. Recent examples include the 1973 War Powers Act, the Budget Control and Impoundment Act of 1974 and the Federal Election Campaign Act of 1974.

House Debate on 'Veto'

A number of the House members who are cosponsoring the congressional veto legislation voted against applying it individually to the Consumer Product Safety Commission. But debate on the amendment paralleled the arguments being raised on the issue of a general congressional veto.

Congressional Responsibility

"I think the whole problem has been that we have on too many occasions delegated too broad a charge to the administrative agencies," Levitas argued on the House floor Oct. 22. Congress should try to prevent that in the future, he said, but another positive step would be to institute a veto mechanism.

"What we are really talking about here," he said, "is that when Congress delegates to some other body the power to enact laws...then it is certainly a responsible act on the part of Congress to retain enough control that, where the bureaucrats have gone off the deep end, either house of Congress could veto and reject that unwise standard...."

The right to appeal an agency regulation in the courts does not protect citizens adequately, Levitas argues, because courts deal only with "technical legal procedural points" and not the "foolhardiness or the wisdom of the regulation."

According to John Y. McCollister (R Neb.), the veto mechanism would be used so rarely that it would not put an intolerable burden on Congress. M. Caldwell Butler (R Va.), sponsor of the amendment, pointed out that the possibility of a congressional veto would improve the commission's work. "If we have this sort of thing hanging over the head of an agency, then it will listen to the Congress, and it will do what the Congress wants...."

Unconstitutional, Unwieldy Process

Robert F. Drinan (D Mass.) responded that the veto proposal would "turn administrative law on its head, ...would probably violate the constitutional principle of separation of powers," and in most cases would do nothing more than "add another 30 days of delay to the ultimate promulgation of a safety standard which is needed to protect the consumer."

Drinan contended that everyone affected by a standard or regulation proposed by the commission or other regulatory agency has plenty of opportunity to present his views at hearings before the final regulation is issued, and afterward in the courts.

"If a particular agency goes beyond the standards we set, we can very clearly redefine those standards in the ordinary legislative process," he said. "But to say we can just vote up or down in one body of Congress on every regulation is to "cut out the [commission's] power to act as spelled out in the statute."

The veto process also could give industries a chance to shoot down regulations by mounting big lobbying campaigns in Congress, Drinan added.

"Once we get to delegating authority with the idea that we can pull back like a yo-yo," warned Bob Eckhardt (D Texas), "we will delegate authority with less procedural safeguards. The result is a far greater delegation of congressional power than has existed heretofore."

William M. Brodhead (D Mich.) argued that it was "unsound as a matter of constitutional theory" to allow "one body of Congress to veto the delegated authority that has been given to the commission by both houses."

Along with the constitutional arguments, opponents of the amendment said that Congress has neither the time nor the technical capacity to review federal regulations on a case-by-case basis. "We have enough trouble moving on items of legislation that are essential," said Andrew Maguire (D N.J.), "and there is no point in setting up an agency in the first place if we are going to ask that every regulation of that agency be brought back to the House for approval."

...Support for Idea Grows as Constituents Complain

"There is no point in setting up an agency in the first place if we are going to ask that every regulation... be brought back to the House for approval."

—Rep. Andrew Maguire

added, it should consider separate legislation that would apply to all agencies.

John E. Moss (D Calif.) responded that freeing the commission from Justice Department interference in its civil cases would prevent "duplication of effort" and political interference in commission decisions.

The Senate bill would allow the commission to conduct its own civil and criminal litigation if the attorney general did not decide to take a proposed case within 45 days of notice. An amendment to strike the provision was defeated by voice vote. *(Weekly Report p. 1622)*

In yet another defeat for the bill's sponsors on the Interstate and Foreign Commerce Committee, the House knocked out a provision that would have allowed the commission to choose which of the four major laws it administers to use in regulating a particular product.

The Consumer Product Safety Act of 1972 (PL 92-573), which established the commission, directed it to regulate products under several other existing laws—the Flammable Fabrics Act, the Federal Hazardous Substances Act, the Poison Prevention Packaging Act and the Refrigerator Safety Act—if they were sufficient to protect consumers.

As reported, HR 6844 would allow the commission to use the Product Safety Act any time it would be in the public interest. The Senate-passed bill includes a similar provision.

House opponents of the idea argued that it would mean a *de facto* repeal of the Flammable Fabrics Act and other laws transferred to the commission in 1972, and would confuse regulated industries.

With all the regulations and court decisions issued under these laws, asked James T. Broyhill (R N.C.), "how would the businesses and the industries that are regulated be aware of what requirements are going to be made of them if the commission should pick and choose the authorities under which to regulate potential hazards?"

Lionel Van Deerlin (D Calif.), floor manager of the bill, answered that the provision was meant simply to give the commission "greater flexibility," and that businesses would have ample notice of which law was being used in a particular case affecting them.

A Broyhill amendment to strike the flexibility provision was defeated 204-205 when the House was in committee of the whole, with Speaker Carl Albert (D Okla.) breaking the tie by voting no. *(Vote 467, Weekly Report p. 2286)*

In a parliamentary maneuver just before final passage of the bill, Broyhill moved to send the bill back to committee to have the provision removed.

When that was adopted 204-198, Van Deerlin conceded on behalf of the Commerce committee. *(Vote 472, Weekly Report p. 2286)*

Sampling Plans

After making some modifications, the committee majority prevailed on the issue of whether the commission should be allowed to require "product sampling plans" as a means of compliance with its mandatory safety standards. The committee had ruled this out on grounds that it would limit the commission's ability to prosecute willful violators of its standards.

On Sept. 24, John Y. McCollister (R Neb.) offered an amendment to strike the provision, arguing that "it is impossible to guarantee that all products distributed in commerce are perfectly safe." He said sampling plans "provide a technically valid and effective means of spotting nonconforming products before they reach the marketplace."

Moss responded that although manufacturers should be allowed to use sampling plans for their own purposes, incorporating them into government safety standards would "drastically weaken" the commission's authority to protect consumers. To prove a case, he said, the commission would have to show not only that a product violated a standard, but that the manufacturer's sampling plan was statistically unsound.

The House approved, 200-193, a substitute amendment offered by Moss that would rule out sampling plans except for safety standards that apply to glass bottles or products subject to flammability standards. *(Vote 408, Weekly Report p. 2086)*

The exemption for glass bottles was added at the suggestion of Harley O. Staggers (D W.Va.), chairman of the Commerce Committee. McCollister protested that it was "utter foolishness" to exempt a few products instead of simply allowing the commission itself to decide when to include sampling plans in its standards.

Suits and Attorneys' Fees

The House adopted by voice vote an amendment offered by John F. Seiberling (D Ohio) that would give judges discretion to award "reasonable fees" for expert witnesses and attorneys to individuals and groups that challenge actions of the commission—in suits for enforcement of a safety standard, for example. No objections were voiced. The Senate adopted a similar amendment to S 644.

Another amendment, offered by John M. Ashbrook (R Ohio), would have authorized a two-year experiment in allowing private parties to bring civil damage suits against the commission for "misrepresentation" or "unreasonable" actions. It was rejected 166-230. *(Vote 469, Weekly Report p. 2286)*

Ashbrook said his proposal, which was similar to one adopted by the Senate, would "prevent the commission from hiding behind the cloak of sovereign immunity." He mentioned the almost legendary story of the Marlin Toy Company of Wisconsin, which was severely damaged when the commission accidentally put its products on a list of banned toys.

Opponents of the amendment contended that it would be unfair to subject the commission to tort liability when other government agencies were immune, and that the issue needed further study. "Obviously, what the gentleman is proposing is at least a minor revolution against federal agencies," said Robert F. Drinan (D Mass.).

Other Amendments

Before passing HR 6844 the House adopted four other amendments Oct. 22 without debate:

- By Bob Eckhardt (D Texas), to permit states and localities to set their own regulations on the use of fireworks, free of federal government intervention. Eckhardt said this freedom was necessary because "fireworks are a unique type of hazard, and the hazards in one area are quite different from the hazards that may exist in other areas."
- By H. John Heinz III (R Pa.), requiring the commission to consider the "special needs" of the elderly and handicapped in making regulations. The Senate adopted this amendment also.
- By Eckhardt, to require that the 10 industry members on the Flammable Fabrics Advisory Committee include representatives of natural fiber producers, synthetic fiber producers and makers of fabrics for clothing and furniture.
- By Richardson Preyer (D N.C.), to require that courts uphold standards set under the Flammable Fabrics Act if they are supported by "substantial evidence" in the record. The act now requires standards to be upheld in court if they are not found to be "arbitrary and capricious." ▮

—By Prudence Crewdson

House Passage:

TRUTH IN LEASING

The House Oct. 28 approved the "Truth in Leasing Act" (HR 8835), a bill designed to give consumers the full picture before they agree to lease cars, furniture and other items. The vote was 339-41. *(Vote 477, p. 2334)*

The bill would require companies to disclose in detail all the terms and costs of leases—from monthly payments to finance, interest and depreciation charges—so that consumers can compare lease offers with other options such as installment buying.

In addition, the bill would:

- Impose disclosure rules on the advertising of leases, to prevent companies from trumpeting low monthly payments without mentioning other charges that increase the cost of a lease.
- Limit the liability of a consumer for payments after a lease expires to an amount equal to three monthly payments, unless there is physical damage beyond reasonable wear, or default.
- Impose civil penalties for violations, and allow class action damage suits.

The House Banking, Currency and Housing Committee approved the bill unanimously on Oct. 2 and reported it Oct. 8 (H Rept 94-544).

Substituting for Consumer Affairs Subcommittee Chairman Frank Annunzio (D Ill.) who was ill, Gladys N. Spellman (D Md.) explained the bill to the House. "Leasing consumer personal property such as automobiles or furniture is a rapidly growing business," she said. "It is competing with credit sales." She said that from 1963 to 1973, for example, new car sales increased 42 per cent while leasing of cars grew by 127 per cent.

Leases often are advertised as having low monthly payments and no down payments, Spellman said, attracting "innocent consumers who then sign lease arrangements only later to be surprised to learn that they are liable for a huge balloon payment at the end of the lease."

Thomas N. Kindness (R Ohio) objected that the bill was "another attempt to enter an area of the law which is properly within the jurisdiction of the states."

John H. Rousselot (R Calif.) complained that the consumer liability limit in the bill would prevent national banks from offering leases because of the restrictions on banks' involvement in unrelated business matters. Spellman said the bill was "definitely not intended to address the question of bank eligibility to participate in consumer leasing," a matter now in the courts. She said it should be addressed in separate legislation.

The Senate Banking, Housing and Urban Affairs Subcommittee on Consumer Affairs approved a similar consumer leasing bill (S 1961) Sept. 29. ▮

Senate Hearings:

REGULATORY REFORM

Congress formally kicked off its study of federal regulation Oct. 29 as the Senate Government Operations Committee began two days of hearings on the need for regulatory reform. "This is the first time a comprehensive study of the federal regulatory agencies has ever been undertaken by Congress," said Chairman Abraham Ribicoff (D Conn.).

The Senate Government Operations and Commerce Committees are conducting a joint one-year regulatory study, for which the Senate has authorized $500,000. In the House, the Oversight and Investigations Subcommittee of the Interstate and Foreign Commerce Committee, headed by John E. Moss (D Calif.), has been at work since last summer on its own survey of nine federal agencies and is cooperating with the Senate effort. *(Weekly Report p. 2076)*

Richard Wegman, chief counsel of the Government Operations Committee, outlined seven general areas the committee will explore in an effort to come up with concrete proposals for change:

- Unnecessary delays in the regulatory process. For example, Wegman said, it took the Food and Drug Administration 11 years to rule on the percentage of peanuts that must be in peanut butter.
- Overlap and duplication among agencies. Makers of some pesticides must meet requirements of three agencies—the Environmental Protection Agency, Consumer Product Safety Commission and the Occupational Safety and Health Administration.
- Public participation. Is there an "imbalance of advocacy" that gives the regulated industries more access and input than individual citizens and public interest groups—and if so, how can this be remedied? Suggested solutions include creation of an independent consumer advocacy agency and public assistance to public interest "intervenors."
- Agency independence. The biggest question, Wegman said, is "how can agencies be better insulated from the industries they regulate?" There are many proposals to deal with this problem, including tighter controls on *ex parte* (outside) contacts and restrictions that would curb the practice of moving directly from government agency jobs to regulated industries, and vice versa. *(Ex parte contacts, Weekly Report p. 2265)*
- Congressional oversight. Suggestions for improving congressional monitoring of agencies include setting up liaison offices in agencies, more access to agency budget requests and power to veto individual regulations. *(Congressional veto, p. 2322; oversight background, Weekly Report p. 595)*

- Agency priorities. Do agencies get bogged down in paperwork? Do they focus on minor infringements and problems of small companies while neglecting the larger ones? Do they weigh the costs and benefits of a proposal before acting? *(Paperwork problem, Weekly Report p. 2167)*
- Regulation versus deregulation. This issue "may be the most significant of all," Wegman said. The committee will try to "identify the fundamental criteria for regulation." Too often in discussions of regulatory reform, Wegman contended, economic regulation such as transportation rate setting has been confused with regulations designed to protect public health and safety.

Case Studies

The three witnesses who testified Oct. 29 documented their frustrations in dealing with regulatory bodies. Consumer advocate Ralph Nader said the National Highway Traffic Safety Administration (NHTSA), acting under pressure from the Nixon White House and the auto industry, deferred a proposal to require "air bags" in cars and opted for mandatory seat-belt interlock systems instead. Seat belts are frustrating and difficult to use, Nader said, while air bags are a "passive restraint" that could save thousands of lives a year.

"The case of the NHTSA's failure to mandate life-saving passive restraints clearly points out the need for regulatory reform," Nader said, "but for better regulation without *ex parte* executive pressure, not for less regulation."

Robert Beckman of Laker Airways described the delays his company has encountered in trying to get Civil Aeronautics Board approval to operate low-cost transatlantic flights. A third witness, Anthony Haswell of the Rock Island Railroad, described an 11-year railroad merger case before the Interstate Commerce Commission.

Members of the committee's five-man advisory panel on regulatory reform—composed of professors and former government officials—appeared at the hearings Oct. 30. The first of a series of regulatory reform symposiums, sponsored by the Senate committees and the House subcommittee, was scheduled for Nov. 6-7. It will examine "the process of selection of regulators and confirmation under recent administrations." ▮

—By Prudence Crewdson

No-Fault Auto Insurance

Supporters of national no-fault auto insurance legislation won an important victory in their uphill fight Oct. 29 when the House Interstate and Foreign Commerce Subcommittee on Consumer Protection and Finance approved a no-fault bill (HR 9650) similar to one (S 354) now pending before the Senate. The vote was 5-4.

Approval of the bill, which was introduced by Subcommittee Chairman Lionel Van Deerlin (D Calif.), came after opponents on the panel decided to shift their focus to the full committee. The bill is opposed by a well-financed trial lawyers group, some insurance companies and the Ford administration. Supporters include consumer groups, labor unions and some insurance companies. *(Lawyers' funds, Weekly Report p. 2246; Senate bill, p. 1622)*

CQ Politics

BENTSEN: TRIALS OF AN UNRECOGNIZED CANDIDATE

Five years into his first term, Lloyd Bentsen, the well-tailored junior senator from Texas, called the ritual news conference to announce his candidacy for the Democratic presidential nomination in 1976. "The paramount issue is economic recovery," said the millionaire former insurance executive, offering himself as the best-qualified candidate for solving the nation's economic problems.

That was in February 1975. Bentsen had laid the groundwork for the campaign the previous year, when, as chairman of the Democratic Senatorial Campaign Committee, he had visited 36 states and traveled 200,000 miles. In the first half of 1975, his all-out campaign took him to 40 states and logged another 300,000 miles.

But the frenetic travels and the well-modulated message of the 54-year-old Texan did not reap the response he had hoped for. By autumn, he was short of money and low in name recognition.

An analytical, pragmatic man, he took a practical alternative. He retrenched. "If I had the money, if I were permitted by the law to raise it and if I were permitted to spend it, I'd go into the big industrial states and buy massive TV," he said. "I don't, so I think it's smarter to husband my resources and stay the course."

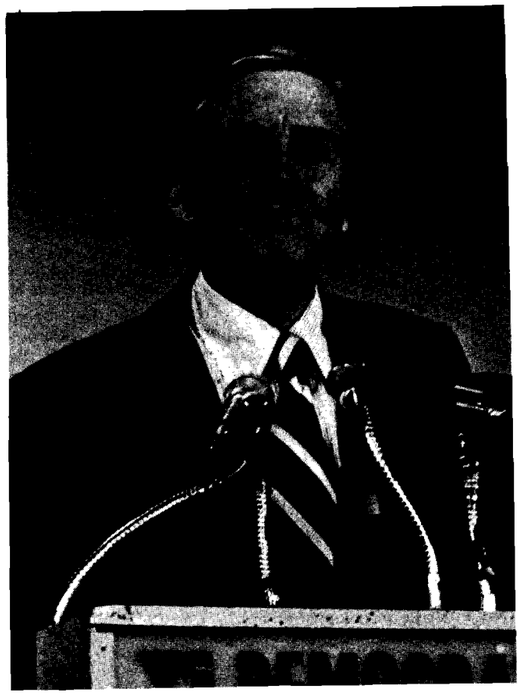
In short, if the 1976 Democratic nominee is chosen on the first convention ballot, his name will not be Lloyd Bentsen. Bentsen's ultimate success may depend on a stalemate in the primaries that results in a multi-ballot convention and the eventual selection of a compromise candidate. His modified strategy is to concentrate on selected areas, hoping to go into the convention with a sizable bloc of delegates and thus a strong bargaining position.

"I am beginning to think that no one will go into the convention with a commanding lead," Bentsen said in a September interview with *The Houston Chronicle*. "It means a better chance for me. Things might break my way."

The campaign finance reforms of 1974 are the reason for Bentsen's money shortage. But they may also be his salvation in keeping some semblance of a campaign alive in 1976. He has raised the necessary funds in small contributions from the required minimum of 20 states to qualify for matching campaign money from the federal treasury.

The Troubled Campaign

Despite the travels, the speeches and the slogan—"A Roosevelt Democrat for the '70s"—Bentsen has remained unknown to most Democrats. A Harris Survey in the summer of 1975 found that his name was recognized by only one-third of those surveyed nationwide, nearly the same percentage as in a similar poll taken two months earlier. He was favored for the nomination by only 1 per cent of the Democratic respondents. Bentsen, though, has shown little concern with low poll figures, noting that when he kicked off his senatorial campaign in 1970, he was known by only 2 per cent of the Texas voters.



In addition to his fund-raising difficulties, Bentsen cited his Senate responsibilities as a major reason for scaling down his campaign. "My first commitment is in the Senate," he said. "If I were out of a job like some of the candidates, then I could run in most of the primaries."

Staff disagreements over campaign strategy were played up by the press after the Sept. 5 resignation of Benjamin L. Palumbo, Bentsen's campaign manager and former aide to Democratic New Jersey Sen. Harrison A. Williams Jr. Palumbo's departure spurred reports that this represented an abandonment of his proposed "go-for-broke" approach. Palumbo reportedly favored a strong campaign in the northeastern primaries—liberal strongholds where Bentsen is not well known—hoping that the Texan could be dramatically successful, as John F. Kennedy was in West Virginia in 1960.

But Bentsen opted for a lower-risk strategy, one which would concentrate his time and resources on areas where he expects the best results. Bentsen commented that he would "play his strengths" in the primaries and caucuses and "go into those congressional districts where the voters favor more moderate candidates, independent thinkers rather than ideologues."

Bentsen has since announced that he will enter a "representative number of primaries" across the nation, with the qualification that the exact ones will be determined after all states complete their delegate selection rules. He does not plan to enter the first-in-the-nation New Hampshire primary Feb. 24, but probably will enter several other northern primaries. Ohio, Pennsylvania and Illinois are considered likely targets.

Bentsen has spent considerable time in the vote-rich states of New York and California. But, because of the cost of running statewide campaigns, he will likely concentrate on targeted districts in these states.

The Bentsen campaign is particularly well organized, his aides say, in four southern states: Virginia, Louisiana, Texas and Oklahoma. In Virginia, he executed a coup of sorts by getting endorsements from some of the state's top Democrats. In Louisiana, Bentsen has the endorsement of Democratic Gov. Edwin W. Edwards.

Texas, though, is the keystone of the Bentsen campaign. He must win the Texas primary May 1, not only to demonstrate his home-state popularity but to assure himself of a sizable bloc of delegates. His chances in Texas are complicated by the fact that he will be on the ballot twice—as a candidate both for President and for re-election to the Senate.

Not only must Bentsen wage two campaigns, but the Federal Election Commission has ruled that he may spend only $640,000 in the Texas primary, the Senate maximum. His presidential opponents, however, each may spend $1.3-million in the state. The commission concluded that Bentsen "is already the senator from Texas and thus, within Texas, begins with a significant exposure advantage over his rivals." Bentsen campaign tacticians are confident that, in spite of spending limitations, he can win both races.

Bentsen's Interest-Group Ratings

Americans for Democratic Action (ADA)—ADA ratings are based on the number of times a representative voted, was paired for or announced for the ADA position on selected issues.

National Farmers Union (NFU)—NFU ratings are based on the number of times a representative voted, was paired for or announced for the NFU position.

AFL-CIO Committee on Political Education (COPE)—COPE ratings reflect the percentage of the time a representative voted in accordance with or was paired in favor of the COPE position.

Americans for Constitutional Action (ACA)—ACA ratings record the percentage of the times a representative voted in accordance with the ACA position.

Following are Bentsen's ratings since he entered the Senate in 1971:

	ADA[1]	COPE	NFU[2]	ACA
1974	38	45	59	41
1973	55	64	71	41
1972	35	30	67	45
1971	33	55	73	33

1. Failure to vote lowers score.
2. Percentages compiled by CQ from information provided by groups.

They expect him to win at least a plurality of the delegates in the presidential voting because of the controversial primary law passed by Bentsen supporters in the 1975 state legislature. The law will expire after the 1976 primary. It permits Bentsen to win all the delegate votes in a state senatorial district if his delegate candidates receive a plurality of the vote. *(Texas primary story, Weekly Report p. 1104)*

Wallace supporters and Texas liberals unsuccessfully opposed the primary. Billie Carr, the Democratic national committeewoman from Texas and a long-time liberal adversary of Bentsen, filed a challenge with the Democratic National Committee's Compliance Review Commission. The challenge, though, was dismissed by the commission at its October meeting, and Carr may file a court suit against the primary.

With new Democratic delegate selection rules and the long list of candidates splintering the vote, Bentsen is convinced that his position near the philosophical center of the party is the right place to be in 1976. As he commented to an interviewer in July: "The other [Democratic] candidates are trying to move into the middle. I don't have to. I'm already there."

Still, while Bentsen has intensively courted a wide range of groups, there is little evidence that he has attracted deep support from any segment of the party. Texas Democratic Chairman Calvin Guest observed in a September 1975 interview with *Time* magazine: "The problem is to communicate his great leadership ability. Groups he has spoken to often go away without understanding what he really said." A Bentsen Senate aide concurred: "His ability is more managerial than inspirational. It's difficult to communicate this in a campaign." Although Bentsen is not a speaker who influences his audiences, most close observers of his campaign remark that he comes across as calm and knowledgeable. His supporters believe that this campaign style will be an asset in 1976. Commenting on the generally unemotional response to the lengthy roster of Democratic contenders, a Bentsen aide observed: "There'll be no little girls screaming and tearing cuff links off this time around."

The Bentsen campaign staff claims inroads among minority and interest groups; the most impressive, an invitation to speak to the AFL-CIO national convention in early October. Bentsen was one of only four senators invited to appear (Henry M. Jackson of Washington, Birch Bayh of Indiana and Hubert H. Humphrey of Minnesota were the others). However, this inroad with organized labor could be jeopardized by Bentsen's announced intention to vote against the common-site picketing bill, a measure of particular importance to the building trades unions.

Early Years, House Career

Liberalism has not been a characteristic of Bentsen and his family. His paternal grandparents were from Denmark. They migrated to the lower Rio Grande Valley early in the 20th century. Bentsen's father and uncle became wealthy in real estate, at the end of World War II owning 100,000 acres of ranch and farm land. Although accused of land fraud by several customers in the late 1940s and early 1950s, the Bentsens were never convicted. In 1974, the fortune of Bentsen's father was estimated to be about $50-million.

After graduation from the University of Texas Law School and service in the Army Air Corps in World War II, Lloyd returned to the Rio Grande Valley and moved quick-

ly into politics. With wealth and military fame, he made an attractive candidate, and in 1946 (at age 25), he won his first election—for county judge in Hidalgo County, Texas. Although a member of the county's powerful land-owning class, Bentsen was considered a brash newcomer and ran on the slogan, "Beat the Machine." *(Background box, opposite)*

Two years later, he ran for the U.S. House of Representatives. Using the same slogan, Bentsen challenged incumbent Democrat Milton H. West (1933-48). Anticipating a difficult campaign and suffering from ill health, West bowed out of the primary race, and Bentsen defeated his remaining three opponents. He was unopposed in the general election and, at age 27, became the youngest member of Congress. His district, the 15th, was a large one, situated north of the Mexican border and west of the Gulf of Mexico. More than half of the residents were Mexican-Americans, and Bentsen's fluency in Spanish was an asset.

Bentsen served three terms in the House, winning re-election each time without Republican opposition. He compiled a basically conservative voting record and was a strong supporter of public works and veterans' legislation.

He was rarely in the limelight, although in 1949 he was one of only two Texas House members to support an anti-poll-tax bill, and in 1950 he suggested that President Truman threaten the North Koreans with use of the atomic bomb if they did not withdraw from South Korea within a week.

Bentsen was mentioned as a gubernatorial candidate in 1954. But, citing his inability to support his wife and children on his congressional salary of $12,500, he chose instead to retire from the House at age 33 and enter private business.

Bentsen's Background

Profession: Financier, attorney.
Born: Feb. 11, 1921, Mission, Texas.
Home: Houston, Texas.
Religion: Presbyterian.
Education: University of Texas, LL.B., 1942.
Offices: House, 1948-55; Senate since 1971.
Military: Army Air Corps, 1942-45; discharged as major.
Family: Wife, Beryl Ann Longino; three children.
Committees: Finance: chairman, Subcommittee on Financial Markets; Public Works: chairman, Subcommittee on Transportation; Joint Economic: chairman, Subcommittee on Economic Growth.

Business Career

Borrowing $7-million from his family, Bentsen moved to Houston, where he established the Consolidated American Life Insurance Company. In 1958, Bentsen merged his company with Lincoln Liberty Life Insurance Company of Lincoln, Neb., and gained controlling interest. Bentsen headed the company's investments section, headquartered in Houston. In 1967, a holding company, Lincoln Consolidated Inc., was formed, which controlled the insurance company, a banking operation and several mutual funds. Bentsen became president of Lincoln Consolidated and chairman of the board of Lincoln Liberty Life.

The Texas Observer reported that in 1969, Bentsen's last full year as president of Lincoln Consolidated, the insurance firm alone, Lincoln Liberty Life, had assets of more than $75-million. In addition to his leadership of the holding company, Bentsen was on the board of directors of several companies, including Lockheed Aircraft Corporation, Continental Oil Company and Bank of the Southwest.

While declining to discuss his personal finances during his 1970 Senate race, Bentsen disclosed in March 1971 that his net worth was $2.3-million ($3.6-million in assets). His leading assets were $1.8-million in real estate and nearly $1.3-million in stocks and bonds. In 1972, Bentsen sold his active interest in Lincoln Consolidated Inc., and in 1974 he placed his assets in a blind trust.

Although immersed in the business world for 15 years, Bentsen and his wife, Beryl Ann, kept their hands in Democratic politics. In 1960, Bentsen was the Texas finance chairman for the Kennedy-Johnson campaign. Four years later, he expressed interest in Democrat Ralph W. Yarborough's (1957-71) Senate seat, but was dissuaded from running by President Johnson, who wanted to establish harmony in the Texas party. From 1966 to 1969, Bentsen's wife served as Texas' Democratic national committeewoman.

1970 Senate Campaign

"I want to be known or remembered for something other than my financial statement," Bentsen announced on his return to elective politics in 1970. At the urging of former Gov. John B. Connally (1963-69) and other leaders of the state's conservative Democratic hierarchy, Bentsen abandoned his business career to oppose Yarborough for the party's Senate nomination. Yarborough, a three-term incumbent, had a liberal voting record and a maverick organization independent of the party structure. He enjoyed strong support from organized labor and the state's chief minority groups, blacks and Mexican-Americans.

An early underdog, little-known statewide, Bentsen relied on an extensive advertising campaign on television and in the newspapers to gain recognition and throw Yarborough on the defensive. The ads labeled Yarborough as an ultraliberal who was out of step with the more conservative Texas electorate. They helped to produce a campaign that was bitter even for the wide-open style of Texas politics.

Bentsen won with 53 per cent to Yarborough's 47 per cent. His victory was attributed to his advertising campaign, his inroads among the conservative, poorer voters in rural eastern Texas and a light turnout that was particularly noticeable among minority groups.

Money was also a factor. Bentsen outspent Yarborough nearly 3 to 1, reporting expenditures of $800,000 to $275,000 for Yarborough. More than a quarter of Bentsen's expenditures were for broadcast advertising. The purse strings of wealthy, conservative Texans were opened to defeat Yarborough, and Bentsen collected more than 40 individual contributions of more than $2,500 each.

In the general election, Bentsen's Republican opponent was Rep. George Bush (1967-71). Like Bentsen, Bush was a millionaire businessman with a conservative image. There were few major policy differences between the two, and the distinctions that developed were more of style than substance. Against Bush, Bentsen's rhetoric moved back toward the center. Despite the active support of Bush by the Republican administration, Bentsen won with 53.5 per cent.

Senate Career

Although disappointed by Bush's defeat, the White House, expecting Bentsen to vote conservatively in the Senate, hailed Bentsen's election as a "philosophical victory" for the Nixon administration. But the new senator was quick to emphasize his Democratic credentials. Speaking to a group of Democratic women in January 1971, he remarked: "If the Republicans were ready to claim me as a soul brother, why did they send the whole first team down to Texas to campaign and spend millions trying to beat me?"

Aware of Bentsen's conservative campaign against Yarborough, a number of Washington observers were equally surprised by the moderate voting record the new senator compiled. "A lot of people expected Bentsen to be a dinosaur," an informed Texas source told Congressional Quarterly in a 1975 interview, "but one of his first votes was against the SST." Bentsen also showed in early 1971, on a move to change the cloture rule, that he would not be as conservative as most other southern senators. He supported the effort to reduce the majority required to invoke cloture from two-thirds to three-fifths. Throughout his first term, Bentsen's special-interest group ratings have stayed near the center. *(Box, p. 2327)*

Bentsen's Senate staff believes his moderate voting record has helped solidify his Texas political base. One aide commented: "Sen. Bentsen has captured the broad center of Texas almost perfectly," and cited a poll taken for the senator's office in the late spring of 1975. It showed that 59 per cent of the Texas voters approved of Bentsen's performance in the Senate, and indicated that he would defeat Yarborough by better than 2 to 1 if they met in the 1976 Democratic senatorial primary.

But Bentsen's centrist position has its detractors. Billie Carr told CQ: "I don't think he's presidential material or qualified. He brags that he votes with liberals part-time, conservatives part-time. But he's without commitment. He's a poll-taker."

Members of Bentsen's Senate staff disagree. Administrative Assistant Gary Bushell described his boss as a pragmatist who brings a "fact-finding, problem-solving approach" to decision-making. Another Senate aide described Bentsen as a "cool, deliberative, analytical guy, not calculating for himself. Otherwise, frankly, he would have voted with the Democrats on the attempt to override President Ford's oil decontrol veto [Sept. 10, 1975]."

According to many Senate observers, Bentsen's office is one of the most efficient in the Senate. After his election, Bentsen hired a management consultant firm to review the efficiency of other Senate staffs and to make recommendations for the operation of his own. The result was a detailed organizational manual drawn up to pinpoint the responsibilities of each staff member and guide the management of the office. Bentsen has freely delegated responsibility to his aides, and staff rapport is reportedly good. "It's an excellent operation, no two ways about it," observed a Washington Correspondent for a Texas newspaper. A former Bentsen assistant stated that two leading reasons for the office's successful operation are the senator's personal accessibility and managerial expertise: "He has no hesitation to listen to someone normally not in the councils of the office. He's very well organized."

While Bentsen has won praise as an intelligent, well-organized senator who does his homework, he has neither sought nor attracted much public attention. He has allied himself with the Democratic leadership of the Senate, gaining compliments from Majority Leader Mike Mansfield (Mont.) as a man of presidential stature. But Bentsen has won few headlines. "He plays close with the leadership and strains to be moderate," said one source. "He's cautious in what he says, careful not to snipe at colleagues or fellow hustlers for the nomination."

Bentsen's legislative specialty is the economy. He is a member of the Finance, Public Works and Joint Economic Committees and chairs a subcommittee of each. His first extensive national media exposure was in July 1974, when he was chosen by Senate Democrats to deliver the party's televised rebuttal to President Nixon's economic message. It was a prestigious assignment for a Senate freshman. It gave him a forum in his area of expertise. And it may have given momentum to his presidential aspirations.

CQ Vote Study Scores*

	1974	1973	1972	1971
Presidential				
support	37	44	57	61
opposition	34	47	35	37
Voting Participation	74	89	90	89
Party				
unity	48	59	55	57
opposition	32	35	38	36
Conservative Coalition				
support	43	57	56	73
opposition	38	36	34	18
Bipartisan				
support	60	80	80	78
opposition	8	6	9	9

Explanation of studies, 1974 Almanac p. 986, 991, 1001, 1008, 1016.

Positions on Issues

Following is a summary of the positions taken by Bentsen on some major issues since he has been in Congress:

Economy

Bentsen's economic proposals combine New Deal-type public employment programs with tax reforms to help both business and wage-earners. Bentsen's proposals to revive the economy stress the creation of more jobs. He has proposed the creation of a youth-oriented conservation work program similar to the Civilian Conservation Corps of the 1930s, and the establishment of an employment tax credit. Designed to stimulate hiring in the private sector, the latter proposal would give businesses a 10 per cent tax credit on the first year of every new employee's salary.

To spur greater business investment, Bentsen has proposed several measures to increase the available investment capital: principally, a reduction in the interest rate, a decrease in the capital gains taxes for long-held assets, a 400 per cent increase in allowable capital-loss tax deductions and a 10 per cent investment tax credit. In January 1975, Bentsen introduced the Stockholders Investment Act (S 443), designed to increase competition in the stock

market by encouraging the participation of small and medium-sized businesses.

In addition to substantial tax breaks and assists for business, Bentsen has advocated permanent personal income tax cuts totaling $13-billion, and a 20 per cent tax credit for families saving up to $250 yearly for their children's higher education. The tax credit proposal, known as the educational savings plan, was introduced in bill form (S 666) in February 1975.

Bentsen supported the 1975 Tax Reduction Act (PL 94-12), which, in the Senate version, called for a $30-billion tax cut and the repeal of the oil and gas depletion allowance. Both features were modified in a House-Senate conference committee. A permanent depletion allowance exemption for independent oil and gas producers, for which Bentsen had fought, was preserved.

Energy

Bentsen has opposed President Ford's plan to reduce oil imports by one million barrels a day, contending that this would put 500,000 more Americans out of work.

In early 1975, he outlined his own energy plan. It had four basic aspects:

- A rebatable gas tax, starting at 5 cents a gallon in 1976 and increasing to at least 20 cents a gallon four or five years later; tied in would be a reduction in withholding taxes for people of low and middle income.
- An excise tax on bigger cars, coupled with a tax credit for automobiles with good gas mileage.
- The creation of an energy development bank to guarantee loans for developing new energy sources.
- A five-year tax amortization for converting industries from oil to coal.

National Defense

When Bentsen entered the Senate in 1971 he was assigned to the Armed Services Committee. He was expected by many Washington observers to be one of the Nixon administration's regular supporters on defense issues. But in 1972, Bentsen led the unsuccessful Senate fight against the accelerated construction and deployment of the Trident submarine.

Although far from an opponent of the defense establishment, Bentsen has said that the American military could be run more efficiently for less money. In 1973, he cosponsored legislation to create a Defense Manpower Commission designed to eliminate waste.

Foreign Policy

Bentsen has been a strong proponent of increased congressional involvement in foreign policy. In both the 93rd and 94th Congresses, he sponsored bills (S 1472, S 632) requiring the submission of executive agreements to Congress for approval. In 1973, he cosponsored the War Powers Act (PL 93-148), which limited authority to commit U.S. forces abroad without congressional approval.

While asserting that he favors detente, Bentsen has taken a hard line toward the Soviets. He suggested that Ford not attend the summit meeting in July 1975 unless the Soviets promised to comply with the principles of the Helsinki agreement, which prohibits interference in the internal affairs of other nations, and Bentsen charged that there was a possibility that the Soviets were providing financial assistance to Communists in Portugal's civil disturbances.

Bentsen Staff, Advisers

Finance director: George L. Bristol, deputy treasurer of the Democratic National Committee from 1969 to 1972. In private business in Dallas before joining Bentsen as executive assistant in Austin office in 1974.

Director of communications: Bob Healy, a former legislative assistant and speechwriter for Sen. Hubert H. Humphrey (D Minn.) and an aide to Bentsen while chairman of Democratic Senatorial Campaign Committee in 1974.

Director of organization: Ron Platt, a native of Oklahoma who was executive assistant to former Virginia Gov. J. Sargeant Reynolds (D 1970-71) and a campaign consultant before joining Bentsen in January 1975.

Administrative assistant: Gary Bushell, a lawyer who served on the staff of the Federal Power Commission before joining the Bentsen Senate staff in 1972.

Senate press secretary: Jack Devore, a veteran El Paso, Texas, television-radio newsman who joined the Bentsen Senate staff in 1972.

Bentsen's dissatisfaction with administration foreign policy has centered on Secretary of State Henry A. Kissinger, who Bentsen feels exercises too much power. In February 1975, Bentsen described U.S. foreign policy as "dangerously constricted...with an undemocratic emphasis on secret diplomacy, personal negotiations and one-man authoritarianism." In May, he introduced a bill (S 1667) to prohibit one person from simultaneously holding the positions of secretary of state and assistant to the President for national security affairs—dual roles held by Kissinger.

Other Issues

Pension reform: Bentsen considers one of the highlights of his legislative career to be his sponsorship in 1973 and 1974 of a pension reform law (PL 93-406). Bentsen's initial bill was worked into the final version, which established federal standards for private plans.

Transportation: Bentsen is chairman of the Public Works Subcommittee on Transportation. In 1973, he was Senate floor manager of the $20-billion Federal Aid Highway Act (PL 93-87).

Campaign reform: The Texan introduced an amendment to the campaign finance reform bill in 1973, setting a $3,000 limit on individual contributions to a single presidential candidate during each primary and general election campaign. The bill passed the Senate but not the House. When the Federal Election Campaign Act (PL 93-443) became law the next year, a Bentsen amendment was included banning contributions by foreign nations. But the new bill reduced the individual contribution ceiling to $1,000 per election. Bentsen voted for most of the public financing provisions of the bill.

Crime: In July, Bentsen introduced a bill (S 2151) prohibiting possession of a handgun by anyone previously convicted and drawing more than a one-year sentence for a crime involving a handgun. However, Bentsen has opposed tighter gun-control legislation, instead favoring stricter punishment and faster trials for criminals.

Civil Rights: He has opposed school busing. In August, he voted for a seven-year extension of the Voting Rights Act with expanded protection for Spanish-speaking and other language minorities. ▮

—By Rhodes Cook

Democratic Straw Vote:

CARTER SHOWS SURPRISING STRENGTH IN IOWA POLL

Former Gov. Jimmy Carter of Georgia drew some much-needed national attention Oct. 25 by finishing far ahead of other presidential candidates in a straw poll of 1,094 Iowa Democrats taken at a party fundraiser by the *Des Moines Register*.

Iowa is important to Carter and to the national news media because the national selection of convention delegates begins with caucuses there Jan. 19. Those caucuses will provide the first formal clues about how to separate the party's serious contenders from its also-rans.

Throughout most of 1975, Carter has been regarded nationally as one of the also-rans. But Democrats at the fundraiser in Ames, Iowa, gave him 23 per cent of the votes cast in the poll, to 12 per cent for his nearest rival, Sen. Hubert H. Humphrey of Minnesota. After Humphrey were Sen. Birch Bayh of Indiana, 10 per cent; Sargent Shriver, 9 per cent, and Rep. Morris K. Udall of Arizona, 7 per cent. The Udall total was especially surprising because Udall has been considered strong in Iowa.

Jimmy Carter

Carter's campaign manager, Hamilton Jordan, said the poll results were not unexpected. "The poll is satisfying, but not surprising," Jordan told Congressional Quarterly. "We've been focusing on Iowa and other early states for the last eight to 10 months."

As reasons for Carter's early success, Jordan cited his candidate's freedom to campaign full-time, his effectiveness in campaigning before small groups, and his organization within the state. Carter has already campaigned in Iowa seven days, has a full-time field organizer in the state, and has a steering committee that includes prominent labor and black leaders, as well as a leading McCarthy supporter from 1968 and Iowa's Democratic gubernatorial nominee from 1974.

Jordan noted the importance of Iowa to the Carter campaign: "Iowa has one of the most liberal Democratic constituencies in the country. If Carter can sell himself to the Democrats in Iowa, he can sell himself anywhere."

Jordan expects Carter to campaign in the state two or three more times before the Jan. 19 caucuses. While he realizes that the poll has increased the expectation level for Carter in Iowa, Jordan is confident.

The Udall forces acknowledge Carter's position as frontrunner in Iowa, but point out the high expectations that go with that status. "Carter is the front-runner," Udall press secretary Bob Neuman told CQ. "If Carter doesn't win, he'll be hurt." But another Udall campaign aide doubted that Carter's lead was as large as indicated in the straw poll. He cited a September poll taken at Iowa's preliminary precinct caucuses which showed Carter and Udall virtually neck-and-neck, with over 40 per cent uncommitted.

Neuman noted that while the Udall campaign is several weeks behind Carter in organizing in Iowa, the Arizonan will be making a major effort in the state. Udall has already visited Iowa five times since June and is planning four more visits before the end of the year.

On Jan. 19, nearly 2,600 caucuses will be held in Iowa at the precinct level. This will be the opening round in the selection of the state's 47 convention delegates, a process that will not be complete until the state convention May 29. Iowa will have less than two per cent of the convention delegates—but its selection process starts first, and therein lies its importance.

Until 1972, the caucus method of delegate selection drew little public attention. Often little-publicized and poorly attended, caucuses were frequently dominated by the state party leadership. But the Democrats' delegate selection reforms overhauled the caucus system, limiting the power of the party leadership and opening the process to incresed rank-and-file participation. As a result, Sen. George McGovern's committed supporters were able to dominate the selection of delegates in many caucus states in 1972. First evidence of McGovern's organizational strength came in the Iowa precinct caucuses in January 1972. Against Sen. Edmund S. Muskie (D Maine), the acknowledged front-runner at the time, McGovern won nearly 30 per cent of the vote. Although Muskie received a larger percentage, his failure to defeat McGovern decisively in the Iowa caucuses was noted by the media as a major setback. ▮

—By Rhodes Cook

POLITICAL NOTES

Humphrey Leads in Poll

Sen. Hubert H. Humphrey (D Minn.) came out as the top choice of Democrats for his party's presidential nomination in a Gallup poll released Oct. 27. Humphrey's showing reversed a result obtained by Gallup in July, when Alabama Gov. George C. Wallace led Humphrey, 23 per cent to 20. This time, it was Humphrey 23, Wallace 19. Below them came Sen. Henry M. Jackson (Wash.), 11; Sen. George McGovern (S.D.), 9; Sen. Edmund S. Muskie (Maine), 9; and former Peace Corps director Sargent Shriver, 8. Sen. Edward M. Kennedy (Mass.), who has said he does not want the nomination, was not included in the trial heat. A separate poll with Kennedy included gave him 35 per cent, Wallace 14, and Humphrey 13. ▮

Mink and O'Hara Announce

Two veteran House Democrats both said they would leave that chamber to run for the Senate in 1976. Rep. Patsy T. Mink of Hawaii, first elected in 1964, announced Oct. 25 that she would challenge Republican Sen. Hiram L. Fong. On Oct. 28 Rep. James G. O'Hara of Michigan, a House member for nine terms, declared his intention to run for the Senate seat being vacated by Democrat Philip A. Hart. ▮

PROMOTION OF AIR FORCE OFFICER APPROVED

Holding Air Force Maj. Gen. Alton D. Slay blameless for his role in the unauthorized 1972 bombing of North Vietnam that was ordered by a superior, the Senate Oct. 28 confirmed the nomination of Slay for promotion to Lieutenant General.

By approving the promotion on a 49-43 vote, the Senate rejected the arguments of Birch Bayh (D Ind.) that Slay "knowingly accepted and executed orders to conduct air strikes in Vietnam contrary" to U.S. government regulations "and participated in falsification of reports regarding those strikes in order to conceal them."

Maj. Gen. Alton D. Slay

Republicans overwhelmingly (25-11) voted in favor of his promotion, while a majority of Democrats (24-32) opposed it. *(Vote 454, p. 2336)*

Slay was deputy for operations to Maj. Gen. John Lavelle in Vietnam early in 1972 when Lavelle, on his own authority, ordered bombing raids on North Vietnamese targets in violation of the Defense Department's "rules of engagement" that restricted strikes to retaliation against enemy attacks.

Lavelle's actions were investigated by the Senate Armed Services Committee in September 1972. However, he alone was found responsible for the violations and was retired from the Air Force. *(1972 Almanac p. 813)*

Denouncing Bayh's accusations, Strom Thurmond (R S.C.) declared that Slay "was merely executing the orders issued to him by a superior officer."

The basic issue before the Senate, Thurmond suggested, is "whether every subordinate commander...is to be charged with the responsibility of second-guessing whether the commander has authority to issue the order received by the subordinate."

Although Barry Goldwater (R Ariz.) said he saw "nothing in the activities of General Slay that discredits him a bit," Bayh pointed out that Slay had admitted during the 1972 Lavelle hearings that he knew the rules of engagement were violated, and he had falsified reports in violation of the Uniform Code of Military Justice. "And yet he refused to report this activity to higher authority."

Earlier Vote

Goldwater, Thurmond and others who supported Slay's promotion insisted that the officer's fitness for higher rank had been thrashed out by the Senate in 1974 and that no new facts relating to the 1972 bombings had arisen since then.

On April 24, 1974, the Senate approved Slay's nomination for the rank of permanent major general by a 51-36 vote. *(Vote 142, 1974 Almanac p. 23-S)*

On July 24, 1975, the Armed Services Committee routinely approved Slay's nomination for promotion to lieutenant general without objection, but the nomination had been held up since then.

Slay's Role

The unauthorized bombing of North Vietnam occurred in 1971 and 1972 at a time when U.S. air missions were restricted to reconnaissance flights over enemy territory. Under the rules of engagement, accompanying armed escort aircraft could fire only when the reconnaissance mission was fired upon or targeted by North Vietnamese artillery.

But in late 1971 Gen. Lavelle began ordering premeditated air strikes, which were in violation of the rules of engagement established by civilian Pentagon officials. Between November 1971 and February 1972, about 25 illegal strikes were carried out by Lavelle's 7th Air Force command.

As the operations officer for the command, Slay was responsible for planning and executing the missions

> *The basic issue is "whether every subordinate commander...is to be charged with the responsibility of second-guessing whether the commander has authority to issue the order received by the subordinate."*
>
> —Sen. Strom Thurmond (R S.C.)

ordered by Lavelle, ordering the pilots to strike North Vietnamese targets and directing the preparation of falsified reports that showed enemy counteraction when there was none.

"He carried out these orders dutifully, though he later stated that he was an expert in the rules of engagement and that he believed all along that such preplanned strikes violated these rules," Bayh said.

While Slay's supporters stressed that the Air Force officer had no choice but to follow Lavelle's orders because of the nature of military operations and procedures, Bayh countered that Slay's responsibility actually was to those above Lavelle who had issued the rules of engagement.

"If we have a civilian authority enumerating rules of engagement, then do we permit a subordinate military officer to subvert the intention of that civilian authority?" Bayh asked.

Approval for Raids

A persistent critic of the rules of engagement established during the Vietnam war, Goldwater told the Senate that U.S. commanders in Southeast Asia had repeatedly asked for permission to fire on enemy targets during the 1971-72 period. Although these requests were turned down by the Joint Chiefs of Staff because of the warfare rules promulgated by the Defense Department's civilian chiefs, Goldwater said he suspected that approval for Lavelle's raids had come through channels "right from the President."

"I have no proof of that," Goldwater added, "but these that he believed all along that such preplanned strikes orders [from the President] are never broken by men in uniform."

Replied Bayh: "If we are to assume that the President had, in some circuitous manner, conveyed these orders, and that the President was ordering these strikes, then I think we have to open up this investigation again...." ▮

—By David M. Maxfield

Defense Department Budget

In a severe setback for the Pentagon, the Senate Appropriations Defense Subcommittee Oct. 29 recommended a $90.6-billion fiscal 1976 appropriations bill for the Defense Department. This amount was about $2.2-billion less than that requested Oct. 21 by Secretary of Defense James R. Schlesinger and $7.2-billion below the administration's original budget request for military procurement, research and operations activities.

Although the subcommittee added $405.9-million to the $90.2-billion appropriations bill (HR 9861) approved by the House Oct. 2, the Defense Department reportedly had expected at least a $1.5-billion increase over the House-passed amount. *(House action, Weekly Report p. 2100)*

Also displeased with the subcommittee's recommendation, which is expected to be considered by the full Appropriations Committee Nov. 3-7, were a number of liberal Democratic senators who are expected to press for further cuts in the bill when it reaches the Senate floor.

The panel's resistance to Schlesinger's demands was prompted by calculations by the Congressional Budget Office that a major increase in defense funds for fiscal 1976 would seriously violate the guidelines set by Congress in May for spending on national security programs.

Included in the $405.9-million added by the Senate subcommittee to the House bill were: 1) $140-million for the purchase of airborne control and warning systems (AWACS) and 2) $40-million for the operation of the Safeguard antiballistic missile defense system in North Dakota. The subcommittee left to the full committee consideration of $110-million already in the House version for advanced research and development of the Navy-Marine F-18 fighter plane.

Appropriations Committee Chairman John L. McClellan (D Ark.) issued a statement Oct. 29 contending that the subcommittee's amount would fall within the congressional budget guidelines, but Senate Budget Committee Chairman Edmund S. Muskie (D Maine) had no immediate comment and said he needed more time to evaluate the bill in detail.

Intelligence Committee:

PROBE OF CABLE MONITORING

Ignoring the protests of the Ford administration, the Senate Select Intelligence Committee Oct. 29 initiated an unprecedented public investigation of the activities of the National Security Agency, a component of the Defense Department that is responsible for foreign intelligence gathering by electronic means as well as for developing and breaking secret communications codes.

Drawing the committee's attention was the agency's 1967-73 monitoring of international cable and telephone traffic to spot Americans suspected of narcotics dealings, terrorism and anti-Vietnam war activities.

Intelligence committee Chairman Frank Church (D Idaho) called the NSA activities of "questionable propriety and legality" and suggested that legislative action was necessary to assure that the NSA did not again intrude into the "inalienable rights guaranteed Americans by the Constitution."

The committee's vice chairman, John G. Tower (R Texas), however, sided with the Ford administration in opposing the public hearings, arguing that disclosure of the agency's past activities could "adversely affect" the nation's security.

Allen Testimony

Outlining the monitoring operations to the committee, NSA Director Lt. Gen. Lew Allen Jr. testified that beginning in 1967 such agencies as the CIA, FBI and the Secret Service supplied lists of persons and organizations to the NSA "in an effort to obtain information which was available in foreign communications as a by-product of our normal foreign intelligence mission."

Allen said that the initial purpose of the cable and telephone monitoring was to "determine the existence of foreign influence" on civil disturbances occurring throughout the nation. Later, the surveillance was expanded to include names of persons suspected of drug trafficking and acts of terrorism.

These so-called "watch lists" covered several categories of persons of interest to U.S. intelligence agencies, Allen explained, including:

- 450 Americans and 3,000 foreigners suspected of illegal drug activities by the Bureau of Narcotics and Dangerous Drugs.
- 180 American individuals and groups as well as 525 foreign persons suspected by the Secret Service of endangering President Johnson's security.
- 30 Americans and about 700 foreigners and groups suspected by the CIA of extremist and terrorist activities.
- 20 Americans who had traveled to North Vietnam and were suspected by the Defense Intelligence Agency of being links to "possible foreign control or influence on U.S. anti-war activity."

Between 1967 and 1973, there was a cumulative total of about 450 names on the narcotics list and about 1,200 U.S. names on all the other lists combined, Allen stated.

"We estimate that over this six-year period, about 2,000 reports were issued by the National Security Agency on international narcotics trafficking and about 1,900 reports were issued covering the three areas of terrorism, executive protection and foreign influence over U.S. groups. These reports included some messages between U.S. citizens, but

(Continued on p. 2339)

476. HR 6227. Federal Employees Right to Representation. Passage of the bill to provide federal employees under investigation for misconduct the right to representation during questioning regarding the alleged misconduct. Passed 217-163: R 15-113; D 202-50 (ND 156-17; SD 46-33), Oct. 28, 1975. A "nay" was a vote supporting the President's position.

477. HR 8835. Truth in Leasing. Passage of the bill to require companies leasing consumer goods to disclose fully the terms and costs of the lease. Passed 339-41: R 98-25; D 241-16 (ND 170-6; SD 71-10), Oct. 28, 1975. *(Story, p. 2324)*

478. S 2195. National Productivity Center. Passage of the bill to establish a permanent National Center for Productivity and Quality of Working Life to expand productivity in both the private and public sectors of the economy. Passed 208-188: R 59-75; D 149-113 (ND 120-59; SD 29-54), Oct. 28, 1975. *(Story, p. 2306)*

479. HR 10049. Debt Limit Extension. Adoption of the rule (H Res 828) providing for House floor consideration of the bill to extend the temporary federal debt limit through March 31, 1976, at a $597-billion level. Adopted 320-70: R 94-36; D 226-34 (ND 165-15; SD 61-19), Oct. 29, 1975. *(Story, p. 2305)*

480. HR 10049. Debt Limit Extension. Passage of the bill to extend the temporary federal debt ceiling through March 31, 1976, and raise the limit to $597-billion from $577-billion. Rejected 178-217: R 42-87; D 136-130 (ND 106-77; SD 30-53), Oct. 29, 1975. *(Story, p. 2305)*

KEY

Y Voted for (yea)
✓ Paired for.
† Announced for.
N Voted against (nay).
X Paired against.
- Announced against.
P Voted "present."
● Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.

	476	477	478	479	480
ALABAMA					
1 Edwards	N	Y	N	Y	Y
2 Dickinson	?	?	N	N	N
3 Nichols	Y	Y	N	Y	N
4 Bevill	Y	Y	N	Y	N
5 Jones	?	?	?	Y	Y
6 Buchanan	?	?	Y	Y	N
7 Flowers	Y	Y	Y	Y	N
ALASKA					
AL Young	N	Y	N	N	N
ARIZONA					
1 Rhodes	N	Y	Y	?	✓
2 Udall	?	?	?	?	Y
3 Steiger	N	?	N	Y	N
4 Conlan	X	?	N	N	N
ARKANSAS					
1 Alexander	Y	Y	N	Y	N
2 Mills	Y	Y	Y	?	Y
3 Hammerschmidt	Y	Y	N	Y	Y
4 Thornton	Y	Y	Y	Y	Y
CALIFORNIA					
1 Johnson	Y	Y	Y	Y	Y
2 Clausen	N	Y	N	Y	X
3 Moss	Y	Y	N	Y	Y
4 Leggett	Y	Y	Y	Y	Y
5 Burton, J.	Y	Y	N	Y	N
6 Burton, P.	Y	Y	Y	?	Y
7 Miller	Y	Y	N	Y	N
8 Dellums	Y	Y	Y	Y	N
9 Stark	Y	Y	Y	Y	Y
10 Edwards	Y	Y	Y	Y	Y
11 Ryan	N	Y	N	Y	Y
12 McCloskey	Y	Y	N	Y	Y
13 Mineta	Y	Y	Y	Y	Y
14 McFall	Y	Y	Y	Y	Y
15 Sisk	✓	?	?	?	✓
16 Talcott	N	Y	N	Y	N
17 Krebs	Y	Y	Y	Y	N
18 Ketchum	?	?	?	?	X
19 Lagomarsino	N	Y	N	N	N
20 Goldwater	N	Y	N	N	N
21 Corman	Y	Y	Y	Y	Y
22 Moorhead	N	Y	N	N	N
23 Rees	Y	Y	Y	Y	?
24 Waxman	Y	Y	Y	Y	Y
25 Roybal	Y	Y	Y	Y	Y
26 Rousselot	N	N	N	N	N
27 Bell	N	Y	N	Y	N
28 Burke	Y	Y	Y	Y	Y
29 Hawkins	Y	Y	Y	Y	Y
30 Danielson	Y	Y	N	Y	N
31 Wilson	Y	Y	Y	Y	N
32 Anderson	Y	Y	Y	N	N
33 Clawson	N	Y	N	N	N
34 Hannaford	Y	Y	Y	Y	Y
35 Lloyd	N	Y	N	Y	N
36 Brown	Y	Y	Y	Y	Y
37 Pettis	N	Y	N	Y	Y
38 Patterson	Y	Y	N	Y	N
39 Wiggins	X	?	X	?	✓
40 Hinshaw	N	Y	N	Y	X
41 Wilson	N	Y	Y	Y	Y
42 Van Deerlin	Y	Y	Y	Y	Y
43 Burgener	N	Y	N	Y	N
COLORADO					
1 Schroeder	Y	Y	N	Y	N
2 Wirth	?	?	✓	Y	N
3 Evans	Y	Y	N	Y	Y
4 Johnson	N	N	N	N	N
5 Armstrong	N	N	N	N	N
CONNECTICUT					
1 Cotter	Y	Y	Y	Y	Y
2 Dodd	Y	Y	Y	Y	N
3 Giaimo	Y	Y	Y	Y	Y
4 McKinney	N	Y	Y	?	X
5 Sarasin	X	?	?	?	X
6 Moffett	Y	Y	N	Y	N
DELAWARE					
AL du Pont	N	Y	N	Y	Y
FLORIDA					
1 Sikes	Y	Y	N	Y	N
2 Fuqua	N	Y	N	Y	N
3 Bennett	N	Y	Y	Y	N
4 Chappell	Y	Y	Y	N	N
5 Kelly	?	?	Y	N	N
6 Young	N	Y	N	N	N
7 Gibbons	N	N	Y	N	N
8 Haley	N	Y	Y	N	N
9 Frey	N	Y	N	Y	N
10 Bafalis	N	Y	N	N	N
11 Rogers	N	Y	N	N	N
12 Burke	X	?	?	?	X
13 Lehman	Y	●	Y	?	?
14 Pepper	✓	Y	Y	Y	Y
15 Fascell	Y	Y	Y	Y	N
GEORGIA					
1 Ginn	?	?	?	N	N
2 Mathis	N	N	N	N	N
3 Brinkley	?	?	?	N	N
4 Levitas	Y	Y	Y	N	N
5 Young	Y	Y	Y	Y	?
6 Flynt	N	N	N	Y	N
7 McDonald	N	N	N	N	N
8 Stuckey	?	Y	N	Y	N
9 Landrum	N	N	N	?	Y
10 Stephens	N	Y	N	Y	N
HAWAII					
1 Matsunaga	Y	Y	Y	Y	Y
2 Mink	?	?	?	?	?
IDAHO					
1 Symms	N	N	N	N	N
2 Hansen, G.	N	N	N	N	N
ILLINOIS					
1 Metcalfe	Y	Y	Y	Y	Y
2 Murphy	Y	Y	Y	Y	Y
3 Russo	Y	Y	N	N	N
4 Derwinski	N	Y	N	Y	Y
5 Fary	?	?	?	?	✓
6 Hyde	N	Y	N	Y	N
7 Collins	Y	Y	Y	Y	Y
8 Rostenkowski	Y	Y	Y	Y	Y
9 Yates	Y	Y	Y	Y	Y
10 Mikva	Y	Y	N	Y	Y
11 Annunzio	✓	?	✓	?	✓
12 Crane	N	N	N	N	N
13 McClory	N	Y	Y	Y	Y
14 Erlenborn	N	Y	Y	Y	Y
15 Hall	Y	Y	Y	Y	Y
16 Anderson	Y	Y	Y	Y	Y
17 O'Brien	N	Y	N	Y	Y
18 Michel	N	Y	Y	Y	Y
19 Railsback	N	Y	Y	Y	Y
20 Findley	N	Y	N	Y	Y
21 Madigan	Y	Y	Y	Y	Y
22 Shipley	N	Y	Y	Y	Y
23 Price	Y	Y	Y	Y	Y
24 Simon	Y	Y	Y	Y	Y
INDIANA					
1 Madden	Y	Y	Y	Y	Y
2 Fithian	Y	Y	Y	Y	N
3 Brademas	Y	Y	Y	Y	Y
4 Roush	Y	Y	Y	Y	Y
5 Hillis	N	Y	Y	Y	N
6 Evans	Y	Y	Y	N	N
7 Myers	N	N	N	Y	N
8 Hayes	Y	Y	Y	Y	Y
9 Hamilton	?	Y	Y	Y	Y
10 Sharp	Y	Y	N	Y	Y
11 Jacobs	Y	Y	N	Y	N
IOWA					
1 Mezvinsky	Y	Y	N	Y	Y
2 Blouin	Y	Y	N	Y	N
3 Grassley	N	Y	N	N	N
4 Smith	Y	Y	N	Y	Y
5 Harkin	Y	Y	N	Y	N
6 Bedell	N	Y	N	Y	N

Democrats ***Republicans***

	476	477	478	479	480
KANSAS					
1 Sebelius	N	Y	Y	Y	N
2 Keys	Y	Y	N	Y	N
3 Winn	N	Y	Y	Y	N
4 Shriver	N	Y	Y	Y	N
5 Skubitz	N	Y	Y	Y	N
KENTUCKY					
1 Hubbard	N	Y	N	N	N
2 Natcher	Y	Y	N	Y	N
3 Mazzoli	Y	†	Y	Y	N
4 Snyder	N	Y	N	N	N
5 Carter	N	Y	Y	Y	Y
6 Breckinridge	Y	Y	N	Y	Y
7 Perkins	Y	Y	Y	Y	Y
LOUISIANA					
1 Hebert	X	?	X	?	✓
2 Boggs	Y	Y	Y	Y	Y
3 Treen	N	N	Y	Y	N
4 Waggonner	N	N	N	Y	Y
5 Passman	N	Y	N	Y	Y
6 Moore	N	Y	Y	N	N
7 Breaux	X	?	X	?	✓
8 Long	Y	Y	Y	Y	Y
MAINE					
1 Emery	Y	Y	N	N	N
2 Cohen	Y	Y	Y	Y	N
MARYLAND					
1 Bauman	N	N	N	N	N
2 Long	N	Y	N	?	Y
3 Sarbanes	Y	Y	Y	Y	Y
4 Holt	N	N	N	N	N
5 Spellman	Y	Y	Y	Y	N
6 Byron	N	N	N	N	N
7 Mitchell	Y	Y	Y	?	✓
8 Gude	Y	Y	Y	Y	Y
MASSACHUSETTS					
1 Conte	?	Y	Y	Y	Y
2 Boland	Y	Y	Y	Y	Y
3 Early	Y	Y	Y	N	N
4 Drinan	Y	Y	Y	Y	N
5 Tsongas	Y	Y	Y	Y	N
6 Harrington	Y	Y	Y	Y	N
7 Macdonald	Y	Y	Y	Y	Y
8 O'Neill	Y	Y	Y	Y	Y
9 Moakley	Y	Y	Y	Y	?
10 Heckler	Y	Y	Y	Y	N
11 Burke	Y	Y	Y	Y	N
12 Studds	Y	Y	N	Y	N
MICHIGAN					
1 Conyers	Y	Y	Y	Y	N
2 Esch	?	?	?	?	?
3 Brown	N	Y	Y	Y	N
4 Hutchinson	N	Y	N	Y	N
5 Vander Veen	Y	Y	N	Y	Y
6 Carr	Y	Y	N	N	N
7 Riegle	Y	Y	Y	?	✓
8 Traxler	Y	Y	N	Y	Y
9 Vander Jagt	N	Y	Y	Y	Y
10 Cederberg	X	?	N	Y	Y
11 Ruppe	N	Y	Y	Y	Y
12 O'Hara	Y	Y	N	?	✓
13 Diggs	✓	Y	Y	?	N
14 Nedzi	✓	?	?	?	✓
15 Ford	?	?	?	Y	Y
16 Dingell	Y	Y	N	Y	N
17 Brodhead	Y	Y	Y	Y	Y
18 Blanchard	Y	Y	Y	N	N
19 Broomfield	N	Y	Y	Y	Y
MINNESOTA					
1 Quie	N	Y	N	Y	N
2 Hagedorn	N	Y	N	Y	N
3 Frenzel	N	Y	N	Y	Y
4 Karth	Y	Y	Y	Y	Y
5 Fraser	?	?	?	?	?
6 Nolan	Y	Y	N	Y	N
7 Bergland	Y	Y	Y	Y	Y
8 Oberstar	Y	Y	Y	Y	Y
MISSISSIPPI					
1 Whitten	N	Y	N	Y	N
2 Bowen	N	Y	N	Y	N
3 Montgomery	N	Y	N	Y	N
4 Cochran	N	N	Y	Y	N
5 Lott	N	N	Y	Y	N
MISSOURI					
1 Clay	Y	Y	Y	?	Y
2 Symington	?	?	?	Y	X
3 Sullivan	Y	Y	N	Y	N
4 Randall	Y	Y	N	Y	N
5 Bolling	Y	Y	Y	Y	Y
6 Litton	?	?	?	Y	N
7 Taylor	N	N	N	N	N
8 Ichord	N	N	N	Y	N
9 Hungate	Y	Y	N	Y	Y
10 Burlison	N	Y	N	Y	N
MONTANA					
1 Baucus	Y	Y	N	Y	N
2 Melcher	Y	Y	Y	Y	Y
NEBRASKA					
1 Thone	N	Y	Y	Y	N
2 McCollister	N	N	N	Y	N
3 Smith	N	Y	N	Y	N
NEVADA					
AL Santini	N	Y	N	Y	N
NEW HAMPSHIRE					
1 D'Amours	Y	Y	N	Y	N
2 Cleveland	X	?	?	?	X
NEW JERSEY					
1 Florio	Y	Y	N	Y	N
2 Hughes	Y	N	N	Y	N
3 Howard	Y	Y	Y	Y	Y
4 Thompson	Y	Y	Y	Y	Y
5 Fenwick	Y	Y	Y	Y	Y
6 Forsythe	N	N	N	Y	Y
7 Maguire	Y	Y	Y	Y	N
8 Roe	Y	Y	Y	Y	N
9 Helstoski	Y	Y	Y	Y	N
10 Rodino	Y	Y	Y	Y	Y
11 Minish	Y	Y	Y	Y	Y
12 Rinaldo	Y	Y	N	Y	N
13 Meyner	†	†	N	Y	Y
14 Daniels	Y	Y	Y	Y	Y
15 Patten	✓	?	?	Y	Y
NEW MEXICO					
1 Lujan	X	?	X	?	X
2 Runnels	N	N	N	Y	N
NEW YORK					
1 Pike	Y	Y	Y	Y	Y
2 Downey	Y	Y	Y	N	N
3 Ambro	Y	Y	Y	?	N
4 Lent	?	?	?	?	?
5 Wydler	N	Y	Y	Y	Y
6 Wolff	Y	Y	N	N	N
7 Addabbo	Y	Y	Y	Y	Y
8 Rosenthal	Y	Y	Y	Y	N
9 Delaney	Y	Y	N	Y	Y
10 Biaggi	Y	Y	N	Y	N
11 Scheuer	?	?	Y	N	N
12 Chisholm	Y	Y	Y	Y	Y
13 Solarz	✓	?	?	?	?
14 Richmond	Y	Y	Y	Y	N
15 Zeferetti	Y	Y	N	Y	N
16 Holtzman	Y	Y	Y	N	N
17 Murphy	✓	?	✓	?	✓
18 Koch	Y	Y	Y	Y	Y
19 Rangel	Y	Y	Y	Y	Y
20 Abzug	✓	?	✓	?	X
21 Badillo	Y	Y	Y	Y	Y
22 Bingham	Y	Y	Y	Y	Y
23 Peyser	Y	Y	Y	Y	Y
24 Ottinger	Y	Y	Y	Y	Y
25 Fish	Y	Y	Y	Y	N
26 Gilman	N	Y	N	Y	N
27 McHugh	Y	Y	Y	Y	Y
28 Stratton	?	?	Y	Y	Y
29 Pattison	Y	N	N	Y	N
30 McEwen	N	N	Y	Y	Y
31 Mitchell	N	Y	Y	Y	N
32 Hanley	Y	Y	Y	Y	Y
33 Walsh	N	Y	N	Y	N
34 Horton	N	?	?	?	?
35 Conable	N	N	N	Y	Y
36 LaFalce	Y	Y	Y	Y	N
37 Nowak	Y	Y	Y	Y	N
38 Kemp	N	Y	N	Y	N
39 Hastings	N	N	Y	Y	N
NORTH CAROLINA					
1 Jones	N	Y	N	Y	N
2 Fountain	Y	Y	N	Y	N
3 Henderson	Y	Y	N	Y	N
4 Andrews	?	Y	N	Y	N
5 Neal	Y	Y	N	Y	N
6 Preyer	Y	Y	Y	Y	Y
7 Rose	N	Y	N	Y	N
8 Hefner	Y	Y	N	Y	N
9 Martin	N	Y	Y	?	X
10 Broyhill	N	Y	N	Y	N
11 Taylor	N	Y	N	Y	N
NORTH DAKOTA					
AL Andrews	N	Y	Y	Y	N
OHIO					
1 Gradison	N	Y	Y	Y	N
2 Clancy	N	Y	N	N	N
3 Whalen	?	?	?	Y	Y
4 Guyer	N	Y	Y	Y	N
5 Latta	N	Y	N	N	N
6 Harsha	N	N	Y	N	N
7 Brown	?	?	?	?	?
8 Kindness	N	N	Y	N	N
9 Ashley	Y	Y	Y	Y	Y
10 Miller	N	N	Y	N	N
11 Stanton	N	Y	Y	Y	Y
12 Devine	N	Y	N	N	N
13 Mosher	N	Y	Y	Y	Y
14 Seiberling	Y	Y	N	Y	Y
15 Wylie	N	Y	Y	N	N
16 Regula	N	?	Y	Y	N
17 Ashbrook	N	Y	N	N	N
18 Hays	Y	Y	Y	Y	N
19 Carney	Y	Y	Y	Y	N
20 Stanton	Y	Y	N	Y	Y
21 Stokes	Y	Y	Y	Y	Y
22 Vanik	?	?	N	Y	Y
23 Mottl	Y	Y	Y	Y	N
OKLAHOMA					
1 Jones	Y	Y	Y	N	N
2 Risenhoover	N	Y	Y	?	X
3 Albert					
4 Steed	Y	Y	Y	Y	Y
5 Jarman	X	?	N	Y	Y
6 English	Y	Y	N	N	N
OREGON					
1 AuCoin	N	N	N	Y	Y
2 Ullman	N	Y	Y	Y	Y
3 Duncan	?	?	?	Y	Y
4 Weaver	Y	Y	N	Y	N
PENNSYLVANIA					
1 Barrett	Y	Y	?	Y	Y
2 Nix	Y	Y	Y	N	N
3 Green	✓	?	?	?	✓
4 Eilberg	Y	Y	Y	Y	Y
5 Schulze	N	Y	Y	Y	N
6 Yatron	Y	Y	Y	Y	N
7 Edgar	Y	Y	Y	Y	Y
8 Biester	Y	Y	N	Y	Y
9 Shuster	N	N	N	?	N
10 McDade	N	?	Y	Y	Y
11 Flood	Y	Y	Y	Y	Y
12 Murtha	Y	Y	Y	Y	N
13 Coughlin	N	Y	N	Y	N
14 Moorhead	Y	Y	Y	Y	Y
15 Rooney	Y	Y	Y	Y	Y
16 Ichleman	N	Y	Y	Y	N
17 Schneebeli	N	Y	N	Y	Y
18 Heinz	Y	Y	Y	?	?
19 Goodling, W.	N	Y	Y	Y	N
20 Gaydos	Y	Y	Y	N	N
21 Dent	Y	Y	N	Y	N
22 Morgan	Y	Y	Y	Y	Y
23 Johnson	N	Y	Y	Y	Y
24 Vigorito	?	?	?	Y	Y
25 Myers	N	Y	N	Y	Y
RHODE ISLAND					
1 St Germain	Y	Y	Y	Y	Y
2 Beard	†	Y	?	Y	Y
SOUTH CAROLINA					
1 Davis	Y	Y	Y	N	N
2 Spence	N	Y	N	N	N
3 Derrick	Y	Y	N	Y	N
4 Mann	Y	Y	N	Y	N
5 Holland	Y	Y	Y	N	N
6 Jenrette	Y	Y	N	Y	X
SOUTH DAKOTA					
1 Prassler	Y	Y	Y	N	N
2 Abdnor	N	Y	N	Y	N
TENNESSEE					
1 Quillen	N	●	N	Y	N
2 Duncan	N	Y	N	Y	N
3 Lloyd	N	Y	N	N	N
4 Evins	Y	Y	N	Y	N
5 Vacancy					
6 Beard	N	Y	N	Y	N
7 Jones	N	Y	N	N	N
8 Ford	Y	Y	N	Y	N
TEXAS					
1 Patman	Y	Y	Y	Y	Y
2 Wilson	N	Y	N	Y	N
3 Collins	N	N	N	Y	N
4 Roberts	N	N	N	Y	N
5 Steelman	N	†	Y	Y	N
6 Teague	Y	Y	Y	Y	Y
7 Archer	N	N	N	Y	N
8 Eckhardt	Y	Y	N	?	Y
9 Brooks	Y	Y	Y	Y	Y
10 Pickle	Y	Y	N	Y	Y
11 Poage	N	N	N	N	N
12 Wright	Y	Y	N	Y	Y
13 Hightower	N	Y	N	N	N
14 Young	Y	Y	N	Y	Y
15 de la Garza	?	Y	N	Y	N
16 White	Y	Y	N	Y	N
17 Burleson	N	N	N	Y	Y
18 Jordan	Y	Y	Y	Y	Y
19 Mahon	N	Y	N	Y	Y
20 Gonzalez	Y	Y	N	Y	Y
21 Krueger	N	Y	Y	Y	Y
22 Casey	N	Y	N	Y	Y
23 Kazen	Y	Y	N	Y	Y
24 Milford	?	?	?	?	?
UTAH					
1 McKay	Y	Y	N	Y	Y
2 Howe	Y	Y	N	N	N
VERMONT					
AL Jeffords	N	Y	Y	Y	Y
VIRGINIA					
1 Downing	N	Y	N	Y	Y
2 Whitehurst	N	Y	N	Y	Y
3 Satterfield	N	N	N	N	N
4 Daniel	N	Y	N	Y	N
5 Daniel	N	Y	N	Y	N
6 Butler	N	N	Y	Y	N
7 Robinson	N	Y	N	Y	N
8 Harris	Y	Y	Y	Y	N
9 Wampler	N	Y	N	Y	N
10 Fisher	Y	Y	Y	Y	Y
WASHINGTON					
1 Pritchard	N	Y	N	Y	Y
2 Meeds	Y	Y	Y	Y	Y
3 Bonker	Y	Y	Y	Y	N
4 McCormack	N	Y	Y	Y	Y
5 Foley	N	Y	Y	Y	Y
6 Hicks	Y	Y	Y	Y	Y
7 Adams	N	Y	N	Y	Y
WEST VIRGINIA					
1 Mollohan	N	Y	Y	Y	Y
2 Staggers	Y	Y	Y	Y	Y
3 Slack	N	Y	Y	Y	Y
4 Hechler	Y	Y	N	N	N
WISCONSIN					
1 Aspin	Y	Y	N	Y	N
2 Kastenmeier	Y	Y	N	Y	N
3 Baldus	Y	Y	Y	Y	N
4 Zablocki	Y	Y	Y	Y	Y
5 Reuss	Y	Y	Y	Y	Y
6 Steiger	N	Y	Y	N	Y
7 Obey	Y	Y	Y	Y	Y
8 Cornell	Y	Y	Y	Y	Y
9 Kasten	N	Y	N	N	N
WYOMING					
AL Roncalio	?	?	N	Y	N

Democrats ***Republicans***

	453	454	455	456	457
ALABAMA					
Allen	Y	Y	Y	Y	N
Sparkman	Y	Y	Y	Y	Y
ALASKA					
Gravel	Y	N	N	N	Y
Stevens	Y	Y	N	Y	Y
ARIZONA					
Fannin	Y	Y	Y	Y	N
Goldwater	Y	Y	Y	Y	N
ARKANSAS					
Bumpers	Y	Y	N	Y	Y
McClellan	Y	Y	Y	N	Y
CALIFORNIA					
Cranston	Y	N	N	N	Y
Tunney	Y	N	N	N	Y
COLORADO					
Hart	Y	Y	N	N	Y
Haskell	Y	N	N	N	Y
CONNECTICUT					
Ribicoff	Y	N	N	N	Y
Weicker	Y	N	N	N	Y
DELAWARE					
Biden	Y	N	?	Y	Y
Roth	Y	N	N	Y	N
FLORIDA					
Chiles	Y	Y	N	N	Y
Stone	Y	N	N	Y	Y
GEORGIA					
Nunn	Y	Y	Y	N	Y
Talmadge	Y	Y	Y	N	Y
HAWAII					
Inouye	?	?	Y	Y	Y
Fong	Y	Y	Y	Y	Y
IDAHO					
Church	Y	N	Y	N	Y
McClure	Y	Y	N	N	N
ILLINOIS					
Stevenson	Y	N	N	N	Y
Percy	Y	Y	N	N	Y
INDIANA					
Bayh	Y	N	?	Y	Y
Hartke	Y	N	N	Y	Y
IOWA					
Clark	Y	N	N	N	Y
Culver	Y	N	N	N	Y
KANSAS					
Dole	Y	Y	Y	N	Y
Pearson	Y	N	N	Y	Y
KENTUCKY					
Ford	Y	P	Y	Y	Y
Huddleston	Y	N	Y	N	Y
LOUISIANA					
Johnston	Y	Y	N	N	Y
Long	Y	Y	N	N	Y
MAINE					
Hathaway	Y	N	N	N	Y
Muskie	Y	N	N	N	Y
MARYLAND					
Beall	Y	N	N	Y	?
Mathias	Y	N	N	Y	?
MASSACHUSETTS					
Kennedy	Y	N	N	N	Y
Brooke	Y	N	N	N	Y
MICHIGAN					
Hart	?	?	?	?	?
Griffin	Y	Y	Y	Y	Y
MINNESOTA					
Humphrey	Y	N	N	Y	Y
Mondale	Y	N	N	Y	Y
MISSISSIPPI					
Eastland	Y	Y	Y	N	N
Stennis	?	?	?	?	?
MISSOURI					
Eagleton	Y	N	N	N	Y
Symington	Y	Y	N	N	Y
MONTANA					
Mansfield	Y	N	Y	N	Y
Metcalf	Y	N	?	N	Y
NEBRASKA					
Curtis	Y	Y	N	Y	?
Hruska	Y	Y	Y	Y	Y
NEVADA					
Cannon	Y	Y	Y	?	?
Laxalt	Y	Y	Y	Y	Y
NEW HAMPSHIRE					
Durkin	Y	N	N	N	Y
McIntyre	Y	N	N	N	Y
NEW JERSEY					
Williams	Y	N	N	Y	Y
Case	Y	N	N	Y	Y
NEW MEXICO					
Montoya	?	?	?	Y	Y
Domenici	Y	Y	N	N	Y
NEW YORK					
Buckley*	?	?	N	N	Y
Javits	Y	N	N	Y	Y
NORTH CAROLINA					
Morgan	Y	Y	Y	Y	Y
Helms	Y	Y	Y	Y	N
NORTH DAKOTA					
Burdick	Y	Y	Y	N	Y
Young	Y	Y	Y	Y	Y
OHIO					
Glenn	Y	Y	Y	N	Y
Taft	Y	?	?	Y	Y
OKLAHOMA					
Bartlett	Y	Y	N	Y	?
Bellmon	Y	Y	N	N	N
OREGON					
Hatfield	Y	N	N	Y	Y
Packwood	Y	N	Y	Y	Y
PENNSYLVANIA					
Schweiker	Y	N	N	Y	Y
Scott	Y	Y	N	N	Y
RHODE ISLAND					
Pastore	Y	Y	N	N	Y
Pell	Y	N	N	N	Y
SOUTH CAROLINA					
Hollings	?	?	?	N	Y
Thurmond	Y	Y	Y	Y	Y
SOUTH DAKOTA					
Abourezk	Y	N	N	N	Y
McGovern	Y	Y	?	N	Y
TENNESSEE					
Baker	Y	Y	N	Y	Y
Brock	Y	Y	N	Y	Y
TEXAS					
Bentsen	Y	N	?	Y	Y
Tower	Y	Y	N	N	Y
UTAH					
Moss	Y	Y	N	N	Y
Garn	Y	Y	Y	Y	Y
VERMONT					
Leahy	Y	N	Y	N	Y
Stafford	Y	Y	N	Y	Y
VIRGINIA					
Byrd**	Y	Y	Y	N	N
Scott	Y	Y	Y	N	N
WASHINGTON					
Jackson	Y	Y	N	N	Y
Magnuson	Y	N	Y	N	Y
WEST VIRGINIA					
Byrd	Y	Y	Y	Y	Y
Randolph	Y	Y	Y	N	Y
WISCONSIN					
Nelson	Y	N	N	Y	?
Proxmire	Y	N	N	N	Y
WYOMING					
McGee	Y	Y	N	N	Y
Hansen	Y	Y	N	Y	Y

KEY

Y Voted for (yea)
✓ Paired for.
† Announced for.
N Voted against (nay).
X Paired against.
- Announced against.
P Voted "present."
● Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.

Democrats ***Republicans***

*Buckley elected as Conservative.

**Byrd elected as independent.

453. Treaties. Resolutions of ratification of the following treaties: Convention on the International Regulations for Preventing Collisions at Sea, 1972 (Exec. W, 93rd Cong., 1st sess.); Amendments to the International Convention for the Safety of Life at Sea (Exec. K, 93rd Cong., 2d sess.); Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (Exec. L, 93d Cong., 2d sess.); Protocol for the Continuation in Force of the International Coffee Agreement (Exec. B, 94th Cong., 1st sess.); Agreement between United States and Brazil establishing basis for shrimp fishing off Brazil (Exec. D, 94th Cong., 1st sess.); and Amendments to the Convention on the Intergovernmental Maritime Consultative Organization (Exec. F, 94th Cong., 1st sess.). Adopted 94-0: R 37-0; D 57-0 (ND 41-0; SD 16-0), Oct. 28, 1975. A "yea" was a vote supporting the President's position. *(Story, p. 2340)*

454. Slay Confirmation. Confirmation of the nomination of Air Force Maj. Gen. Alton D. Slay for promotion to lieutenant general. Confirmed 49-43: R 25-11; D 24-32 (ND 12-29; SD 12-3), Oct. 28, 1975. *(Story, p. 2332)*

455. HR 12. Executive Protective Service. Morgan (D N.C.) amendment to delete provisions in the bill which would authorize up to $3.5-million annually to certain large cities to protect visiting foreign dignitaries. Rejected 33-57: R 13-24; D 20-33 (ND 10-28; SD 10-5), Oct. 28, 1975. (The bill to extend the Executive Protective Service and provide protection for foreign dignitaries was subsequently passed by voice vote.)

456. S 1259. Small Business Relief. Brock (R Tenn.) amendment to authorize the Department of Housing and Urban Development to deal with escalating construction costs by making adjustments in the amount of mortgage insurance commitments and annual contribution contracts with respect to public housing. Rejected 44-53: R 27-11; D 17-42 (ND 10-32; SD 7-10), Oct. 30, 1975.

457. HR 5541. Small Business Relief. Passage of the bill to authorize cancellation of fixed-price government contracts with small business firms that suffered serious financial losses because of unanticipated cost increases. Passed 82-10: R 27-7; D 55-3 (ND 41-0; SD 14-3), Oct. 30, 1975.

481. HR 8603. Postal Reorganization. Hanley (D N.Y.) amendment to delete the previously adopted Alexander amendment, adopted Sept. 29 *(see vote 418, Weekly Report p. 2136)*, and add new language to require annual congressional authorization and appropriation of public service funds for the Postal Service that exceeded the $920-million-a-year authorized under existing law, to authorize $1.5-billion in additional public service funds for fiscal 1976, and to limit to 2 cents a proposed raise in the first-class postage rate. Rejected 196-207: R 21-113; D 175-94 (ND 144-39; SD 31-55), Oct. 30, 1975. *(Story, p. 2341)*

482. HR 8603. Postal Reorganization. Rousselot (R Calif.) amendment to repeal the federal statutes that give the Postal Service a monopoly on processing first-class mail, and allow private companies to compete with it in delivering first-class mail. Rejected 68-319: R 53-73; D 15-246 (ND 5-176; SD 10-70), Oct. 30, 1975. *(Story, p. 2341)*

483. HR 8603. Postal Reorganization. Derwinski (R Ill.) motion to recommit the bill to the House Post Office and Civil Service Committee with instructions that the committee hold additional hearings on the legislation. Rejected 129-250: R 91-29; D 38-221 (ND 22-156; SD 16-65), Oct. 30, 1975. *(Story, p. 2341)*

484. HR 8603. Postal Reorganization. Passage of the bill to require the U.S. Postal Service to go to Congress each year for all its appropriations—thus taking away the financial independence given it in the Postal Reorganization Act of 1970—and reducing the Postal Service's proposed first-class rate increase to 2 cents, raising the postage on a first-class letter to 12 cents instead of 13 cents. Passed 267-113: R 52-68; D 215-45 (ND 154-25; SD 61-20), Oct. 30, 1975. *(Story, p. 2341)*

KEY

Y Voted for (yea)
✓ Paired for.
† Announced for.
N Voted against (nay).
X Paired against.
- Announced against.
P Voted "present."
● Voted "present" to avoid possible conflict of interest.
? Did not vote or otherwise make a position known.

	481	482	483	484
ALABAMA				
1 Edwards	Y	N	Y	N
2 Dickinson	N	Y	Y	N
3 Nichols	N	N	N	Y
4 Bevill	N	Y	N	Y
5 Jones	Y	N	N	Y
6 Buchanan	N	Y	N	Y
7 Flowers	Y	N	N	Y
ALASKA				
AL Young	Y	N	N	Y
ARIZONA				
1 Rhodes	?	?	?	?
2 Udall	?	?	?	?
3 Steiger	N	Y	Y	N
4 Conlan	N	Y	Y	N
ARKANSAS				
1 Alexander	N	N	N	Y
2 Mills	N	N	N	Y
3 Hammerschmidt	N	Y	N	Y
4 Thornton	N	N	N	Y
CALIFORNIA				
1 Johnson	Y	N	N	Y
2 Clausen	X	?	?	?
3 Moss	✓	?	?	?
4 Leggett	Y	?	?	?
5 Burton, J.	Y	N	N	N
6 Burton, P.	Y	N	X	?
7 Miller	Y	N	N	Y
8 Dellums	Y	N	N	Y
9 Stark	Y	N	?	X
10 Edwards	Y	N	N	Y
11 Ryan	N	N	N	Y
12 McCloskey	N	N	Y	N
13 Mineta	Y	N	N	Y
14 McFall	Y	N	N	Y
15 Sisk	✓	?	?	✓
16 Talcott	N	N	Y	N
17 Krebs	Y	N	Y	N
18 Ketchum	N	Y	Y	N
19 Lagomarsino	N	Y	Y	N
20 Goldwater	N	N	?	?
21 Corman	Y	N	N	Y
22 Moorhead	N	Y	Y	N
23 Rees	Y	N	N	Y
24 Waxman	Y	N	N	Y
25 Roybal	Y	N	N	Y
26 Rousselot	N	Y	Y	N
27 Bell	N	N	?	?
28 Burke	Y	N	N	Y
29 Hawkins	✓	N	N	Y
30 Danielson	N	N	N	Y
31 Wilson	Y	N	N	Y
32 Anderson	Y	N	N	Y
33 Clawson	N	Y	Y	N
34 Hannaford	Y	N	Y	N
35 Lloyd	N	Y	N	Y
36 Brown	Y	N	N	Y
37 Pettis	N	N	Y	N
38 Patterson	Y	N	Y	Y
39 Wiggins	N	N	Y	N
40 Hinshaw	X	?	?	✓
41 Wilson	N	N	N	Y
42 Van Deerlin	Y	N	N	Y
43 Burgener	N	Y	Y	N
COLORADO				
1 Schroeder	Y	Y	Y	N
2 Wirth	N	N	Y	N
3 Evans	Y	N	N	Y
4 Johnson	N	Y	Y	Y
5 Armstrong	N	Y	Y	N
CONNECTICUT				
1 Cotter	N	N	N	N
2 Dodd	N	N	N	N
3 Giaimo	N	N	Y	N
4 McKinney	N	N	N	Y
5 Sarasin	N	N	N	Y
6 Moffett	N	N	N	Y
DELAWARE				
AL du Pont	Y	N	N	Y
FLORIDA				
1 Sikes	N	?	✓	X
2 Fuqua	N	N	N	Y
3 Bennett	N	Y	N	Y
4 Chappell	N	?	✓	X
5 Kelly	N	Y	Y	N
6 Young	N	N	Y	N
7 Gibbons	N	N	N	Y
8 Haley	N	Y	N	Y
9 Frey	N	N	Y	Y
10 Bafalis	N	Y	Y	Y
11 Rogers	N	N	N	Y
12 Burke	X	?	?	X
13 Lehman	Y	N	N	Y
14 Pepper	Y	N	N	Y
15 Fascell	Y	N	N	Y
GEORGIA				
1 Ginn	N	N	N	Y
2 Mathis	N	Y	Y	N
3 Brinkley	N	Y	Y	Y
4 Levitas	Y	N	N	N
5 Young	Y	?	?	?
6 Flynt	N	Y	Y	N
7 McDonald	N	Y	Y	N
8 Stuckey	N	Y	N	N
9 Landrum	N	?	✓	X
10 Stephens	N	N	N	Y
HAWAII				
1 Matsunaga	Y	N	N	Y
2 Mink	?	?	?	?
IDAHO				
1 Symms	N	Y	Y	N
2 Hansen, G.	N	Y	Y	N
ILLINOIS				
1 Metcalfe	Y	N	?	?
2 Murphy	Y	N	N	Y
3 Russo	N	N	Y	N
4 Derwinski	N	N	Y	N
5 Fary	?	?	?	?
6 Hyde	N	N	Y	N
7 Collins	N	N	N	Y
8 Rostenkowski	Y	N	N	Y
9 Yates	Y	N	N	Y
10 Mikva	Y	N	Y	N
11 Annunzio	✓	?	X	✓
12 Crane	N	Y	Y	N
13 McClory	N	N	Y	Y
14 Erlenborn	N	Y	?	?
15 Hall	Y	N	N	Y
16 Anderson	X	?	?	?
17 O'Brien	N	N	Y	Y
18 Michel	N	N	Y	N
19 Railsback	N	N	N	Y
20 Findley	N	Y	Y	Y
21 Madigan	N	Y	Y	Y
22 Shipley	Y	N	N	Y
23 Price	Y	N	N	Y
24 Simon	Y	N	N	Y
INDIANA				
1 Madden	N	?	?	?
2 Fithian	N	N	N	Y
3 Brademas	Y	N	N	Y
4 Roush	Y	N	N	Y
5 Hillis	Y	N	Y	Y
6 Evans	N	N	N	Y
7 Myers	Y	N	Y	N
8 Hayes	Y	N	N	Y
9 Hamilton	Y	N	N	Y
10 Sharp	N	N	Y	N
11 Jacobs	N	N	Y	N
IOWA				
1 Mezvinsky	Y	N	N	Y
2 Blouin	Y	N	Y	Y
3 Grassley	N	Y	Y	N
4 Smith	Y	N	?	?
5 Harkin	Y	N	N	Y
6 Bedell	Y	N	Y	N

Democrats ***Republicans***

Corresponding to Congressional Record Votes 649, 650, 651, 652

	481	482	483	484
KANSAS				
1 Sebelius	N	N	Y	N
2 Keys	N	N	N	Y
3 Winn	Y	Y	Y	Y
4 Shriver	Y	N	Y	Y
5 Skubitz	N	N	Y	N
KENTUCKY				
1 Hubbard	Y	N	N	Y
2 Natcher	Y	N	N	Y
3 Mazzoli	Y	N	N	Y
4 Snyder	N	Y	Y	N
5 Carter	N	N	N	Y
6 Breckinridge	N	N	N	Y
7 Perkins	Y	N	N	Y
LOUISIANA				
1 Hebert	X	?	X	✓
2 Boggs	Y	N	N	Y
3 Treen	N	N	Y	N
4 Waggonner	N	N	Y	N
5 Passman	X	?	✓	X
6 Moore	N	Y	Y	N
7 Breaux	X	?	✓	X
8 Long	Y	N	N	Y
MAINE				
1 Emery	N	N	Y	N
2 Cohen	N	N	N	Y
MARYLAND				
1 Bauman	N	Y	Y	N
2 Long	N	Y	N	Y
3 Sarbanes	Y	N	N	Y
4 Holt	N	N	Y	N
5 Spellman	Y	N	N	Y
6 Byron	N	N	N	N
7 Mitchell	Y	N	N	Y
8 Gude	Y	N	N	Y
MASSACHUSETTS				
1 Conte	Y	N	N	Y
2 Boland	Y	N	N	Y
3 Early	Y	N	N	Y
4 Drinan	Y	N	N	Y
5 Tsongas	Y	N	N	Y
6 Harrington	Y	N	N	Y
7 Macdonald	N	N	N	Y
8 O'Neill	Y	N	N	Y
9 Moakley	Y	N	N	Y
10 Heckler	Y	N	N	Y
11 Burke	Y	N	N	Y
12 Studds	Y	N	N	Y
MICHIGAN				
1 Conyers	✓	?	?	?
2 Esch	N	N	?	?
3 Brown	N	N	Y	N
4 Hutchinson	N	N	Y	N
5 Vander Veen	Y	N	N	Y
6 Carr	N	N	N	Y
7 Riegle	Y	N	N	Y
8 Traxler	Y	N	N	Y
9 Vander Jagt	N	?	?	?
10 Cederberg	N	Y	Y	Y
11 Ruppe	N	?	?	?
12 O'Hara	Y	N	N	Y
13 Diggs	Y	N	N	Y
14 Nedzi	Y	N	N	Y
15 Ford	Y	N	N	Y
16 Dingell	Y	Y	Y	Y
17 Brodhead	Y	N	N	Y
18 Blanchard	Y	N	N	Y
19 Broomfield	N	N	Y	Y
MINNESOTA				
1 Quie	N	N	Y	N
2 Hagedorn	N	Y	Y	N
3 Frenzel	N	Y	Y	N
4 Karth	Y	N	N	Y
5 Fraser	?	?	?	?
6 Nolan	Y	N	N	Y
7 Bergland	Y	N	N	Y
8 Oberstar	Y	N	N	Y
MISSISSIPPI				
1 Whitten	N	N	Y	N
2 Bowen	N	N	N	Y
3 Montgomery	N	N	N	N
4 Cochran	Y	N	Y	N
5 Lott	N	N	Y	N
MISSOURI				
1 Clay	Y	N	N	Y
2 Symington	Y	N	N	Y
3 Sullivan	Y	N	N	Y
4 Randall	N	N	N	Y
5 Bolling	Y	N	N	Y
6 Litton	Y	N	Y	Y
7 Taylor	N	Y	Y	N
8 Ichord	N	N	N	Y
9 Hungate	N	N	N	Y
10 Burlison	N	N	N	Y
MONTANA				
1 Baucus	Y	N	Y	N
2 Melcher	Y	N	N	Y
NEBRASKA				
1 Thone	N	N	Y	N
2 McCollister	N	N	Y	N
3 Smith	N	N	Y	N
NEVADA				
AL Santini	N	N	N	N
NEW HAMPSHIRE				
1 D'Amours	N	N	N	Y
2 Cleveland	X	?	?	?
NEW JERSEY				
1 Florio	Y	N	N	Y
2 Hughes	N	N	Y	N
3 Howard	Y	N	N	Y
4 Thompson	Y	?	N	Y
5 Fenwick	N	N	Y	N
6 Forsythe	N	N	?	✓
7 Maguire	Y	N	Y	N
8 Roe	Y	N	N	Y
9 Helstoski	Y	N	N	Y
10 Rodino	Y	N	N	Y
11 Minish	Y	N	N	Y
12 Rinaldo	Y	N	N	Y
13 Meyner	Y	N	N	Y
14 Daniels	Y	?	X	✓
15 Patten	Y	N	N	Y
NEW MEXICO				
1 Lujan	X	?	?	X
2 Runnels	N	N	✓	N
NEW YORK				
1 Pike	Y	N	N	Y
2 Downey	Y	N	N	Y
3 Ambro	Y	N	N	Y
4 Lent	N	N	Y	Y
5 Wydler	N	Y	Y	Y
6 Wolff	Y	N	N	Y
7 Addabbo	Y	N	N	Y
8 Rosenthal	Y	N	N	Y
9 Delaney	Y	N	N	Y
10 Biaggi	Y	N	N	Y
11 Scheuer	Y	N	N	Y
12 Chisholm	Y	N	N	Y
13 Solarz	✓	?	?	✓
14 Richmond	Y	N	N	Y
15 Zeferetti	Y	N	N	Y
16 Holtzman	N	N	N	Y
17 Murphy	✓	?	X	✓
18 Koch	Y	N	N	Y
19 Rangel	Y	N	N	Y
20 Abzug	✓	?	X	✓
21 Badillo	Y	N	N	Y
22 Bingham	Y	N	N	Y
23 Peyser	Y	?	?	?
24 Ottinger	Y	N	N	Y
25 Fish	N	N	N	Y
26 Gilman	N	Y	Y	Y
27 McHugh	Y	N	N	Y
28 Stratton	Y	N	N	Y
29 Pattison	Y	N	N	Y
30 McEwen	N	Y	Y	N
31 Mitchell	Y	?	?	?
32 Hanley	Y	N	N	Y
33 Walsh	N	N	N	Y
34 Horton	?	?	?	✓
35 Conable	N	N	Y	N
36 LaFalce	Y	N	N	Y
37 Nowak	Y	N	N	Y
38 Kemp	N	Y	Y	N
39 Hastings	N	N	Y	Y
NORTH CAROLINA				
1 Jones	Y	N	N	Y
2 Fountain	N	N	N	Y
3 Henderson	Y	N	N	Y
4 Andrews	N	N	N	Y
5 Neal	N	N	Y	N
6 Preyer	Y	N	N	Y
7 Rose	Y	N	N	Y
8 Hefner	N	N	N	Y
9 Martin	X	?	?	?
10 Broyhill	N	Y	Y	N
11 Taylor	N	N	N	Y
NORTH DAKOTA				
AL Andrews	Y	N	N	Y
OHIO				
1 Gradison	N	Y	Y	N
2 Clancy	N	Y	Y	N
3 Whalen	Y	N	N	Y
4 Guyer	X	?	?	X
5 Latta	N	Y	Y	N
6 Harsha	Y	Y	N	Y
7 Brown	?	?	?	?
8 Kindness	N	Y	Y	Y
9 Ashley	N	N	Y	N
10 Miller	N	N	Y	N
11 Stanton	N	N	Y	Y
12 Devine	N	Y	Y	N
13 Mosher	N	N	Y	Y
14 Seiberling	Y	N	N	Y
15 Wylie	N	?	?	X
16 Regula	N	N	Y	Y
17 Ashbrook	N	?	?	?
18 Hays	N	N	N	Y
19 Carney	Y	N	N	Y
20 Stanton	Y	N	N	Y
21 Stokes	Y	N	N	Y
22 Vanik	Y	N	N	Y
23 Mottl	Y	N	N	N
OKLAHOMA				
1 Jones	Y	N	Y	N
2 Risenhoover	N	N	Y	Y
3 Albert				
4 Steed	Y	N	Y	N
5 Jarman	N	Y	Y	N
6 English	N	N	N	Y
OREGON				
1 AuCoin	Y	N	N	Y
2 Ullman	Y	N	N	Y
3 Duncan	Y	N	N	Y
4 Weaver	Y	N	N	Y
PENNSYLVANIA				
1 Barrett	✓	?	X	✓
2 Nix	Y	N	N	Y
3 Green	✓	?	?	✓
4 Eilberg	Y	N	N	Y
5 Schulze	N	Y	Y	N
6 Yatron	Y	N	N	Y
7 Edgar	Y	N	N	Y
8 Biester	Y	N	N	Y
9 Shuster	N	Y	Y	N
10 McDade	N	N	N	Y
11 Flood	Y	N	N	Y
12 Murtha	Y	N	N	Y
13 Coughlin	N	N	N	Y
14 Moorhead	Y	N	N	Y
15 Rooney	✓	N	N	Y
16 Ashleman	N	?	?	X
17 Schneebeli	N	N	?	?
18 Heinz	N	N	N	Y
19 Goodling, W.	N	Y	Y	Y
20 Gaydos	Y	N	N	Y
21 Dent	N	N	N	Y
22 Morgan	Y	N	N	Y
23 Johnson	N	N	N	Y
24 Vigorito	N	N	N	Y
25 Myers	N	N	Y	N
RHODE ISLAND				
1 St Germain	Y	N	N	Y
2 Beard	Y	N	N	Y
SOUTH CAROLINA				
1 Davis	N	N	N	Y
2 Spence	N	N	Y	N
3 Derrick	Y	N	Y	N
4 Mann	N	N	Y	N
5 Holland	N	?	Y	Y
6 Jenrette	Y	N	N	Y
SOUTH DAKOTA				
1 Pressler	N	Y	Y	N
2 Abdnor	N	N	Y	Y
TENNESSEE				
1 Quillen	Y	Y	N	Y
2 Duncan	Y	Y	N	Y
3 Lloyd	N	N	N	Y
4 Evins	Y	N	N	Y
5 Vacancy				
6 Beard	N	Y	Y	N
7 Jones	N	N	N	Y
8 Ford	Y	N	N	Y
TEXAS				
1 Patman	Y	N	N	Y
2 Wilson	N	N	N	Y
3 Collins	N	Y	Y	N
4 Roberts	N	N	N	Y
5 Steelman	N	N	N	N
6 Teague	N	?	✓	X
7 Archer	N	Y	Y	N
8 Eckhardt	Y	N	N	Y
9 Brooks	N	N	N	Y
10 Pickle	N	N	N	Y
11 Poage	N	Y	N	N
12 Wright	N	N	N	Y
13 Hightower	N	N	N	Y
14 Young	N	N	N	Y
15 de la Garza	N	N	N	Y
16 White	N	N	N	Y
17 Burleson	N	Y	N	N
18 Jordan	Y	N	N	Y
19 Mahon	N	N	N	N
20 Gonzalez	Y	N	N	Y
21 Krueger	Y	N	N	Y
22 Casey	N	N	N	N
23 Kazen	Y	N	N	Y
24 Milford	N	N	N	N
UTAH				
1 McKay	Y	N	N	Y
2 Howe	N	N	N	Y
VERMONT				
AL Jeffords	N	N	Y	N
VIRGINIA				
1 Downing	N	N	Y	Y
2 Whitehurst	N	N	Y	Y
3 Satterfield	N	N	Y	N
4 Daniel	N	N	Y	N
5 Daniel	N	N	Y	N
6 Butler	N	N	Y	Y
7 Robinson	N	Y	Y	N
8 Harris	Y	N	N	Y
9 Wampler	N	N	N	Y
10 Fisher	Y	N	N	Y
WASHINGTON				
1 Pritchard	Y	N	N	Y
2 Meeds	Y	?	N	Y
3 Bonker	Y	N	N	Y
4 McCormack	Y	N	N	Y
5 Foley	?	N	N	Y
6 Hicks	Y	N	Y	N
7 Adams	N	N	Y	N
WEST VIRGINIA				
1 Mollohan	Y	N	N	Y
2 Staggers	N	N	N	Y
3 Slack	Y	N	Y	N
4 Hechler	N	Y	Y	N
WISCONSIN				
1 Aspin	Y	N	N	Y
2 Kastenmeier	N	N	N	Y
3 Baldus	Y	N	N	Y
4 Zablocki	Y	N	N	Y
5 Reuss	Y	N	N	Y
6 Steiger	N	?	?	?
7 Obey	Y	N	N	Y
8 Cornell	Y	N	N	Y
9 Kasten	N	Y	Y	N
WYOMING				
AL Roncalio	N	N	N	Y

Democrats ***Republicans***

(FOREIGN POLICY/NATIONAL SECURITY continued from p. 2333)

Sadat To Address Joint Session of Congress

Egyptian President Anwar Sadat is to wind up his 10-day visit to the United States with an address to a joint session of Congress Nov. 5 and a luncheon hosted by the congressional foreign affairs committees. Sadat arrived Oct. 26.

Sadat's trip, the first official visit by an Egyptian head of state, symbolized the new warmth in Washington-Cairo relations after the signing of an Egyptian-Israeli interim peace agreement negotiated through the shuttle diplomacy of Secretary of State Henry A. Kissinger.

Although Sadat's official welcome was warm, other incidents during his visit were reminders of the gaps that remained in U.S. relations with the Arab world.

Senate Resolution

On Oct. 28, Sadat met with Ford and Defense Secretary James R. Schlesinger, attended a luncheon in his honor given by Kissinger, and hosted a dinner in honor of Ford. On the same day, the Senate passed by unanimous voice vote a resolution (S Res 288) expressing the Senate's condemnation of a resolution adopted by a United Nations committee classifying Zionism as a form of racism. S Res 288 was introduced by Hubert H. Humphrey (D Minn.) and had 53 cosponsors by the time it was passed. A similar measure in the House (H Res 793) was introduced by Majority Leader Thomas P. O'Neill Jr. (D Mass.) and had 431 cosponsors.

U.N. Resolution

The Zionist resolution was adopted Oct. 17 by the U.N. Social, Humanitarian and Cultural Committee by a 70-29 vote at the urging of Arab and Communist nations, including Egypt. It is to be voted on by the U.N. General Assembly before the end of its 1975 session. Zionism is the belief in a Jewish homeland in Palestine.

In a related action, New York Mayor Abraham D. Beame (D) and Gov. Hugh L. Carey (D) refused to officially welcome Sadat because of the Egyptian support for the anti-Zionist resolution. Beame is the city's first Jewish mayor. Sadat flew to New York Oct. 29 to address the United Nations and was greeted by the U.S. ambassador to the U.N., Daniel P. Moynihan. From New York, Sadat was to travel to Chicago, Houston and Jacksonville, Fla., before returning to Washington Nov. 4.

Major Issues

Despite the thaw in U.S.-Egyptian reslations since the 1973 Arab-Israeli war, Sadat has stuck to his position on the Palestinian issue. In numerous speeches and press conferences since he arrived Oct. 26, Sadat urged the reconvening of a Geneva conference of the major powers to work out a Middle East solution—with the inclusion of the Palestine Liberation Organization (PLO). The United States opposes that proposal unless the PLO recognizes the territorial integrity of Israel. Sadat said the issue of a home for the Palestinians was at the core of the Middle East problem and that there could be no final solution until it was resolved.

Another purpose of Sadat's visit to the United States was to discuss more American military and economic assistance and to encourage U.S. investment in Egypt. He said he had not come with a shopping list of items his country wanted, but that Egypt did wish to purchase arms rather than seek military grants. President Ford's recommendations for military assistance and aid to the Middle East for fiscal 1976 was sent to Congress Oct. 30.

over 90 per cent had at least one foreign communicant and all messages had at least one foreign terminal," Allen testified.

Termination

Concern over the NSA's role in the intelligence gathering operation first arose in 1973 after the CIA terminated its connection with the "watch lists" because of a statutory ban on CIA domestic activities.

On Oct. 1, 1973, then-Attorney General Elliot L. Richardson wrote Allen that he was concerned with the propriety of requests for information concerning U.S. citizens that NSA had received from the FBI and the Secret Service.

The letter, which ordered a halt to the monitoring, stated: "Until I am able to more carefully assess the effect of Supreme Court decisions concerning electronic surveillance upon your current practice of disseminating to the FBI and Secret Service information acquired by you through electronic devices pursuant to requests from the FBI and Secret Service, it is requested that you immediately curtail the further dissemination of such information to these agencies."

Although Allen told the committee that the NSA then stopped accepting "watch lists" from the agencies and that the surveillance was "terminated officially in the fall of 1973," he acknowledged that the NSA continues to pick up communications between U.S. citizens, in situations where one party was at an overseas location, in the course of its authorized overseas intelligence monitoring.

"It necessarily occurs that some circuits which are known to carry foreign communications necessary for foreign intelligence will also carry communications between U.S. citizens," Allen stated. But this interception "is conducted in such a manner as to minimize the unwanted messages; nevertheless, many unwanted communications are potentially available for selection," he explained.

Operation Shamrock

Following Allen's appearance, the intelligence committee debated whether to release a report on another aspect of NSA's activities that Church said "appeared to be unlawful."

This activity, labeled "Operation Shamrock," could be revealed without disclosing sensitive NSA work, Church said. The committee had voted the previous day to disclose the details of the project, which was reported to involve the agency's arrangement with private communications com-

panies for monitoring international cables. "The case at hand relates to unlawful conduct of companies in this country," Church disclosed.

The Ford administration has insisted that the report not be released, and Tower as well as committee member Barry Goldwater (R Ariz.) objected to its disclosure.

"I do believe the people's right to know should be subordinated to the people's right to be secure," said Tower, who added that disclosure would "adversely affect our intelligence-gathering capability."

The committee met later in the day behind closed doors to settle the issue and agreed to submit the report on Shamrock to Gen. Allen for his comment on whether its release would endanger sources and methods of intelligence. After that step, the committee will vote again on whether to release the report, Church told reporters. Tower was not present for the first vote.

House Probe

From references made by the committee during the public session, it was clear that the report on "Operation Shamrock" paralleled an investigation conducted by the House Government Operations Government Information and Individual Rights Subcommittee chaired by Bella S. Abzug (D N.Y.).

During a hearing by the subcommittee Oct. 23, Abzug revealed that government agents for years had monitored and photographed private international cables sent to and from Washington.

"The FBI and NSA have apparently engaged in illegal and unconstitutional interception and copying of private communications sent by private individuals," Abzug said.

Summarizing a report of the subcommittee staff, Abzug said that these agencies examined "all cables in the Washington office of RCA Global Communications Inc." and "all cables to and from selected countries in the Washington office of ITT World Communications."

NSA Mission

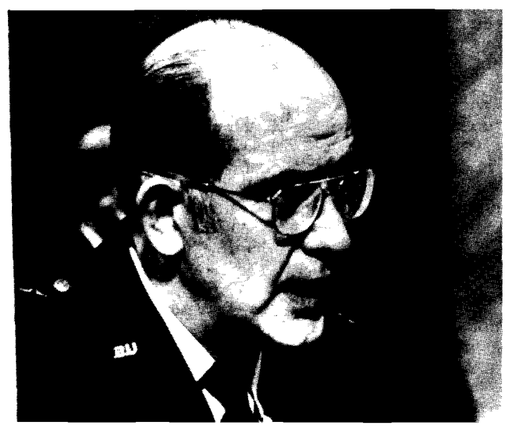
Established in 1952 by executive order, the NSA, according to Gen. Allen, has been delegated responsibility for providing security for U.S. government communications as well as seeking intelligence from foreign electronic communications.

The agency is under the jurisdiction of the Department of Defense because most of the NSA's work involves military communications.

Foreign intelligence obtained from electronic and electrical signals also is released to other government agencies, such as the State Department and CIA, in response to their authorized requirements for intelligence.

Although the NSA is restricted to monitoring foreign communications, this term has never been defined, according to Allen, who said the omission was "pertinent" to the committee's review of the agency's activities. ▮

—By David M. Maxfield



Air Force Lt. Gen. Lew Allen Jr., director of the National Security Agency, testifies Oct. 29 before the Senate Select Intelligence Committee.

Foreign Aid Message

President Ford asked Congress Oct. 30 to approve a $4.7-billion military and economic aid program for fiscal 1976, the bulk of it for the Middle East.

The Senate Foreign Relations and House International Relations Committees will be considering actual authorizations of $3.2-billion to finance the program, which proposes $424.5-million for direct military assistance and training, $1.9-billion in security supporting (economic) assistance, and $2.4-billion in military credit sales.

The long-delayed requests would be in addition to the $1.3-billion for humanitarian and development assistance already requested for fiscal 1976. That request has been passed by the House (HR 9005) and is to be considered by the Senate Nov. 3. *(Details, Weekly Report p. 2187)*

The military and Middle East package was delayed until the completion of Secretary of State Henry A. Kissinger's most recent round of shuttle diplomacy in the Middle East, which resulted in the Egyptian-Israeli peace accord.

Ford told Congress that his proposal was heavily weighted to "contribute to the confidence that Middle Eastern nations must have in the United States if we are to maintain our momentum toward peace."

For Israel, Ford proposed $1.5-billion in military sales credits—with about $500-million of the repayments to be forgiven—and $740-million in security support aid.

He requested $750-million in economic aid for Egypt; $100-million in military grants, $78-million in economic aid and $75-million in credit sales for Jordan; $90-million in economic aid for Syria; and $50-million for a special requirements fund for the cost of stationing U.S. civilian technicians in the Sinai and for other special circumstances.

Other major recipients would be the two NATO allies Greece and Turkey. Ford proposed for Greece more than $50-million in military grants, $110-million in sales credits and $65-million in economic aid. For Turkey he proposed $75-million in military grants and $130-million in military sales credits.

Other major recipients of the military grant program, which faces hard questions in Congress, would be Indonesia, Korea, the Philippines, Thailand and Ethiopia.

HOUSE VOTES FOR CONTROLS OVER POSTAL SERVICE

The House Oct. 30 responded to mounting complaints about the inefficiency of the U.S. Postal Service by affirming a decision made earlier in the session to return the financial control of the agency to Congress.

House action came during debate on a bill (HR 8603) to increase the annual federal subsidy for the Postal Service. As reported by the Post Office and Civil Service Committee July 24, the bill would not have changed the independent financial status given the agency by Congress in the 1970 reorganization of the old Post Office Department.

The bill's original intent was drastically altered, however, when the House Sept. 29 adopted an amendment to HR 8603 offered by Bill Alexander (D Ark.) which would require the Postal Service to go to Congress each year for all of its appropriations to operate the Postal Service. Even postal revenues would have to be turned over to the U.S. Treasury.

After adoption of the Alexander amendment in September, sponsors of the bill withdrew it from the floor so they could rally support for a compromise. *(Earlier action, Weekly Report p. 2127)*

Hanley Amendment

The key vote Oct. 30 came when the House rejected 196-207 a compromise amendment offered by James M. Hanley (D N.Y.), the floor manager of the bill. The Hanley amendment would have dropped the Alexander amendment and required instead that the Postal Service go to Congress only for approval of public service funds that exceeded the existing authorized level of $920-million a year. Public service funds cover the cost of certain postal services such as rural post offices which are not fully covered by postal revenues.

The Hanley amendment also would have authorized an additional $1.5-billion in public service funds for the Postal Service for fiscal 1976: $900-million to pay for expected fiscal 1976 deficits and $600-million to reduce by one-cent the Postal Service's proposed first-class rate increase. The agency had proposed a three-cent increase—to 13 cents. The additional $600-million would allow the increase to be reduced to 12 cents.

The 1970 reorganization act created a Postal Rate Commission to hear and make recommendations on rate increases. The act was designed to eliminate political and congressional influence over the rate-making process and other operations of the Postal Service. *(Congress and the Nation Vol. III, p. 441)*

In a separate vote following rejection of the Hanley amendment, the House approved the portion of his amendment restricting the postal rate increase to 2 cents.

HR 8603 now must be considered by the Senate, where supporters of the Hanley compromise hope the Alexander amendment will be deleted. Hearings have not yet been scheduled by the Senate post office committee. The 13-cent rate for first-class letters will go into effect Dec. 28 if action on HR 8603 or similar legislation is not completed in the first session.

Floor Action

The House adopted six amendments and rejected nine others before passing the bill by a 267-113 vote. *(Vote 484, p. 2337)*

The extent to which the Postal Service should retain its independence from congressional oversight in view of increasing annual deficits, further proposals for postal rate hikes and continuing poor delivery service dominated the debate.

Congressional Oversight

Supporters of the Hanley amendment said the Alexander amendment would preclude long-range planning to modernize the Postal Service by requiring appropriations a year at a time. "The inherent weakness in that system," said Post Office and Civil Service Committee Chairman David N. Henderson (D N.C.), "is that it precludes long-range planning, modernization of postal facilities, or any other long-range program to improve postal services...."

Hanley said the Alexander amendment would place the Postal Service "in immediate and severe financial jeopardy, cripple the process of collective bargaining, remove the incentive for a responsible rate structure and, in the long run, cost more than HR 8603 as it was reported from the committee."

He also pointed out that the $1.5-billion authorized for fiscal 1976 by his amendment included $600-million to pay for reducing the proposed rate hike.

Opponents of the Hanley amendment said the Alexander amendment was needed to make the Postal Service more accountable to the Congress and the public. Alexander said to continue giving the Postal Service a "blank check" would only continue the agency's inefficiency.

Alexander pointed out that his amendment would eliminate the automatic $920-million public service subsidy the Postal Service received annually under existing law and "return the postal purse strings to Congress and accountability to the people."

He said the Postal Service was expected to lose a billion dollars in 1976, adding that it "can certainly use some help in its budgeting."

Opponents of the Hanley amendment emphasized that it would add an additional $1.5-billion to the fiscal 1976 budget deficit. They said it was wrong to give the Postal Service additional money when it was not performing efficiently.

Brock Adams (D Wash.), chairman of the House Budget Committee, urged support of the Hanley amendment. He said the Postal Service revenues for fiscal 1976 were estimated at $11-billion and the expenditures at about $14.5-billion, leaving a $3.5-billion deficit under the Alexander amendment. The choice was between the $3.5-billion deficit under the Alexander amendment or the $1.5-billion deficit by the Hanley amendment, he said.

The House rejected the Hanley amendment 196-207, with Republicans voting overwhelming against it, 21-113, and Democrats voting for it, 175-94. *(Vote 481, p. 2337)*

Postal Service Monopoly

An amendment offered by John H. Rousselot (R Calif.) to let private carriers compete with the Postal Service for delivery of first-class mail was rejected by a 68-319 vote. *(Vote 482, p. 2337)*

Rousselot said "it is time to make the Postal Service competitive with private enterprise" by eliminating the postal monopoly. Existing law prohibited private companies from carrying such mail.

Joe Skubitz (R Kan.), who did not support Rousselot's amendment, said it clearly showed "how desperate some people will get to try to get an improved mail service."

Opponents of the Rousselot amendment said that if the law were repealed, private companies would deliver mail only in high-density areas where they could make a profit and would leave the low-density areas to the Postal Service.

Other Amendments

Other amendments adopted by the House were:

- A Buchanan (R Ala.) amendment to require that the Postmaster General and Deputy Postmaster General be appointed by the President and approved by the Senate. Voice vote.
- A Du Pont (R Del.) amendment to permit nonprofit organizations to use volunteers to deliver brochures and circulars to private homes. Standing vote, 34-18.
- A Cohen (R Maine) amendment to give nonprofit fisheries organizations the same bulk-rate mailing provileges currently given to nonprofit farming organizations. Voice vote.

Other amendments rejected were:

- A Maguire (D N.J.) amendment to create a mailers' alliance association to process complaints from postal patrons. Standing vote, 7-32.
- A Simon (D Ill.) amendment to limit postal rate increases to one each year and to tie the amount of such increases to the Consumer Price Index. Standing vote, 22-32.
- A Schroeder (D Colo.) amendment to require that each class of mail bear the postal costs attributable to it, but protecting charitable and nonprofit mail from increased postal rates, and deleting provisions providing for a Commission on Postal Service. Standing vote, 16-31.
- A White (D Texas) amendment to grant free postage for mailing voter education materials to states subject to the requirements of the Voting Rights Act. Standing vote, 16-25.
- An Edgar (D Pa.) amendment to create a 2¢ postcard for anyone to use in communicating with their senators and representatives. Standing vote, 10-43.
- A Litton (D Mo.) amendment to require a postman to collect mail from private homes whenever the resident has indicated that there was mail to be collected. Voice vote.
- A Gude (R Md.) amendment to require the Postal Service to hold public hearings before constructing a new postal facility in a community. Voice vote.

Before passing HR 8603, the House rejected by a 129-250 vote a Derwinski (R Ill.) motion to recommit the bill to the Post Office and Civil Service Committee with instructions to hold further hearings on the bill. *(Vote 483, p. 2337)*

—By Margaret Hurst Lowe

Coors Nomination Tabled

The Senate Commerce Committee Oct. 30 tabled, and in effect killed, President Ford's controversial nomination of Colorado beer executive Joseph Coors to the board of the Corporation for Public Broadcasting (CPB).

Coors, first nominated by President Nixon, was renominated in May by President Ford. Controversy over the nomination centered on whether Coors would have a conflict of interest in serving on the CPB board and on the board of Television News, Inc. (TVN), a Coors family business. Committee members also had expressed concern over whether Coors would attempt prior censorship of public TV programs.

Coors, a conservative who testified that he had made contributions to the John Birch Society and conservative political candidates, called the committee vote a "bad decision" based on "politics and philosophical considerations...along party lines."

The 11-6 vote on the nomination was divided largely along party lines. Voting to table it were 10 Democrats—Magnuson (Wash.), Pastore (R.I.), Hartke (Ind.), Moss (Utah), Hollings (S.C.), Inouye (Hawaii), Tunney (Calif.), Stevenson (Ill.), Ford (Ky.) and Durkin (N.H.)—and one Republican, Weicker (Conn.). Voting against tabling it were six Republicans: Pearson (Kan.), Griffin (Mich.), Baker (Tenn.), Stevens (Alaska), Beall (Md.) and Buckley (N.Y.).

House Passage:

EMERGENCY RAIL ASSISTANCE

The House Oct. 23 passed by a 261-129 vote legislation (HR 8672) to authorize $240-million in federal grants to put unemployed workers into jobs repairing and upgrading the nation's deteriorating railroads.

A related bill (S 1730) was passed by the Senate May 16. It would authorize $700-million in grants plus another $100-million in federally guaranteed loans. The bill now goes to a conference committee to resolve the differences between the House and Senate versions. *(Senate passage, Weekly Report p. 1099)*

Other Rail Legislation

- On Feb. 26, Congress cleared a bill (S 281—PL 94-5) providing $347-million in emergency grants and loans for the bankrupt Penn Central and other financially ailing Northeast and Midwest railroads *(Weekly Report p. 461)*
- On July 28, the United States Railway Association (USRA), the government agency charged with restructuring the bankrupt Midwest and Northeast railroads, sent to Congress a comprehensive rail reorganization plan that would require $2.5-billion in new federal aid. That plan automatically becomes law if it is not rejected by either the House or the Senate by Nov. 9. *(Weekly Report p. 1706)*

Subcommittees of both the House Interstate and Foreign Commerce and the Senate Commerce Committees also have been considering their own omnibus legislation dealing with a wide variety of rail problems. The House Surface Transportation Subcommittee began markup sessions Oct. 28-30 on its version (HR 9802), and the Senate Surface Transportation Subcommittee Oct. 30 resumed hearings on the comprehensive rail plan and other rail transportation problems.

Presidential Veto

President Ford is expected to veto HR 8672 if it is cleared by Congress. The White House position is that the provisions of the emergency railroad jobs bill should be dealt with in more comprehensive railroad legislation.

The Ford administration has said it would insist on passage of its proposal to ease federal regulation of the railroad industry as a precondition to supporting any railroad aid legislation, including the $2.5-billion comprehensive rail plan. *(Ford plan, Weekly Report p. 1100)*

HR 8672 was reported Sept. 10 by the House Interstate and Foreign Commerce Committee. *(Committee action, Weekly Report p. 2088)*

Floor Action

Before taking up the bill, the House by a 369-23 vote approved the rule (H Res 758) under which HR 8672 was considered. *(Vote 474, Weekly Report p. 2290)*

During general debate, House members argued the merits of allocating $240-million to rehire unemployed railroad workers and others out of work.

PRO—Reduce Unemployment

Proponents of HR 8672 said it provided a good way to reduce the nation's unemployment and at the same time rehabilitate the railroads.

"Rebuilding railroads is a sound means of reducing unemployment and stimulating the economy," said Stewart B. McKinney (R Conn.), adding that the nation's energy crisis underscored "the importance of forging a stronger role for the fuel-efficient railroads in the nation's transportation system."

Proponents also said competitors of the railroads, such as trucks and barges, had for many years received federal subsidies to help in maintaining their rights-of-way, while the railroads were required to pay for maintaining their own rights-of-way.

CON—Piecemeal Treatment

Opponents of HR 8672 argued that the 1975 work season on railroads had already passed and that passage of the bill came too late to do any good.

They also said HR 8672 provided only a piecemeal solution to the financial problems of the railroads, which, they maintained, should be dealt with in more comprehensive railroad legislation.

The dissenters contended the bill would favor railroads in the Northeast, although unemployment of railroad maintenance-of-way workers was most severe in the West and South.

Amendments

The House adopted two amendments to HR 8672, both by voice vote.

The first, offered by Abner J. Mikva (D Ill.), provided that if any of the railroads repaired through funds authorized in the bill were later sold to the federal government the amount of such assistance would be deducted from the purchase price.

The second, offered by Joseph P. Vigorito (D Pa.), added a provision requiring that furloughed railroad employees be given second priority in filling jobs. Under the bill, first priority was given to furloughed maintenance-of-way and signal maintenance employees.

The House rejected by voice vote an amendment offered by E. G. Shuster (R Pa.) that would have increased to $400-million—from $240-million—the amount of money to be authorized. An amendment offered by Silvio O. Conte (R Mass.) to extend the assistance provided in the bill to railroads owned by states or other public entities was rejected by a 14-34 standing vote.

As passed by the House, the provisions in HR 8672 were identical to those in the committee-reported bill except for the changes made by the two floor amendments. *(Provisions, Weekly Report p. 2088)*

After passing HR 8672 by 261-129, the House substituted the language of its bill for the companion Senate bill (S 1730), and passed S 1730 by voice vote. Voting for HR 8672 were 61 Republicans and 200 Democrats; 73 Republicans and 56 Democrats opposed it. *(Vote 475, Weekly Report p. 2290)*

—By Margaret Hurst Lowe

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Looking Ahead

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THE PRESIDENT HAS SEEN....

November 4, 1975

MEMORANDUM: EMERGENCY MUNICIPAL REORGANIZATION ACT

The Democratic Policy Committee met to consider legislative options dealing with the crisis in our cities with particular regard to New York City and New York State. Senator Proxmire and Senator Stevenson were invited to the Policy Committee to explain the range of options previously addressed by the Senate Banking Committee. Both Senator Proxmire and Senator Stevenson opposed a federal bailout of New York City as was suggested by some when the crisis first arose. It was noted in the Policy Meeting that the President had announced publicly that "he was prepared to veto any measure" to bail out New York City.

It was reported that a bill dealing with the New York situation has been approved by the Senate Banking Committee. It was prepared in cooperation with the Federal Reserve and Treasury Department staff people and in effect it mandates the type of reorganization of New York City's financial structure that would otherwise only be provided after a technical default and a declaration of bankruptcy by that City. Senator Proxmire and Senator Stevenson are prepared to present a detailed delineation of the stringent provisions that would be imposed on New York under the terms of this bill that has been recommended for consideration by the full Senate. In effect, what their bill provides is a rigid program of austerity to be undertaken by the State as well as by the City of New York including the refinancing of existing municipal bonds and City obligations on a voluntary basis triggering a guarantee by the federal government of this indebtedness. In effect, the bill recommends a reorganization of the City in return for the most stringent conditions of financing.

It was the unanimous recommendation of the Senate Democratic Policy Committee to seek a meeting with the President to convey our sense of urgency and the range of options other than a direct federal bailout which have been considered in the Senate. What has emerged from the consideration of the issue is the structure of the bill I have outlined. It is a short-term four-year bill. Hopefully and with a great degree of probability, we do not think it would cost the federal government any money; in fact, it would yield a benefit to the federal government through the guarantee fees. What it would do essentially is to mandate a dramatic reorganization of the services and financing of the City and State to put them on a sound level. It would avoid the technical default of the Bankruptcy Act but provide the remedies of reorganization established by an even updated bankruptcy law.

In view of the opposition of the President to any federal funds bailing out New York City without assuring restructuring in return, it seems to us that the proposal of the Senate Banking Committee would meet the objections raised by the President to a great extent. It would undertake to reorganize City and State finances without setting off a potential ripple effect on every other municipality in the country that might occur with a technical default under the existing bankruptcy law. It was the hope that in a meeting with the President and his consideration of the details of the bill presented by Senators Proxmire and Stevenson that together we might accomplish what is best for the nation, least costly to the federal taxpayer and in the best interest of all municipalities including New York City and all states including New York State.

REVIEW & OUTLOOK

Taking Risks on New York

Even those of us who have little use for scare predictions are forced to admit that no one can predict precisely what effects a New York City default might have. A good many people are thus seizing on the thought that you could avoid the risk by aiding the city under terms strict enough to force it to solve the fundamental underlying problems.

So far the fruition of such thinking has been a bill Senator Proxmire's Banking Committee reported out yesterday. It would provide a federal guarantee to roll over some of the city's debt on a schedule that would phase out federal intervention over five years. During the interim years a federal board would have sweeping powers over the city's financial affairs.

The bill, or at least its timing, is based on a three-year plan city and state officials have put together to get the city budget back into balance in the fiscal year 1977-1978. But a look at the details of this plan scarcely supports much optimism about Senator Proxmire's five-year phaseout. Rather, it seems more likely the result would be a chronic drain on the federal treasury.

The three-year plan, in the form of a resolution adopted by the Emergency Financial Control Board, puts the city's October-June deficit at $664 million, and the full-year deficit for fiscal 1976-1977 at $470 million. In the third year, 1977-1978, it looks for a surplus of $30 million. Unfortunately, the accompanying packet of supporting documents gives substantially different figures.

There, in Schedule A, page 3, we have another version of the three-year plan which puts the full year current deficit at $988.8 million (a quarter of a billion dollars more than the figure City Hall is using) and the fiscal '76-'77 deficit at $663.3 million. In short, we go some $1.7 billion in the red before we reach the balanced budget of '77-'78, a cumulative deficit that is $460 million larger than the Senate bill allows for.

Now how did we get from one set of figures to the other? These larger deficits in Schedule A, we are told, are the result of the city's straight projections of revenues and expenditures. The lower set of figures given to Senator Proxmire were derived from "adjustments" to Schedule A. Specifically, the Control Board adjusted the debt service and real estate tax figures on the basis of the assumption that "there will be available a federal guarantee for taxable notes at an interest rate of 8½% in a principal amount of approximately $6 billion."

So far, so good, but now the hitch. The Senate plan based on the Control Board's conclusion does not share the Control Board's assumption. Senator Proxmire's bill would guarantee some $2.5 billion this fiscal year, a high of $3.5 billion next fiscal year, and lesser amounts the two following years. It requires that the private market pick up, in unguaranteed loans, some $1.2 billion this fiscal year, $800 million the next, and roughly $1.5 billion annually for the following three. Senator Proxmire wants to force down interest rates, but nothing in the bill specifies 8½% for the guaranteed loans, and what the private market will demand for the unguaranteed paper (if it will take it at all) is unforeseeable.

This isn't the first time that a Senate bill has kept a set of figures while changing the assumption on which they were based, but that isn't a point that increases our confidence in Sen. Proxmire's bill. And even if the city's plan held up after all, it would still not solve the problem. For the Control Board has allowed a number of other assumptions which add up to a continuing hidden deficit of sizable proportions.

Primarily, as The New York Times' Steven Weisman has reported, the city's plan does nothing to cope with underfunding of its pension plans. The City Actuary puts the "unfunded accrued liability" of the five city systems at $6.1 billion. In other words, the benefits already earned by employes who have not yet retired, and which the city must eventually pay, are almost double the funds' present assets. Furthermore, most of the city's actuarial assumptions haven't been revised for 60 years, mainly to avoid the higher appropriations that would be necessary if they were. This underfunding might be much greater.

And to make matters worse, the city is counting as revenue everything the pension funds earn over a 4% return on investments. This "interest surplus" skim is substantial—$105 million this fiscal year, $135 million in '76-'77, and $165 million in '77-'78. The city's new Management Advisory Board is studying the actuarial demands. The result, say some experts, may be an increase in required payments, which this year were $1.1 billion, of from 20% to 30%.

The Control Board turned a blind eye to this fudging on the grounds that the city couldn't conceivably correct all its errors at once. By the same token, a true fiscal recovery will take much longer than the Banking Committee anticipates. Where lies the greater risk? In bankruptcy court, where the full deficit is openly acknowledged and a reasonable plan of recovery can be drawn up? Or on the Senate floor, where hidden loopholes stay hidden and the city is allowed a reprieve to stagger on to yet another fiscal crisis, in which the federal treasury may be tapped to make good the loans it has backed and inflation nationwide is made all the harder to control?

No one may fully know the consequences of a default on the nation's largest municipal budget, but we are equally sure that the same uncertainty applies to attempts to "rescue" the city. Both events are unprecedented, and in our opinion, the graver risks lie in believing you have solved the problem by more of the budgetary gimmickry that caused it in the first place.